

A. Chapter Overview

We are currently working on initiatives for redesigning the following core business processes:

- ◆ Title IV Origination and Disbursement
- ◆ Human Resource Management
- ◆ Contract and Acquisition Management
- ◆ Facilities Management

The Revised business models and high-level processes for these initiatives are found in Sections B through D. These models and processes are still under discussion with the community. Therefore, the detailed business requirements remain as they were in the previous edition of the Blueprint until further details are defined and agreed upon

This chapter describes the capabilities SFA needs to achieve its mission of helping to put America through school. These capabilities are described as business requirements. Business requirements are used in the Modernization Blueprint to identify specific components of the target technical architecture described in the next chapter; they are presented in this chapter in several levels of detail.

Section B of this chapter describes how the SFA business requirements were developed. A summary of the major improvements to SFA business processes that will occur through modernization is also presented. These improvements will affect how students, schools, and financial partners interact with SFA. Some of the activities, currently performed by SFA employees will change as well.

In Section C, SFA business requirements are described at the highest level. In the beginning of this section, a new SFA business model is presented. This business model is a conceptual representation of how SFA business processes will be organized in the future. The business model outlines five functional areas that the target technology architecture must support: Student Services, School Services, Financial Partner Services, Performance Management, and Enterprise Services. Each of these functional areas is described in this section and then divided into groups of activities that are described as business processes and supporting functions.

In Section D, business requirements are described in greater detail. Each business process or supporting function is reduced into subprocesses. A graphical depiction of each business process is provided to show SFA's view of business relationships. In Chapter IV a more technical depiction of business processes is presented. Detailed business requirements are then presented in tables for each of the subprocesses.

In Section E, implementation requirements statements for SFA Release 1.0 are provided. This section contains Level III requirements statements and specifications for five initiatives/projects that SFA is planning on implementing within fiscal year 2000. The five projects are Ombudsman Call Tracking System, Links to Financial

Planning Sites, FAFSA Web Changes, SFA Financial Management System, and Digital IDs Registration. Level III design statements and specifications for the same five initiatives/projects appear in Chapter IV. Together these documents will serve as a high-level guide and project plan to facilitate rapid and successful implementation of these projects.

Objectives for the Chapter

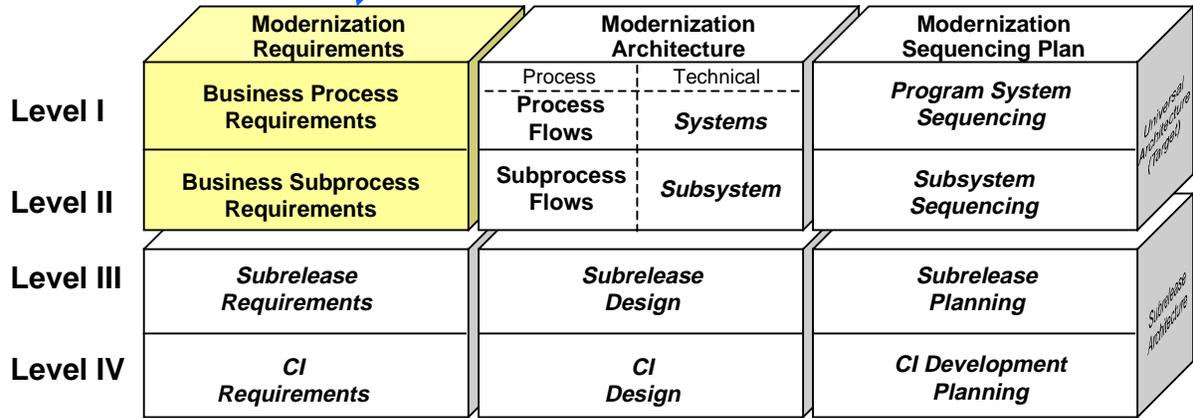
- ❖ Describe how the SFA business requirements were developed
- ❖ Summarize the key improvements to SFA business processes to be made possible through modernization
- ❖ Present a new SFA business model to serve as an organizing framework for the business requirements
- ❖ Describe SFA operations as set of business processes
- ❖ Provide a detailed list of business requirements for specific subprocesses

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Overview of the Modernization Blueprint

*This chapter describes the
Modernization Requirements*



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B. Summary of New Business Requirements

SFA's current operations are hampered by out-of-date technology. A "tangled hairball" of stovepipe systems limit SFA's ability to serve students, work with schools and the financial community, and provide the accountability that taxpayers demand. Fortunately, technologies have been developed over the past 5 to 10 years that SFA can use to untangle this "hairball" of systems. Dramatic service improvements can be made by leveraging the Internet and new technology to improve the way information is shared and managed. As information flows more easily within and among SFA, its business partners, schools, and students, business processes can be streamlined for students, schools, and financial partners. In addition, new services can be provided for SFA's customers and partners.

SFA cannot streamline its processes without developing new operational capabilities. These capabilities are required if SFA is to fulfill its mission. In this chapter, these new capabilities are described as a set of business requirements. In the Modernization Blueprint, business requirements are used to identify specific components of the target technical architecture.

How Were These Business Requirements Developed?

