

SESSION #8

Submitting the FISAP—It's a Balancing Act!

Alanna Nelson, Greg Gerrans, and Rebecca Meyers

U.S. Department of Education

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AGENDA

- 01 FISAP Basics
- 02 Federal Supplemental Educational Opportunity Grant (FSEOG) Program and Federal Work Study (FWS) Program Funding Highlights
- 03 FISAP and *CARES Act*
- 04 Some Key Data on the Federal Perkins Loan Program
- 05 Important Reminders When Reporting on the Federal Perkins Loan Program
- 06 FISAP, Part III:
 - Splitting the Cash
 - Expanded Field 28
 - Importance of FISAP Accuracy – Section A
 - Section A – A few common problems
 - Section C – Important to know
 - When can a school stop completing Part III?
- 07 Correcting the FISAP

FISAP BASICS

FISCAL OPERATIONS REPORT (*FOR THE PRECEDING YEAR*) AND APPLICATION TO PARTICIPATE (*FOR THE UPCOMING YEAR*)

Must be completed by schools that: (1) received FWS/FSEOG funds for the reporting year; or (2) are seeking FWS/ FSEOG funds for the application year; or (3) are still servicing their Perkins Loan portfolio.

Part I – Identifying Information and Certifications

Part II – Application to Participate

Part III – Perkins Reporting

Part IV – FSEOG Reporting

Part V – FWS Reporting

Part VI – Program Summary

Due annually on October 1; corrections due by December 15.

FISAP AND FUNDING

TIMELINE OF KEY FSEOG/ FWS FUNDING EVENTS:

- **December 15** – FISAP correction deadline for edits and resubmissions (any corrections beyond this date must be submitted through a “change request”)
- **February 1** – Tentative Funding worksheets are posted (schools should review these thoroughly)
- **Mid February** – Closeout occurs for FWS and FSEOG awards in G5 based on the 2019-20 Award Year expenditures reported on the FISAP submitted on November 2, 2020
- **April 1** – Final Funding worksheets are posted

FISAP AND FUNDING: APPLICATION YEAR

FWS AND FSEOG FUNDING FORMULAS



2020-21 Final Funding Authorizations EA:

<https://ifap.ed.gov/electronic-announcements/032720finalfundauthorforcbprograms2021>

FISAP AND FUNDING: APPLICATION YEAR

FWS AND FSEOG FUNDING FORMULAS

PART II – APPLICATION TO PARTICIPATE

- In Part II, schools make FSEOG and FWS funding request amounts for the application year, and they report on data from the prior year that is used in the funding formula.
- Report on total enrollment, tuition and fees, Federal Pell Grant expenditures, and eligible aid applicants by income category.
- Changes to data can prompt changes in funding levels.
- Validation edits are triggered if there are any significant changes in a school's data from the prior year.
- CHECK TENTATIVE FUNDING WORKSHEETS!

FISAP AND FUNDING: REPORTING YEAR

ANNUAL CLOSEOUT PROCESS

Part IV:

E. Use of FSEOG authorized

17. Expended FSEOG authorization (fields 4 + 8 + 9 + 10 + 16) minus (fields 2 + 3 + 5 + 6 + 7)

18. Unexpended FSEOG authorization (field 1 - field 17) (cannot be negative)

Field 17 = Total Amount Drawn in G5

Field 18 = Remaining Balance in G5

Part V:

