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**June 15, 2007**

\*\*This edition of the COD Processing Update will remain on the [COD Web site](#) until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.\*\*

## *ACG, National SMART Grant, and Pell Grant Programs*

### COD News



**NEW!**

#### **2006-2007 National SMART Grant Deobligation Due to No Corresponding Pell Grant Warning Message (06/15/07)**

One of the eligibility criteria to be awarded a National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) is that the student must receive a Federal Pell Grant (Pell Grant) disbursement in the same award year. This requirement in 34 CFR 691.15(a)(2) is met if the student received a Pell Grant disbursement at any school he or she attended in the same award year. That is, the student is not required to receive the Pell Grant and the National SMART Grant at the same school.

To ensure that National SMART Grants have been awarded consistent with the Pell Grant eligibility requirement, each award year, Federal Student Aid will perform a Common Origination and Disbursement (COD) System-wide job that reduces to zero (\$0.00) all National SMART Grant actual disbursements made to a student who does not have a Pell Grant actual disbursement for that award year in the COD System. Federal Student Aid is ready to perform this job for the 2006-2007 Award Year because the majority of National SMART Grant and Pell Grant disbursements for the first and second payment periods of the 2006-2007 Award Year should have already been submitted to the COD System for processing.

#### **2006-2007 National SMART Grant Deobligation Due to No Corresponding Pell Grant Warning Message Processed on June 14, 2007**

On June 14, 2007, Federal Student Aid began processing a message to schools that have reported 2006-2007 National SMART Grant actual disbursements for a student who does not have a 2006-2007 Pell Grant actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on June 29, 2007.

Federal Student Aid sent the June 14, 2007 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class SGTX07OP. Additionally, Federal Student Aid



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sent a file of student records reported to the COD System that do not have a corresponding 2006-2007 Pell Grant actual disbursement in the Reconciliation Report message class SGRC07OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2006-2007 Pell Grant disbursements for affected students before June 29, 2007.

### ***Exception Process for No Corresponding 2006-2007 Pell Grant Due to R2T4 Calculation***

As schools are aware, National SMART Grant awards are included in the Return of Title IV Funds (R2T4) calculation for a student who withdraws from his or her educational program. The required priority order for returning unearned Title IV grants is as follows: Pell Grant, Academic Competitiveness Grant (ACG), National SMART Grant, and Federal Supplemental Educational Opportunity Grant (FSEOG).

The subsequent full repayment of a Pell Grant as a result of the R2T4 calculation and the priority order for Title IV grants (Pell Grant before National SMART Grant) do not make the student ineligible for the earned portion of a National SMART Grant. In such a case, the school must ensure that it has documented in its records the student's original amount of Pell Grant eligibility as well as the return of those funds consistent with the R2T4 regulations in 34 CFR 668.22.

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2006-2007 Award Year due to the documented full repayment of the Pell Grant as a result of an R2T4 calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by June 26, 2007. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and GAPS Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- National SMART Grant Award ID
- National SMART Grant Award Amount
- National SMART Grant Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for June 29, 2007.

An Electronic Announcement with this same information will be posted on the [Information for Financial Aid Professionals \(IFAP\) Web site](#). If you have any questions about the warning message or about submitting disbursements to the COD System, contact the COD School Relations Center.



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### **2006-2007 ACG Deobligation Due to No Corresponding Pell Grant Warning Message (06/14/07)**

One of the eligibility criteria to be awarded an Academic Competitiveness Grant (ACG) is that the student must receive a Federal Pell Grant (Pell Grant) disbursement in the same award year. This requirement in 34 CFR 691.15(a)(2) is met if the student received a Pell Grant disbursement at any school he or she attended in the same award year. That is, the student is not required to receive the Pell Grant and the ACG at the same school.

To ensure that ACGs have been awarded consistent with the Pell Grant eligibility requirement, each award year, Federal Student Aid will perform a Common Origination and Disbursement (COD) System-wide job that reduces to zero (\$0.00) all ACG actual disbursements made to a student who does not have a Pell Grant actual disbursement for that award year in the COD System. Federal Student Aid is ready to perform this job for the 2006-2007 Award Year because the majority of ACG and Pell Grant disbursements for the first and second payment periods of the 2006-2007 Award Year should have already been submitted to the COD System for processing.

### **2006-2007 ACG Deobligation Due to No Corresponding Pell Grant Warning Message Processed on June 13, 2007**

On June 13, 2007, Federal Student Aid began processing a message to schools that have reported 2006-2007 ACG actual disbursements for a student who does not have a 2006-2007 Pell Grant actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on July 6, 2007.