Over the past 4 years, many individuals have been involved in the process of identifying future SFA business requirements. Their efforts culminate in the development of the Modernization Blueprint. The primary sources of information used to define the business requirements described in this chapter include:

- ❖ **Project EASI (Easy Access for Students and Institutions)** has been a joint effort among the Department of Education, students, educators, and the business community over the past several years to document current processes and to determine what functional areas should be reengineered. Business requirements were identified in Project EASI for five critical sets of activities including Aid Application, Aid Origination and Disbursement, Loan Repayment, Financial Services, and Program Management and Oversight. Business requirements identified in the Modernization Blueprint build on this core set of requirements.
- ❖ **Access America for Students** is a pilot project to provide common electronic access and service delivery for federal agencies, schools, and other entities serving postsecondary students. The Access America project builds on some of the ideas generated in Project EASI. As new concepts are tested in Access America pilots and adopted by SFA, business processes are likely to change. Business requirements that may change as a result of the Access America pilots are identified in the Modernization Blueprint.
- ❖ **Workshops** held with SFA management to review the Project EASI documentation and to identify any new business requirements. These workshops were organized around specific functional areas and involved groups of

10-15 managers. In some of the workshops, new sub-processes were identified and business requirement definitions were edited. These changes are reflected in the Modernization Blueprint.

- ❖ The **Joint Financial Management Improvement Program (JFMIP)** is a joint and cooperative undertaking of the U.S. Department of the Treasury, the General Accounting Office, the Office of Management and Budget, and the Office of Personnel Management to improve financial management practices in government. JFMIP has developed a number of reports, which establish standards for financial system requirements across government agencies. These reports formed the basis for the financial management business requirements defined in the Modernization Blueprint.
- ❖ Output from a number of **ongoing initiatives** was also used to define SFA business requirements. Some of these initiatives include the *SFA Customer Service Task Force*, the *SFA Ombudsman* project, and the current *SFA Organizational Redesign* project. To the extent possible, feedback from current pilot projects such as the *California and New York Mentor* project and the *Colorado PEPPER* project were incorporated in the business requirements. The business requirements may change as SFA learns from these initiatives over the coming months.
- ❖ SFA will adopt **industry best practices** in a number of functional areas through modernization. As the Modernization Blueprint has been developed, research has been conducted to identify best practices from both the public and private sectors. This research has shaped many of the business requirements, particularly those functional areas where less analysis had been performed previously (e.g., Performance Management and Enterprise Services).

The Modernization Blueprint serves as a management tool to integrate all process and technology improvement projects. As new business requirements are identified, they will be folded into the Modernization Blueprint. As a result, the business requirements listed in this chapter are likely to converge with the future state of our vision over time.

Summary of Major Improvements to Business Processes

In the future, students and their parents, schools, and financial partners will find it easier to do business with SFA. Students and their parents will be able to make more informed decisions about education financing. Once they make the decision to seek financial aid, students and their families will find it much easier to apply for and obtain aid. Schools will have improved access to the information they need to serve their students. Schools will be able to provide better services to students at a lower cost as result of the paperless exchange of funds and information with the federal government. The financial community will be able to leverage the investments they have already made in commercial technologies to streamline their interaction with SFA. Modernization will not only benefit SFA's customers and partners, but SFA

employees as well. Employees will be given the tools they need to be productive in a high performance work environment within Government's first Performance-Based organization. As a result, SFA employees will be given the opportunity to develop personally and professionally in the modernized SFA. Some of the major changes to SFA business processes are described below.

Major Changes From the Student's Perspective

Students and their families will be provided earlier education about financial aid. From elementary school onward, children and their families will be informed that post-secondary education is readily accessible and affordable given the vast array of financial aid programs available. They will have access to information and educational materials directly through their schools and at their fingertips on the Web.

Students and families will be able to choose the communication method that is best for them as they begin the financial aid planning and application process. While the primary focus will always be self-service, aid information through the school financial aid administrators will be facilitated by a modernized SFA. SFA will provide easy-to-use technology through the Internet as well as call systems, available 24 hours daily, to answer financial aid questions and simplify the application process.

Self-servicing options through the Web and sophisticated telephone systems will allow students to get the financial aid information they need, when they need it, day or night. A few examples of the tools and assistance available include:

- ◆ Online "Personal Assistant" Help—As students enter the SFA Web site, this handy automated search engine will quickly direct them to resources, provide answers to their questions, and will point out helpful hints to speed the financial aid process. For students who do not have access to a personal computer or the Internet, a toll-free number will be available. A call to this number will link students to a customer service representative who will use the "personal assistant" to help provide answers.
- ◆ Online Financial Planning Tools—No longer will students have to wait for someone else to tell them what options are available to finance their education. By providing access from SFA's site to other sites' existing online tools, students will be able to build aid and repayment scenarios at home with their parents, so they can truly understand how aid decisions will impact their financial future. Ongoing alternative outreach efforts will continue to target students and families without access to the Internet.
- ◆ Electronic Forms Signature and Submission—A Modernized SFA will not only provide easy access to information but quick, no-hassle aid application as well. An electronic signature on a student's Web-created aid application will eliminate the need for submission of paper forms. Electronic submission of the FAFSA, as well as electronic signing of loan promissory notes, will mean students will not only be able to do preliminary estimates but will also be able to link schools and lenders who will provide actual financial aid packages and delivery of funds.

Major Changes From the Schools' Perspective

Through the use of portal technology, students and schools will deliver targeted, up-to-date information and assistance based on the specific needs of each student and school. Other changes include:

- ◆ A student account history, providing a view all title IV aid information, that can be accessed either by school administrators or directly by students. The account tracks enrollment, disbursement, and repayment transaction information. The account displays information from various lending sources and presents this data seamlessly to applicants and students.
- ◆ Paperless interaction between SFA and schools, providing a streamlined aid process. FAFSAs, SARs and cohort default rate review information will all be provided electronically.
- ◆ Automated enrollment verification, solving the problem of students not receiving loan deferments to which they are entitled. This will help reduce “technical defaults.”
- ◆ Self-service and performance-based reviews, alleviating burdensome review processes for schools. School administrators will have appropriate access to their SFA profile. SFA supplied risk management tools will enable schools to identify performance trends including delinquency and default based on current and historic data. With these tools, schools will have the ability to help current and former students, as well as to proactively improve their SFA standings using data that reconciles directly with SFA records. Performance-based reviews will reduce the number and frequency of SFA program reviews of schools. Instead, the SFA and its partners will agree to a limited number of key performance indicators and tolerance levels. Schools that meet or exceed these targets through pro-active self-auditing efforts and corrective action will be less subject to SFA audits—thereby focusing SFA resources on the schools in most need of guidance and support.
- ◆ Dedicated School Service Representatives. This ensures a human element is not lost as SFA expands access to technology-based tools for schools. Aid experts will be on hand to address special issues or problems that can not be resolved by the school financial aid administrator or through SFA supported technology tools.