E. Use of FWS Authorization

18. Expended FWS authorization (fields 4(a) + 4(b) + 4(c) + 8 + 9 + 10 + 17) minus (fields 2 + 3 + 5 + 6 + 7)

19. Unexpended FWS authorization (Field 1 - Field 18)

Field 18 = Total Amount Drawn in G5

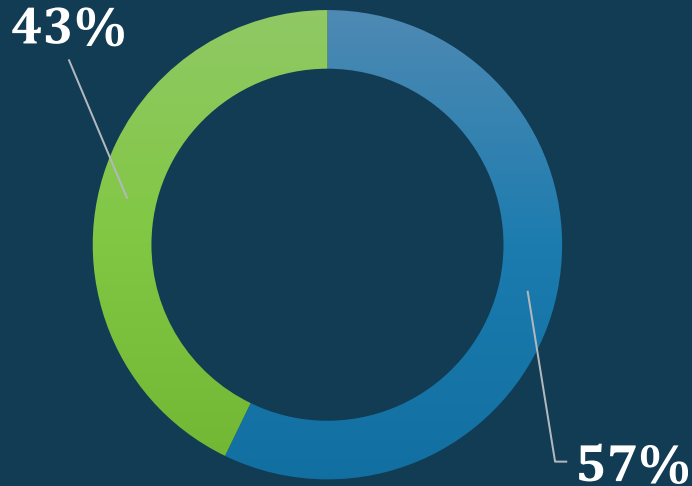
Field 19 = Remaining Balance in G5

FISAP AND THE CARES ACT

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

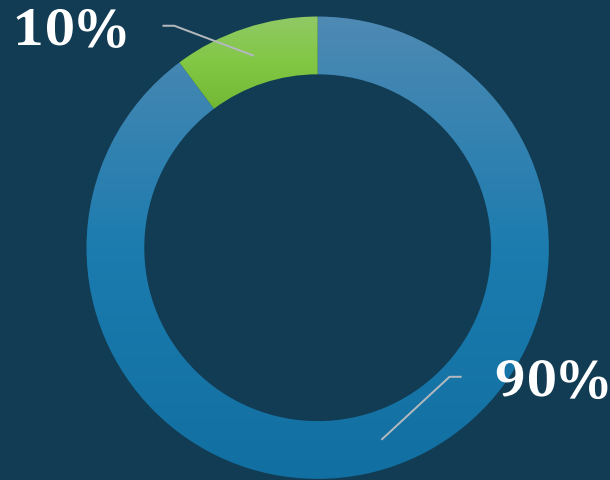
- Several Campus-Based flexibilities were extended
- No changes were made to the FISAP or FISAP Instructions based on these provisions.
- Certain FISAP Validation Edits may have been prompted as a result of utilizing these flexibilities.
- Reporting guidance was provided in the August 3, 2020 Electronic Announcement:
<https://ifap.ed.gov/electronic-announcements/080320FisOperRpt1920AppPartici2122FISAPRptInstCARESAct>

PERKINS LOAN PROGRAM: KEY STATS ON PORTFOLIO



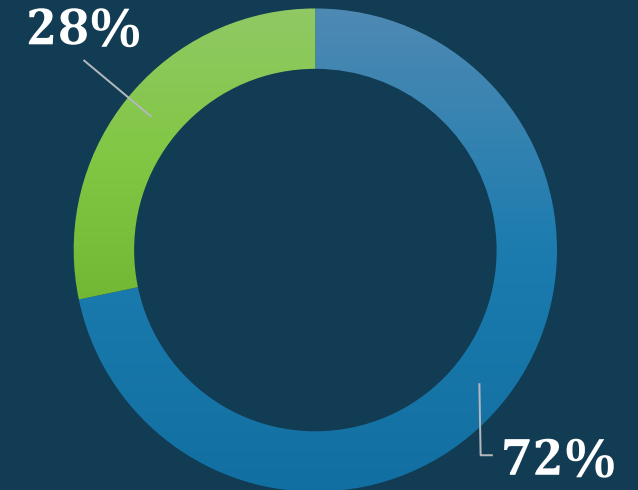
43%

Approximately 43% of schools that have participated have liquidated.



10%

About 10% of the 1,311 schools with remaining Perkins portfolios are liquidating.



28%

Of the school-held portfolio, 28% of the loans reported are defaulted.