Federal Student Aid sent the June 13, 2007 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class AGTX07OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2006-2007 Pell Grant actual disbursement in the Reconciliation Report message class AGRC07OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2006-2007 Pell Grant disbursements for affected students before July 6, 2007.

### ***Exception Process for No Corresponding 2006-2007 Pell Grant Due to R2T4 Calculation***

As schools are aware, ACG awards are included in the Return of Title IV Funds (R2T4) calculation for a student who withdraws from his or her educational program. The required priority order for returning unearned Title IV grants is as follows: Pell Grant, ACG, National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), and Federal Supplemental Educational Opportunity Grant (FSEOG).

The subsequent full repayment of a Pell Grant as a result of the R2T4 calculation and the priority order for Title IV grants (Pell Grant before ACG) do not make the student ineligible for the earned portion of an ACG. In such a case, the school must ensure that it has documented in its records the student's original amount of Pell Grant eligibility as well as the return of those funds consistent with the R2T4 regulations in 34 CFR 668.22.



Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2006-2007 Award Year due to the documented full repayment of the Pell Grant as a result of an R2T4 calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by July 3, 2007. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and GAPS Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- ACG Award ID
- ACG Award Amount
- ACG Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for July 6, 2007.

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about the warning message or about submitting disbursements to the COD System, contact the COD School Relations Center.

### **2007-2008 Federal Pell Grant Payment And Disbursement Schedules [02/22/07 (Updated 05/21/07)]**

As explained previously in a number of Electronic Announcements posted on the [IFAP Web site](#), the Revised Continuing Appropriations Resolution, 2007, (P.L. 110-5) established the minimum and maximum Pell Grant amounts for the 2007-2008 Award Year. During the period May 11-12, 2007, Federal Student Aid updated the 2007-2008 COD System with the Pell Grant payment and disbursement schedules. As explained in [an Electronic Announcement posted on May 1, 2007](#), this additional COD System functionality supports the processing of Pell Grant awards for the 2007-2008 Award Year.

Although schools were temporarily delayed in the submission of 2007-2008 Pell Grant origination and anticipated disbursement records to the COD System, the COD System is now accepting and processing these records. When a school submits a 2007-2008 Pell Grant origination or anticipated disbursement record to the COD System, the record must include a Central Processing System (CPS) transaction number for a transaction that has been designated as "Pell Grant Eligible." If the record does not include a CPS transaction number for a transaction that has been designated as "Pell Grant Eligible," the COD System will reject the record.



**Note for EExpress Users:** As explained in [an Electronic Announcement posted on May 21, 2007](#), Federal Student Aid has posted EExpress 2007-2008, Release 3.0, an upgrade version that incorporates the 2007-2008 Pell Grant changes into EExpress Global, Packaging, and Pell functionality, on the [Federal Student Aid Download \(FSAdownload\) Web site](#). A school must upgrade to Release 3.0 **before creating and submitting Pell Grant origination (and corresponding anticipated disbursement) records in EExpress 2007-2008**. For complete information about EExpress 2007-2008, Release 3.0, refer to [the May 21st announcement](#).

At this time, Federal Student Aid wants to remind schools of the following disbursement-related information:

- A school may submit common records that contain anticipated disbursement information for 2007-2008 Pell Grant awards. As explained below, until June 21, 2007, the DRI value in these records must be equal to “False” in order to be accepted by the COD System.
- The COD System will accept actual disbursement records for 2007-2008 Pell Grant awards **beginning June 21, 2007**.
  - Prior to June 21<sup>st</sup>, the COD System will reject all actual disbursements (DRI value equal to “True”).
  - Beginning June 21<sup>st</sup>, Advanced Funded schools may submit actual disbursements for 2007-2008 Pell Grant awards. As a reminder, actual disbursements can be submitted up to 30 days before the disbursement date.
  - A school will be able to view and draw down 2007-2008 Pell Grant funds in the GAPS **on Monday, July 2, 2007**.



### **ACG and National SMART Grant Resources (06/15/07)**

As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the [2006-2007 COD Technical Reference](#) and the [2007-2008 COD Technical Reference](#). A school should refer to the [communications posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#) and to the 2006-2007 and 2007-2008 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007 and 2007-2008 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

- Financial Award ID and Financial Award Number (Award Sequence Number)  
Volume II, Section 1 “Implementation Guide”
- Citizenship and Student Level Code  
Volume II, Section 1 “Implementation Guide”



- Message Classes  
Volume II, Section 2 “Message Classes”
- Common Record Layout  
Volume II, Section 3 “Common Record Layout”
- Reports Generated by COD System  
Volume VI, Section 8 “COD Reports”
- Eligibility/Payment Reason and Rigorous High School Program Code for ACG  
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”
- Major/Classification of Instructional Program (CIP) Code for National SMART Grant  
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”

If your school needs help locating information related to the operational implementation of the ACG and National SMART Grant programs, contact the COD School Relations Center.