Major Changes From the Financial Partners' Perspective

SFA and its financial partners will take advantage of commercially available systems and services to:

- ❖ Create common business rules for origination and disbursement
- ❖ Share data related to the status of the loan portfolio as well as individual borrower records
- ❖ Automatically create deferments as borrowers transfer among schools
- ❖ Implement electronic signature technology to eliminate paper processing of critical financial aid forms

Self-service through the Internet will allow financial partners to communicate with and obtain information from SFA quickly and easily. Electronic reporting will reduce the burden to lenders through less paperwork. Speedier turnaround on these reports translates into quicker payments to the institutions. Finally, SFA's guaranty agency and lender reviews will be based on shared data about the institution's loan portfolio, thereby reducing the time and effort needed to reconcile information.

Improved debt management tools reduce total system costs for financial partners, schools, and SFA. Students will be linked to the lenders that hold their loans via an online network. A customized Web site, linking SFA to lender, guarantor, and servicer sites, will provide proactive debt management tools that:

- ❖ Inform borrowers of all their repayment options, including standard, graduated, extended, and income-contingent payment plans
- ❖ Enable the student to link to online providers which calculate estimated monthly payments based on loans held across lenders
- ❖ Dynamically factor in non-student loan debt to augment the debt management plan
- ❖ Provide information on available payment methods, including automatic debit, payroll deduction, or debit card transactions
- ❖ Offer information related to loan consolidation alternatives

Major Changes From the SFA Employee's Perspective

Technology will facilitate communication through all levels and parts of the organization. SFA will regularly communicate its vision, mission, strategies and goals to ensure a common direction. Communication systems will be geared toward providing employees with up-to-the-minute information on everything from SFA overall performance data to the date of the office picnic. Plus, employees will have an open line to the COO and other senior managers so that their concerns and ideas get a quick response.

Employees will work together in new ways enabled by new technological tools. Team members from headquarters and the regions will work together on projects through a Web-based collaborative workspace. Discussions on different topics will be held in various chat rooms with everyone's work products available online. Video-conferencing will allow the team to meet face-to-face. One of the simplest and most useful new tools will be an online directory of employee knowledge and skill sets. This will allow employees to find an SFA expert on any topic. Employees will be able to use this new system to select team members for special projects.

Career Enhancement—Employees will not be left behind in the rush to modernize. Everyone will get the basic training they need—from business writing to high-tech computer applications. Tailored training for specialized SFA jobs will also be available.

Performance Evaluation—As a Performance Based Organization (PBO), SFA will measure its business success in terms of customer satisfaction, employee satisfaction and cost minimization. Automated systems will provide employees and managers with current feedback on many measures, including SFA's internal program costs. Information technology will give employees easy access to cost accounting data and analytical tools that will enable them to identify and pursue potential savings.

Implementing these improvements will affect most of SFA's current business processes. The next section describes at a high level how each functional area will change as a result of modernization.

C. Business Process Requirements—Level I

In this section, business requirements are presented at the highest level. The SFA Business Model is introduced and then used as an organizing framework for the rest of this chapter. High level requirement descriptions are provided for SFA's five critical functional areas as well as the processes and support functions that make up the five functional areas. In Section D, these processes are divided into subprocesses. Detailed lists of business requirements are then provided for each subprocess.

Overview of the SFA Business Model

The SFA business model shown in the graphic following this section is a conceptual representation of all activities performed by SFA employees. Activities are grouped into key processes and supporting functions. These processes and functions are then logically grouped into five critical functional areas that the technical architecture must support. The five functional areas include: Student Services, School Services, Financial Partner Services, Performance Management, and Enterprise Services.