PERKINS LOAN PROGRAM: KEY ACTIVITY

ASSIGNMENT OF FEDERAL PERKINS LOANS IN DEFAULT FOR TWO OR MORE YEARS

- Schools are required to assign nonperforming loans to the Department per Federal Student Aid's September 16, 2019 Electronic Announcement.
- The Department is again assessing defaulted loan data as reported on the FISAP.

PERKINS LOAN PROGRAM: KEY ACTIVITY

FEDERAL PERKINS LOAN REVOLVING FUND DISTRIBUTION OF ASSETS

- Timeline for Distribution of Assets will be similar to last year's timeline.
- Institutions should NOT remove and return any funds to the Department or the institution until the institution has been notified to do so.
- The Department is assessing amounts for reimbursement for Perkins Loan service cancellations and will notify accordingly.

PERKINS LOAN PROGRAM: IMPORTANT REMINDERS

TO KEEP IN MIND ON REPORTING OF PERKINS:

1) A school that continues servicing its Perkins Loan portfolios must continue to:

- Service the loans in accordance with the statutory provisions and regulations
- Report its outstanding loan portfolio using the FISAP
- Report loans to NSLDS®

2) The FISAP is the official historical system of record for a school's Perkins portfolio and the Perkins Revolving Loan Fund (Perkins Fund).

- Section A – cumulative fund balance (debits and credits)
- Section B – annual activity
- Section C – cumulative repayment information on the portfolio – *only has borrower counts – no student loan level detail, and each borrower is only counted once*

PERKINS LOAN PROGRAM: IMPORTANT REMINDERS

TO KEEP IN MIND ON REPORTING OF PERKINS *CONTINUED:*

- 3) A school must complete Part III of the operations report of the FISAP if:
 - it continues participation, or rather continues to hold a Perkins Loan Program portfolio, **OR**
 - it is in the process of liquidating its Federal Perkins Loan Fund.
- 4) To complete the FISAP, a school will rely upon its own records in addition to reports it may receive from a third-party servicer that services the portfolio.
 - Some of the information can only come from the school.
 - Some of the information comes from servicer.
- 5) It is the school's responsibility to ensure the required reporting is completed accurately and in a timely manner, and that its Perkins Fund balances.



PERKINS LOAN PROGRAM: IMPORTANT REMINDERS

TO KEEP IN MIND ON REPORTING OF PERKINS *CONTINUED:*

§ 674.48 Use of contractors to perform billing and collection or other program activities

A school is reminded that it is responsible for compliance of any duties performed by its servicer related to the administration of its Federal Perkins Loan portfolio, including decisions regarding cancellation, postponement, or deferment of repayment, extension of the repayment period, other billing and collection matters, and the safeguarding of all funds collected by its servicer.

A school's billing servicer should provide statements at least quarterly to the institution that shows:

- borrower activity
- any changes in borrower info
- amounts collected

PERKINS LOAN PROGRAM: FISAP, PART III

SPLITTING THE CASH – WHO IS OWED WHAT?

NET CAPITAL



FEDERAL MONEY IN

Federal Capital Contribution (FCC): any federal allocated dollars from Perkins funding to a school over time



FEDERAL MONEY OUT

Any repayments made by the school back to the federal government due to past excess cash or distributed cash



SCHOOL MONEY IN

Institutional Capital Contribution (ICC): any required matching dollars plus any overmatching or any loans to the Perkins Fund over time



SCHOOL MONEY OUT

Any repayments made by the school to itself due to past excess cash, repayment of short-term loan funds, or distributed cash

CASH IS SPLIT PROPORTIONATELY TO THE AMOUNT OF CAPITAL THAT MADE UP THE PERKINS FUND TRACKED HISTORICALLY AND CUMULATIVELY ON THE FISAP

PERKINS LOAN PROGRAM: FISAP, PART III

SPLITTING THE CASH – WHO IS OWED WHAT? *CONTINUED*

Part III, Section A FISAP Data Used to Calculate Federal and Institutional Share Percentages (2021—22 FISAP)