**Note for EDEExpress Users:** Volume III of the 2006-2007 and 2007-2008 COD technical references provides additional guidance for schools that use EDEExpress in combination with another system. If your school needs help locating information related to EDEExpress, contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).



### **Unlocking and Resetting COD Web Site Passwords (06/15/07)**

COD would like to remind COD Web site users that Security Administrators (COD Web site User Level 5) are able to unlock and reset passwords for the users (User Level 1-4) they established at their school or organization. However, if the Security Administrator needs his or her password unlocked or reset, the Security Administrator must contact the COD School Relations Center.

In order to unlock users, a Security Administrator should log in to the [COD Web site](#) and complete the following steps:

- Step 1: From the Welcome to Common Origination & Disbursement Web Site screen, click on the User tab on the blue bar at the top of the screen. The User Search screen displays.
- Step 2: Enter the search criteria for the user and click on the submit button at the bottom of the User Search screen. The Search Results screen displays and lists users that match the search criteria.
- Step 3: On the Search Results screen, select the name of the user that needs to be unlocked. The User Information screen displays.
- Step 4: Click on the Modify button at the bottom of the User Information screen. The Update User Profile screen displays.
- Step 5: The Locked Out box on the Update User Profile screen contains a checkmark. Click on the Locked Out box to remove the checkmark.



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- Step 6: If a new temporary password is not needed, skip this item and go to Step 7. If a new temporary password is needed, enter the new temporary password in the New Password field. Then re-enter the new password in the Re-enter New Password field to confirm. The user will need to change this password to one of his or her choosing.
- Step 7: Click on the submit button at the bottom of the Update User Profile screen. The Update Your Profile screen displays.
- Step 8: On the Update Your Profile screen, click on the Submit button to confirm the updates made to the user's profile.

This information is also posted on the COD Web site in a document entitled "Unlocking And Resetting COD Web Site Passwords." To access the document *before* you log in to the Web site, click on the "Click here if you are looking for more information on Common Origination and Disbursement" link. To access the document *after* you log in to the Web site, click on the "Today's Update" link at the bottom of the page.

Schools can refer to the Electronic Announcement on the IFAP Web site, <http://www.ifap.ed.gov/eannouncements/0201UpdatedCODWebsiteSchools.html>, for information regarding COD Web site access. Third party servicers can refer to the Electronic Announcement on the IFAP Web site at <http://www.ifap.ed.gov/eannouncements/UpdatedCODWebsiteThirdPartyServ.html>.

### Resolved Issues

#### **COD Web Site School Funding Information Screen Incorrect [06/07/07 (Updated 06/12/07)]**

Federal Student Aid previously discovered that the School Funding Information screen, the School Summary Information screen, and the funding information portion of the School General Information screen were displaying incorrect information for some schools for the 2006-2007 and 2007-2008 award years. A number of fields on these screens were populated with an incorrect value of \$0.

On June 11, 2007, Federal Student Aid performed a clean up of the affected screens and corrected the previously incorrect information. Federal Student Aid apologizes for any inconvenience this issue may have caused schools.

### Current Issues

#### **Unexpected Occurrences of COD Edit 11 and COD Edit 24 (06/14/07)**

Federal Student Aid has discovered and is researching an issue with Central Processing System (CPS) Transaction Numbers for certain student records submitted to the COD System. Schools should be aware that this issue may cause records to unexpectedly hit COD Edit 11 (No Eligible SSN, DOB, and Last Name Combination Match Found On CPS For Student) or COD Edit 24 (Reported CPS Transaction Number Does Not Match CPS) and reject.



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If a school receives an Edit 11 or an Edit 24 for a student for whom it has a valid Institutional Student Information Record (ISIR), the school should take the following actions, as applicable:

1. Verify that the student information (Name, Date of Birth, Social Security Number, and CPS Transaction Number) submitted to the COD System matches the student information in the ISIR.
2. ***If the information submitted to the COD System does not match the information in the ISIR***, research the discrepant information and submit a corrected record to the COD System.
3. ***If the information submitted to the COD System matches the information in the ISIR***, contact the COD School Relations Center for assistance.

The COD School Relations Center will initiate a process to reload the CPS record for the student into the COD System. Once the student's CPS record has been reloaded, the school will be informed that it is okay to resubmit the record to the COD System.

Federal Student Aid apologizes for any inconvenience this issue causes schools. Updates on this issue will be provided as Federal Student Aid completes its research and resolution of the issue.