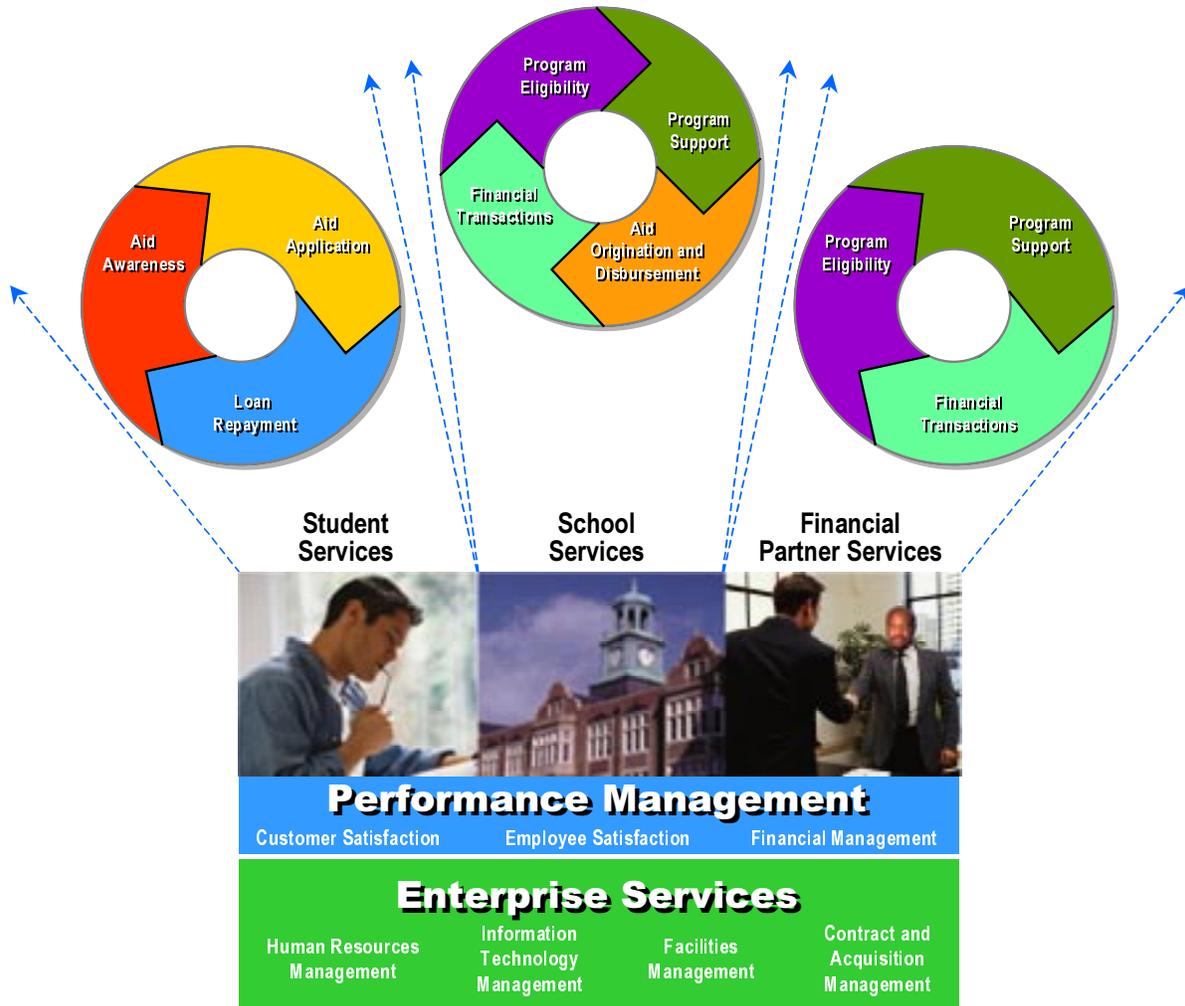
Proper understanding of the business model involves two key points. First, the business model is simply the framework that is used to describe the SFA business requirements to be fulfilled through modernization. While the business model graphic depicts several key organizational concepts, it is NOT an organizational structure. In the future, groups of SFA employees may perform activities in multiple processes and support functions. Second, the business model represents current thought on how SFA activities should be logically grouped in the future. This point of view will likely evolve as SFA modernizes and begins to reengineer key business processes and support functions. As the business model is continually improved, the business requirements presented in the Modernization Blueprint will be reevaluated and, in some cases, edited. Changes to SFA business requirements will then drive changes to the target technical architecture. In this way, the Modernization Blueprint will serve as a management tool used to define at any given point in time how ongoing technology initiatives are linked to the SFA business requirements.

The SFA business model was developed in a series of workshops with SFA senior management. In these workshops, SFA management was presented with descriptions of the five functional areas defined in Project EASI: Aid Application, Aid Origination and Disbursement, Repayment, Financial Services and Program Management and Oversight. Workshop participants were then asked to identify activities that SFA will likely perform in the future and that were not documented in Project EASI. Some of these activities includes: work done to increase public awareness of the availability of financial aid, ongoing measurement of customer and employee satisfaction, and many of the activities that go on each day to keep the SFA "business" running (Human Resource Management, IT Management, Facilities Management and Contract and Acquisition Management activities). Each of these groups of activities is included in this new business model.

In workshops, SFA management decided that the SFA business model should communicate several key organizational concepts. These concepts, which are represented in the business model, include:

- ❖ Activities grouped into two general categories: core business processes and supporting functions. Core business processes include the activities SFA employees perform each day to directly serve students, schools and financial partners. In the business model, core business processes are represented as three “process rings” on top of the graphic. Support functions are the activities SFA employees perform to monitor SFA performance and to manage SFA’s critical assets: employees, investments in technology and facilities and vendor relationships. In the business model, support functions are represented by two “blocks” supporting the three process rings.
- ❖ Core business processes aligned along three service channels. Student Services are the services SFA provides *directly* to students. School Services and Financial Partner Services are the services SFA provides to its business partners. Services provided to schools and financial partners *indirectly* benefit students. This concept is represented by the three process rings.
- ❖ Services provided within the three service channels as represented by circular flows in each of the process rings. This depiction graphically demonstrates the dynamic nature of the services SFA provides to students and partners. Many students apply for and repay multiple loans in their lifetime. In many cases, SFA provides support to schools and financial partners continuously throughout the year.
- ❖ As government’s first Performance-Based Organization (PBO), SFA will measure more than just financial performance. SFA will measure its performance against three primary objectives: increasing customer satisfaction, increasing employee satisfaction, and reducing the overall cost of student financial assistance. To reflect this concept, the SFA business model includes three processes within the Performance Management functional area.
- ❖ Many best practice organizations in the private and public sectors are consolidating administrative activities into shared service organizations. These shared service organizations then provide high quality support services to organizational entities focused on customer segments, distribution channels, product groups, etc. In the future, SFA will need to tailor the support services available to groups of employees focused on one of the three service channels. To reflect the idea that SFA will adopt this best practice, support activities have been grouped into the Enterprise Services functional area.