Field Item	Amount (a)	Number of Borrowers (b)	Debit Balances (c)	Credit Balances (d)
27. Federal Capital Contributions				\$ _____ → Cumulative capital contributed by the federal government
28.1 Repayments of fund capital to federal government	\$ _____			
28.2 Service cancellation reimbursement received on or after 07/01/2019	\$ _____			
28.3 Total of fields 28.1 and 28.2			\$ _____ → Cumulative repayment of capital contributions to the federal government	
29.1. Short-term loans to the Fund	\$ _____			
29.2. ICC deposited to the Fund	\$ _____			
29.3. Institutional Capital Contributions				\$ _____ → Cumulative capital contributed by the school
30.1. Repayment of short-term loans to the fund	\$ _____			
30.2. Repayments of excess/liquidated fund capital to Institution	\$ _____			
30.3. Repayments of fund capital to school			\$ _____ → Cumulative repayment of capital contributions to the school	

Field 27(d) – Field 28.3(c) = Net Federal Capital Contribution (Net FCC)

Field 29.3(d) – Field 30.3(c) = Net Institutional Capital Contribution (Net ICC)

Net FCC / Net FCC + Net ICC = Federal Share Percentage

Net ICC / Net FCC + Net ICC = Institutional Share Percentage

PERKINS LOAN PROGRAM: FISAP, PART III

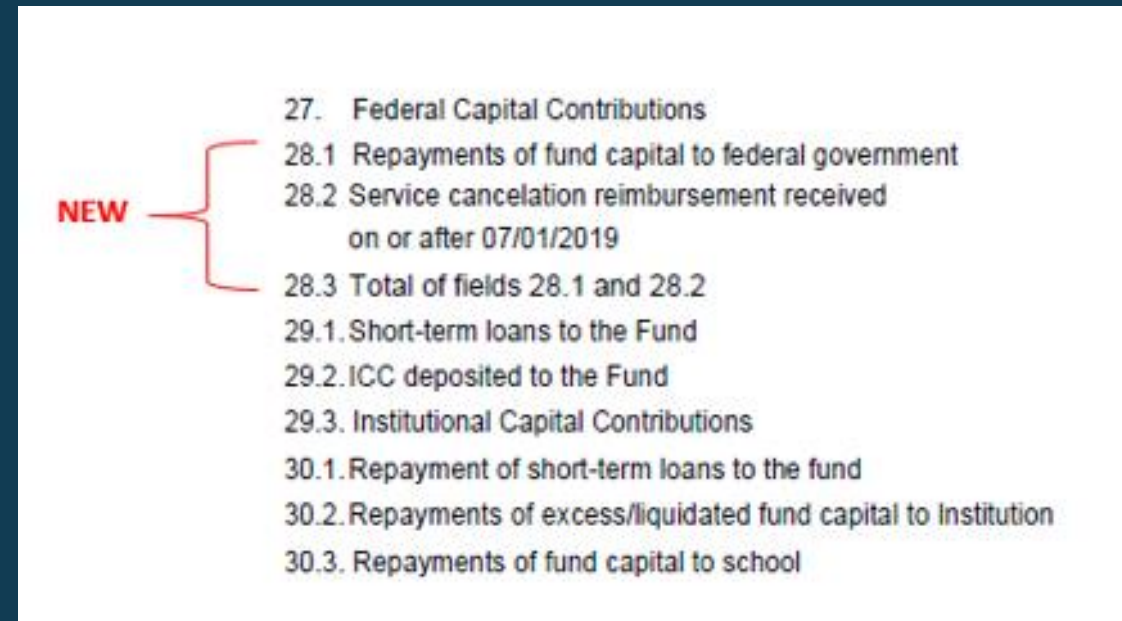
EXPANDED FIELD 28

28.1 REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT

28.2 SERVICE CANCELTION REIMBURSEMENT RECEIVED ON OR AFTER 07/01/2019

Schools that had enough collections this past reporting cycle may have received an allowable service cancellation reimbursement from the Perkins Fund.