SFA Target Business Model



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In the future, SFA will adopt many best practices currently employed in private industry and by other government agencies. These best practices are reflected in the following descriptions of SFA’s five functional areas.

Overview of SFA Functional Areas

◆ **Student Services**

For direct loans, Student Services handles all SFA interactions with students, providing them with convenient access to aid application information, forms, and account data. Student Services’ core processes are designed to facilitate the coordination of relationships with lenders, guarantors, state agencies, schools, and

SFA with a virtual student account, providing a consolidated view for each student to facilitate his or her interactions with education service providers. Equipped with user-friendly financial planning tools, students will be able to understand their financial needs for postsecondary education. Upon school completion, debt management counseling will help students understand the overall impact of their debt on their future financial goals. Services provided include increasing awareness of financial aid availability among youth, providing easy access to user-friendly application forms, just-in-time disbursement of funds and an efficient repayment process.

◆ **School Services**

SFA School Services manages the relationship with schools from program eligibility through training and performance review. Using sophisticated performance and risk analysis tools, schools are categorized by their effectiveness in managing Federal funds and achieving performance-based outcomes as defined by SFA. Schools will have access to these tools directly so they can perform self-audits and take action to improve performance before corrective action is necessary. Other services include financial transaction processing, training/education and program/eligibility reviews.

◆ **Financial Partner Services**

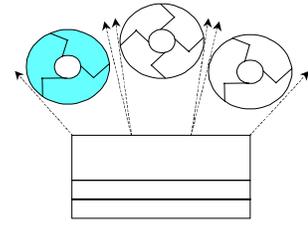
Financial Partners Services supports lenders and guaranty agencies in their delivery of aid to students. SFA receives information from and provides information to these entities related to SFA programs and individual student participants. The types of services provided to financial partners include training and education, eligibility processing, informational updates, financial transactions and program performance analysis and review. Financial partners require accurate, up-to-date information and real-time shared access to transaction data on their loan portfolios. This commitment to access and shared performance data drives the technical architecture.

◆ **Performance Management**

Performance Management encompasses the collection and analysis of performance information, which is used by management to assess how well SFA is performing as a PBO, and the prioritization of improvement projects. It also provides a tool-set to link SFA's vision, strategy objectives, and key performance measures. This functional area includes three functions: Financial Management, Customer Satisfaction Management, and Employee Satisfaction Management. Also included in this functional area are the traditional accounting and finance activities that ensure SFA successfully manages the flow of funds between itself and external parties. SFA is focused on achieving three primary goals: increasing customer satisfaction, decreasing the cost of delivering financial assistance, and increasing employee satisfaction. Processes will be put in place to continuously measure progress against these goals and to insure that the momentum that has been generated by initiatives like the Customer Service Task Force will be maintained in the future.

◆ **Enterprise Services**

SFA will improve the way it manages its critical assets: its people, technology, facilities, and its relationships with vendors. These “Enterprise Services” provide the foundation for services provided both internally and externally. Enterprise Services performs best in business Human Resources Management, IT Management, Facilities Management, and Contract and Acquisition Management across SFA’s operation to provide a consolidated, channel-driven approach to support services. Enterprise Services create and deliver value for SFA and support processes in the business model by capitalizing on economies of scale, pooled expertise, reduced overhead, and program/system integration. In a modernized SFA, the internal customer drives the level and type of services performed by Enterprise Services. Enabled by technology, Enterprise Services can partner with each channel to reduce costs and streamline operations for all parties.



Student Services...Divided into Three Processes

Aid Awareness

Aid Awareness is dedicated to increasing awareness of financial aid availability and counseling. This process identifies and educates potential program participants, including students and their families. Aid Awareness provides information and guidance to assist in the postsecondary school planning and decision making process. The target age to reach potential program participants is increasingly younger, to allow ample forethought and analysis for the student and his or her family. This process includes the management of special SFA initiatives including the “College is Possible” campaign and may include future co-branding or sponsorship opportunities designed to reach the target market through popular media.

Aid Awareness targets markets that may be good candidates for SFA programs and develops awareness programs with these targets in mind. SFA executes awareness through the implementation of its programs and initiatives. The enhanced outreach services for under-served market segments is one such initiative. Throughout the process, SFA monitors program effectiveness and makes changes where needed.

Aid Application

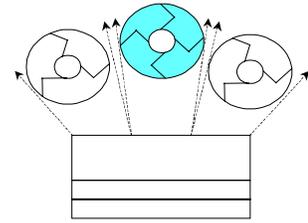
Aid Application will provide a streamlined, user friendly means to apply for financial aid through various media and will provide support during the application process. This process collects and organizes application information, verifies this information and assists in the creation of aid packages for schools and students. Aid Application is responsible for the design of the physical application form. Aid Application enables potential students to apply through the communication medium of their choice, including the Internet (such as FAFSA application renewal on the Web) or traditional mail channels. As information comes in to SFA, it is organized and automatically verified. This information is then used to calculate and report the participant’s Expected Family Contribution (EFC) to schools who put together aid packages. Decisions on the acceptance or rejection of aid packages are reported back to SFA.