- Report the CUMULATIVE amount (federal share) repaid to the federal government—of excess liquid capital, distribution of assets, or liquidated fund capital—through June 30, 2020.
- Report the CUMULATIVE amount of service cancellation reimbursements received from the Department after July 1, 2019.



PERKINS LOAN PROGRAM: FISAP, PART III

EXPANDED FIELD 28 *CONTINUED*

- Distribution of assets notifications advising schools of the federal share amount due from the Perkins Fund also advised eligible schools of the amount the school could reimburse itself for service cancellations.
- Schools with certain FISAP errors were not eligible for cancellation reimbursement and did not receive notification.
- Service cancellation reimbursements after 2019 are no longer deposited into Perkins Fund (so are not reported in Field 33 as *reimbursement to the Perkins Fund*).
- Instead, the institution's share of the reimbursement went directly to the school, so reimbursements received after 2019 are reported in Field 28.2, "*Service cancellation reimbursement received on or after 07/01/2019*".
- Reimbursed amount is based on the institutional share of unreimbursed SEC 465 cancellations (Section A, Fields 36-48).

General Ledger Note: Schools may want to include information as a footnote to the "Repayments to Federal Government" ledger account regarding the institution's share of cancellations that was reimbursed, or create a new account, in the school's accounting system.

PERKINS LOAN PROGRAM: FISAP, PART III

IMPORTANCE OF FISAP ACCURACY: SECTION A

- Section A is a school's cumulative fiscal report and official accounting of the funds the school has been given and has used for its Federal Perkins Loan Program.
- Section A must balance and should mirror the school's double-entry accounting of Perkins Fund cash transactions.
- The change in a school's cash on hand balance from one year to the next must be supported by equal changes in the fields that correspond with the source of the cash or the expense for which the cash was used.
- A school must use its general ledger and accounting records to complete Section A and should not depend solely on a third-party servicer's reports.
- FISAP instructions are an invaluable resource and include the correct offset field(s) to use in all field instructions for Section A.
- Remember, a school's CEO/president signs the FISAP attesting to the accuracy of the data.
- Note: As the program winds down, a school may be asked to correct FISAP issues that began on previous years' FISAPs.

PERKINS LOAN PROGRAM: FISAP, PART III

SECTION A – COMMON PROBLEMS

PROBLEM: SECTION A DOES NOT BALANCE WITHOUT THE USE OF A BALANCING ADJUSTMENT FIELD (FIELD 56 OR 57).

- Because all cash going out of or coming into the Perkins Fund has a corresponding field that offsets the decrease or increase to the cash, Section A should balance without the use of a balancing adjustment field.
- Field 56 and Field 57 are to be used only to report an activity that is not captured in any of the other fields. (VALID ACTIVITIES AND/OR REASONS FOR USING FIELD 56 AND FIELD 57 ARE VERY RARE.)
- Reporting in Field 56 or 57 means the amount of cash reported is not supported by the cumulative data being reported in the other fields in Section A.
- If a school is using the balancing adjustment field to report additional cash it added, this will cause a school to be shortchanged when the cash in the Perkins Fund is distributed (more details on next slide).

PERKINS LOAN PROGRAM: FISAP, PART III

SECTION A – COMMON PROBLEMS *CONTINUED*

PROBLEM: SCHOOL DID NOT PROPERLY REPORT ADDITIONAL CASH CONTRIBUTED

- A frequent error is using Field 57, Field 3, or another field to report additional cash added to the program or to the Perkins Fund by school.
- If additional cash was not reported as institutional capital contribution (ICC), the school will not be repaid for it when cash is distributed.
- If a school added cash at any time in the past to its Perkins Loan Program to cover awards made, this must be reported as additional ICC in the form of a short-term loan to the Perkins Fund (reported in Field 29.1).
- Similarly, if a school needed to compensate for a negative cash on hand balance at any time in the past, that amount should also have been reported as a short-term loan to the Perkins Fund in Field 29.1.
- Repayment to the school for this cash must be reported as repayment of short-term loans in Field 30.1.

PERKINS LOAN PROGRAM: FISAP, PART III

SECTION A – COMMON PROBLEMS *CONTINUED*

PROBLEM: SCHOOL DID NOT REPORT THE REPAYMENT OF FEDERAL CAPITAL AND/OR THE REPAYMENT OF INSTITUTIONAL CAPITAL CORRECTLY

- Remember, the fields for the repayment of federal capital and the repayment of institutional capital are **cumulative**, so annual amounts of repayment must be added to cumulative amounts reported on the previous year's FISAP.
- Use school accounting records to make sure the current amount of repayments reported includes all previous repayments to date.

PERKINS LOAN PROGRAM: FISAP, PART III

SECTION A – COMMON PROBLEMS *CONTINUED*

Correct reporting of the repayment of federal and institutional capital:

Repayment of institutional share to school:

- ✓ Decrease to *Cash on Hand* (Field 1.1)
- ✓ Increase to *Repayment of excess/liquidated fund capital to institution* (Field 30.2)

Repayment of federal share to government:

- ✓ Decrease to *Cash on Hand* (Field 1.1)
- ✓ Increase to *Repayments of fund capital to federal government* (Field 28.1 prev. 28)

And, if a school received reimbursement for service cancellations (2019 and later):

Payment of service cancellation reimbursement to school:

- ✓ Decrease to *Cash on Hand* (Field 1.1)
- ✓ Increase to *Service cancellation reimbursement received on or after 07/01/2019* (Field 28.2 - 2021-22 FISAP and later)

PERKINS LOAN PROGRAM: FISAP, PART III

SECTION C – IMPORTANT TO KNOW

- Schools must ensure that borrower and loan balance data reported in Section C are accurate.
- Schools must also ensure that borrower and loan balance data reported to NSLDS are accurate.
- Data reported in Section C as of June 30 should be the same data as in NSLDS as of June 30.
- **REGULAR RECONCILIATION BETWEEN SCHOOL LOAN RECORDS AND NSLDS IS A MUST!**
- **Tip:** School should regularly request reports from its servicer of the open loans it is servicing and should reconcile with NSLDS open loans report.

Section C. Cumulative Repayment Information as of June 30, 2020

<u>Status of Borrowers as of June 30, 2020</u>	Amount (a)	Number of Borrowers (b)	Amount Lent (c)	Principal Amount Outstanding (d)
1.1. Borrowers whose loans are fully retired			\$ _____	
1.2. Loans that have been purchased	\$ _____			
2. Borrowers whose loans were assigned to and officially accepted by the U.S. Department of Education as of June 30, 2020 (Note: Field 2 equals the sum of Field 2.1 plus Field 2.2.)			\$ _____	\$ _____
2.1. Assignments due to default or liquidation			\$ _____	\$ _____
2.2. Assignments due to total and permanent disability discharge			\$ _____	\$ _____
3. Total borrowers not in repayment status		_____		\$ _____
4. Borrowers on schedule in repayment status		_____		\$ _____
5.1. In default less than 240 days (monthly installments) or less than 270 days (other installments)		_____	\$ _____	\$ _____
5.2. In default 240 days or more (monthly installments) or 270 days or more (other installments), up to 2 years		_____	\$ _____	\$ _____
5.3. In default more than 2 years but not more than 5 years		_____	\$ _____	\$ _____
5.4. In default more than 5 years		_____	\$ _____	\$ _____

- **A SCHOOL IS RESPONSIBLE FOR ACCURATE NSLDS REPORTING ...EVEN IF A SERVICER IS USED**

PERKINS LOAN PROGRAM: FISAP, PART III

SO WHEN CAN A SCHOOL STOP COMPLETING PART III?

IF A SCHOOL HAS NOT OFFICIALLY LIQUIDATED AND CLOSED OUT ITS PERKINS LOAN PROGRAM, THEN A SCHOOL MUST COMPLETE PART III.