Loan Repayment

Loan Repayment counsels borrowers on debt management and repayment options. It also provides an easy, streamlined process to repay loans and consider repayment alternatives. For Direct Loans, this process offers counseling to and collects money

from borrowers who have entered into repayment, provides invoices, processes loan consolidation requests and attempts collection on defaulted loans. Loan Repayment provides students with different media through which loans can be paid. As borrowers enter repayment, they will be offered advice on which repayment options best suit their circumstances and on the overall financial impact of their debt. Repayment options selection, bill dates changes and repayment calculation tools are available on the Web. Loan Repayment looks to leverage commercial systems to process bill presentation and payment. Loan monitoring will be automated, defaulted loans will be identified, and Loan Repayment will choose how to deal with defaults (from wage garnishment to collection agencies). Loan Repayment will also manage consolidation loan information and originate consolidation loans upon receipt of borrower requests.

All requirements related to the Direct Loan System, Debt Collection Systems, and Guaranteed Loan System will be compliant with JFMIP requirements. These specific requirement needs will be mapped primarily at Levels III and IV of the Modernization Blueprint.



School Services...Divided into Four Processes

Program Eligibility

Program Eligibility evaluates schools' administrative capabilities and demonstrated need for participation in Title IV programs. This process monitors eligibility requirements throughout a school's involvement with Title IV Aid programs. Program Eligibility includes the activities needed to certify schools for participation in Title IV programs, to define the scope of their participation and to discontinue eligibility, as needed. Statutory eligibility, administrative capability and financial capability are key determinants of school eligibility. When a school is certified, SFA determines participation levels based on type of program, length of program, method of disbursement and other dimensions that may vary from school to school. Schools' participation may also be deactivated, either voluntarily by the school or involuntarily by SFA. This process also manages the transactions related to discontinuing eligibility. Program Eligibility activities represent the first line of interaction between SFA and schools, so it is critical that these processes are executed efficiently and accurately. The information collected here will initiate the school profile and will be used as the basis of performance analysis and program support efforts throughout the school's tenure as a Title IV program participant.

Program Support

Program Support educates and trains schools on regulatory requirements, enabling computer tools and performance measure calculations for effective management of funds and risk. This process ensures that schools have the tools and assistance they need to effectively manage Title IV Aid programs. Program Support includes the sets of activities that characterize the relationship and exchange of information between SFA and Title IV schools. Program Support starts with training and technical support and collection/maintenance of program information. This information is then used to analyze school performance across a number of indicators, including financial, administrative, and outcomes-based measures. Performance analysis will be driven by predictive risk profiling tools that alert SFA to aberrant performance behavior across and among schools. Performance analysis and segmentation of schools across a risk continuum results in various actions by SFA ranging from regulatory relief for low risk, high performing schools to additional training/technical assistance, fines or participation discontinuance for high risk, low performing schools. Program Support in a modernized SFA will enable schools to access, manipulate and self-monitor their

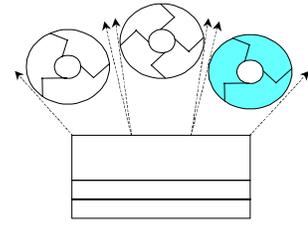
performance through the use of sophisticated technology tools that can reside on an aid administrator's desktop. These tools will help schools identify corrective action options and improve performance levels relative to their peers.

Common Origination and Disbursement

Origination and Disbursement authorizes and releases Pell Grant and Direct Loan funds to schools as well as receives and confirms eligibility information related to specific recipients. This process ensures the proper funds are distributed for disbursement to eligible students. Origination and Disbursement starts by receiving records from schools indicating students to whom they intent to disburse funds. Key edits are then performed to confirm eligibility for the funds, at the school and student level. Upon confirmation of eligibility, the appropriate funds are released to the school for immediate payment to the student. Origination and Disbursement activities are the primary mechanism by which Title IV funds are delivered to students. Therefore, it is critical that these processes are executed efficiently and accurately. The information collected here will become the basis for borrower records which support a view of a student history of Title IV disbursements.

Financial Transactions

Financial Transactions maximizes the accuracy and speed of administration and tracking of financial flows between schools and SFA. This process coordinates the execution of financial activities conducted at the school level versus the student level. Financial Transactions includes the activities necessary to complete and track disbursement and reconciliation of funds to schools for Pell and Campus-Based programs. These activities include various adjustments, reimbursements, and closeout transactions needed to ensure that SFA's integrated financial management system reflects accurate and complete financial data related to school programs. Financial Transactions is also responsible for payment of cost allowances to schools for administering Pell and Campus-Based programs. Several of the requirements included in Financial Transactions will change or become obsolete in a just-in-time payment environment for school disbursements. The subprocesses that will be affected are noted in the appropriate sections. All Financial Transaction requirements will be JFMIP compliant as detailed in the Financial Management process later in Chapter III.



Financial Partner Services...Divided Into Three Processes

Program Eligibility

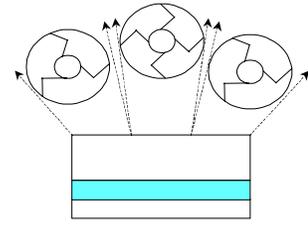
This process maintains the activation and deactivation of eligibility for financial partners, namely lenders and guaranty agencies. The process determines eligibility through the review of applicable certifications and requirements, application information, and reporting. If a lender or guaranty agency fails to meet the requirements set forth by SFA in terms of reporting, financial health or participation, SFA may discontinue eligibility of said institution. Shared access to data for lenders and guaranty agencies will significantly improve the program eligibility process by eliminating process steps and speeding eligibility verification. Additionally, Program Eligibility receives and evaluates States applications for the LEAPP program (a Federal contributions program) and maintains related performance reports.

Program Support

Program Support provides financial partners with assistance and continuous training on changes to program guidelines, thus maximizing the efficient exchange of information and knowledge between SFA and its partners. This process maintains and supports the financial partner in all aspects of the aid programs. Program Support provides technical assistance and guidance to institutions in program specifics and changes to program guidelines. SFA maintains and monitors performance data and reportings from the financial partners including information such as number and size of loans, and distribution of funds by school or region. This information may be provided, upon request, to program participants. This process uses this information to conduct periodic financial partner program reviews. If a financial partner's performance is significantly better or worse than a baseline, SFA takes action to either expand the lender/guaranty agency's participation levels or sanction the financial partner (through decreases in participation levels or other methods). Access to and use of data across SFA to predict risk and potential performance issues for financial partners will be critical to improving program support efforts in a modernized SFA.

Financial Transactions

Financial Transactions maximizes the accuracy and speed of administration and tracking of financial flows between financial partners and SFA. This process manages the flow of funds between financial partners and SFA. The process makes payments to lenders and guaranty agencies such as reimbursements, special allowances and payments. Once a state has been accepted to the LEAPP program, this process manages the authorization and disbursement processes for funds, keeping track of contribution levels for each state.



Performance Management...Divided into Three Functions

Customer Satisfaction Management

The need for service agencies to measure outcomes has never been greater. Agencies must find economical, yet effective, methods to demonstrate the impact of their programs on both clients and the community. Funders of programs want outcome measures that satisfy user needs, add value to programs and measure results.

The Customer Satisfaction Management process includes a systematic series of activities to measure and report customer/partner service perceptions and outcomes. This process begins with identifying customer/partner needs and satisfaction levels, and developing objectives and plans to support them. Next, data is gathered and collected for analysis and processing to identify critical customer trends, performance gaps and opportunity areas. Finally, with this information, decision-makers can take responsive action to enhance customer satisfaction.

Employee Satisfaction Management

This process includes activities that enable proactive collection and analysis of employee feedback, enable management to build an accurate picture of how employees perceive the organization and highlight causes of employee dissatisfaction.

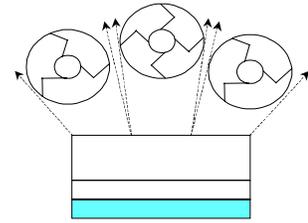
The Employee Satisfaction Management process identifies SFA's most pressing employee concerns and improves morale by responding to employee feedback. It facilitates setting improvement goals, monitoring progress against those goals, benchmarking performance, and increasing productivity through improved employee motivation, lower absenteeism, and reduced staff turnover.

Financial Management

The Government Performance and Results Act of 1993 required all government agencies to manage by results. In response to this act, the Chief Financial Officers Council adopted the following vision for financial management:

Enabling government to work better and cost less requires program and financial managers, working in partnership using modern management techniques and integrated financial management systems, to ensure the integrity of information, make decisions and measure performance to achieve desirable outcomes and real cost effectiveness.

This process contains all of the activities SFA must perform to fulfill this vision. Included in the financial management process are the traditional accounting activities necessary to manage the flow of funds between students, SFA, schools, financial partners and other government agencies, as well as the activities SFA must perform to manage one of the largest portfolios of consumer loans. The financial management process will produce the reports that SFA management will use to monitor how well the SFA organization is performing relative to one of its three primary objectives: to reduce the overall cost of student financial assistance. As specified in the CFO Council's vision, a key business requirement of the financial management function is an integrated financial management system which manages the flow of financial information across all of SFA's information systems. In the future, SFA will leverage all financial systems in the Department of Education's CFO office as much as possible. However, to perform new PBO-specific financial management processes mandated by legislature, SFA will need its own best in business integrated financial management system.



Enterprise Services...Divided into Four Functions

Human Resources (HR) Management

SFA is committed to building a strategic, best-in-business Human Resources capability that focuses on SFA's most important asset, its people. As a business enabler and strategic partner, Human Resources management will address SFA's critical people challenges:

- ◆ Aligning the organization and workforce with defined performance objectives
- ◆ Developing a workforce with the composition and competence required to perform
- ◆ Supporting the workforce's ongoing performance efforts
- ◆ Reinforcing the workforce's efforts and performance results

Ultimately, SFA Human Resources seeks to address its people challenges to improve the welfare, and morale of SFA employees, thereby contributing to a positive culture that promotes success and delivers results.

Information Technology (IT) Management

IT Management includes processes which SFA performs to maximize return on current and future investments in information technology. IT Management activities enable SFA to prioritize investments, purchase the correct technology and operate and maintain its systems. In addition, IT Management ensures that SFA's systems have common standards, are secure, readily integrate and interface with channel partners, and keep pace with new technologies and technology requirements.

Effective IT Management will improve efficiencies, reduce costs, and facilitate the easy access of information for SFA's internal and external customers.

Facilities Management

Facilities Management coordinates the physical workplace with the organization's people and work. SFA will use best practice principles in business administration, architecture and behavioral and engineering sciences to ensure that procedures are fixed and that mobile assets are inventoried, insured, and continually meet or exceed code. Also, Facilities Management will ensure that SFA facilities are safe and secure and have the best, most up-to-date, comfortable, and ergonomic equipment available.

Effective Facilities Management will improve the comfort, welfare, and morale of SFA employees and reduce SFA costs through decreases in fraud and waste while promoting an environmentally friendly workplace. Inventory control systems, computer-aided design software, logistics planning, and control programs are possible systems that could be implemented to achieve these goals.

Contract and Acquisition Management

This process identifies, selects, and manages external vendors who supply goods and services to SFA. SFA partners with vendors and suppliers to provide high-value goods and services that can be used to supplement or substitute existing roles and capabilities critical to operating the business. These vendors are integral to SFA's delivery of service to students, schools and financial partners. Thus, their involvement and integration with SFA decision planning efforts is critical for effective Contract and Acquisition Management.