OFFICIALLY LIQUIDATED = School must COMPLETE ALL STEPS in the liquidation process and must have an official LETTER OF COMPLETION.

Refer to the Perkins Loan Program Assignment and Liquidation Guide on IFAP for detailed liquidation instructions:

<https://ifap.ed.gov/sites/default/files/attachments/2019-07/PerkinsAssignmentandLiquidationGuide.pdf>

Email

PerkinsLiquid@ed.gov

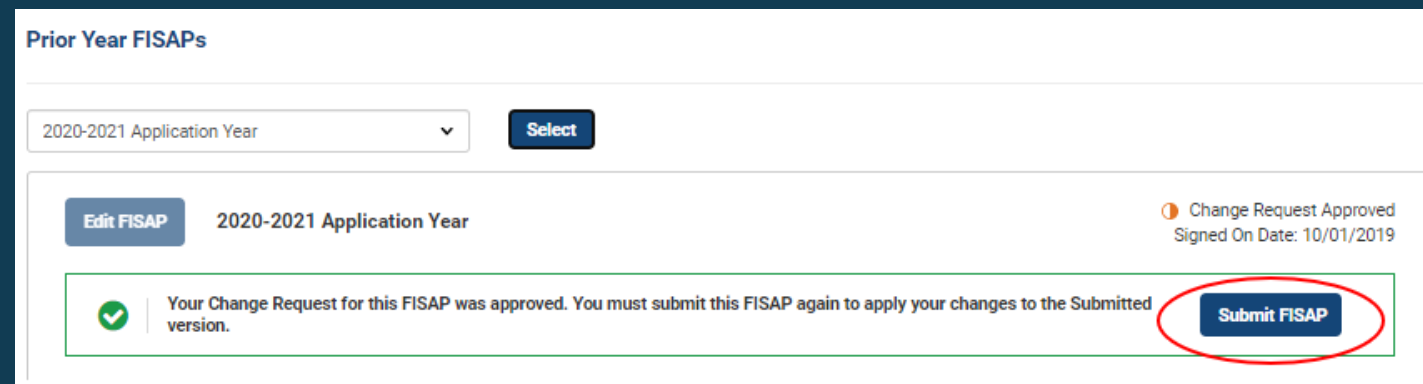
for questions about
liquidation

MAKING CORRECTIONS TO THE FISAP

2021-2022 FISAP: FISAP can be changed and resubmitted through December 15, 2020

Previous years' FISAPs: FISAP change request is required

- COD > School > Campus-Based System (on left side) > FISAP Dashboard > Select the FISAP to correct
- Make the desired correction(s) to the FISAP and submit.
- If the December 15 revision deadline has passed, system will prompt school to submit a FISAP Change Request.
- Provide detailed explanation of the change/correction and be sure to include the FISAP part, section, and field numbers that have been changed.
- Submit the change request.
- FSA will review the requested change.
- If approved, school will receive an email advising the approved change.
- School then needs to go back to the FISAP dashboard in COD and resubmit the final approved FISAP.



The screenshot shows the 'Prior Year FISAPs' section of a web application. At the top, there is a dropdown menu for '2020-2021 Application Year' and a 'Select' button. Below this, there is a row with an 'Edit FISAP' button, the text '2020-2021 Application Year', and a notification icon with the text 'Change Request Approved Signed On Date: 10/01/2019'. A green-bordered box contains a green checkmark icon, the text 'Your Change Request for this FISAP was approved. You must submit this FISAP again to apply your changes to the Submitted version.', and a 'Submit FISAP' button which is circled in red.

Submitting the FISAP—It's a Balancing Act!

THANK YOU FOR ATTENDING

Contact Information

Alanna Nelson: Alanna.Nelson@ed.gov

Greg Gerrans: Greg.Gerrans@ed.gov

Rebecca Meyers: Rebecca.Meyers@ed.gov

COD School Relations Center: 1-800-848-0978, CODSupport@ed.gov