Effective Contract and Acquisition Management provides SFA access to public and private best practice and subject matter expertise in cost reduction and improved service levels for both internal and external customers. IT supports Contract and Acquisition Management with robust procurement and project management software that contains built-in tracking and performance measures.

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D. SFA Subprocess Requirements—Level II

In this section, the Level I business requirements presented in the prior section are broken down in further detail to subprocesses in Level II. Within each Level I Process Requirements are the subprocesses that add clarity and structure to the process definition. The descriptions that follow include business requirements associated with these subprocesses and flow diagrams to help the reader understand the high-level interactions between SFA and the educational community. These business requirements will drive the technical architecture of the Modernization Blueprint.

In the business requirement definitions that follow in this section, 4-digit business requirement IDs (####) indicate that the requirement was identified during Project EASI. Alphanumeric business requirement IDs (XX-##.##) indicate that the business requirements were identified in workshops and meetings with SFA staff and members of the community. All subprocesses and requirements are ordered to enhance readability.

Student Services – Aid Awareness

Process Description

This process identifies and educates potential program participants, including students and their families. Aid Awareness provides information and guidance to assist in the postsecondary school planning and decision making process. This subprocess includes special SFA initiatives and partnerships such as the “College is Possible” campaign and may include future co-branding or sponsorship opportunities designed to reach the target market through popular media.

Aid Awareness targets markets that may be good candidates for SFA programs and develops awareness programs with these targets in mind. The enhanced outreach services for under-served market segments initiative is focusing on special needs accessibility and Puerto Rico Partnership. SFA executes awareness through the implementation of its programs and initiatives.

As an additional educational tool for students, Aid Awareness facilitates access to other non-SFA resources, including informational materials (e.g., books, Web sites) and financial simulation and modeling (via the Web). Throughout the process, SFA monitors program effectiveness and makes changes where needed.

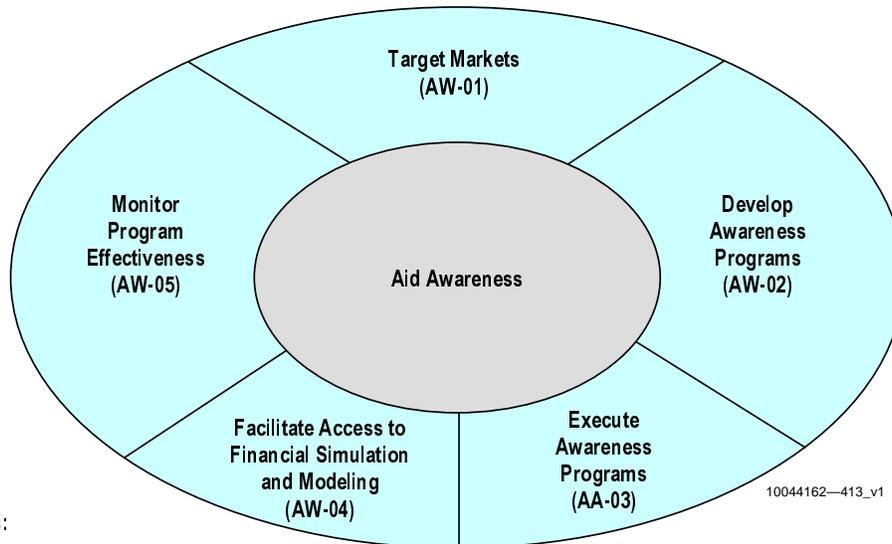
Aid Awareness manages several points of contact between the public and SFA. The primary vehicle is the “1-800-4-FEDAID” toll-free number. Additional points of contact include debt collection phone-in numbers and correspondence (both paper and e-mail). In addition, SFA maintains substantial Web resources for students and an array of paper products ranging from Fact Sheets to multi-page publications, a Student Aid Inquiry P.O. Box and a correspondence system (paper and electronic) that provide responses to inquiries about student aid.

Aid Awareness leverages best practices in marketing and distribution to successfully reach its target markets. At present, electronic media (a major SFA thrust) are convenient and easy to keep current. However, the students most in need of SFA programs, the truly needy, do not always have easy access to computers or the Internet. Thus, Aid Awareness will draw upon unique and innovative methods to bring its message to this market or to increase access to technology (or educate about the availability of access to this technology, e.g., libraries, schools). Aid Awareness must take into consideration these constraints as well in developing awareness plans.

Process Depiction

The following process flow illustrates the subprocesses within Aid Awareness.

Student Services – Aid Awareness



Participants:



Lenders



Students and Families



Schools



Guaranty Agencies



Other
Government Agencies

Aid Awareness Subprocess Descriptions

Subprocess Name	Description
Target Markets AW-01	This subprocess determines which segments of the student population (both students and families) to target for Aid Awareness programs and develops profiles to distinguish markets from one another.
Develop Awareness Programs AW-02	This subprocess structures Aid Awareness programs to suit the characteristics of each target market. Any target market may have one or more programs associated with it. Development includes action planning, resource planning, implementation planning and coordination with other initiatives.
Execute Awareness Programs AW-03	This subprocess executes the Awareness Programs for each target market.
Provide Access to Financial Simulation Modeling AW-04	This subprocess facilitates access to models of various simulations of financial aid, which may include cost of attendance and student financial aid information for a given school, estimated salaries given a specific career path, and state aid program information.
Monitor Program Effectiveness AW-05	This subprocess analyzes data collected around the success measurement of each Aid Awareness program and distribution mechanisms. Analysis identifies drivers of success and failure. Recommendations are structured and shared with the Develop Awareness Programs subprocess.

Aid Awareness Business Requirements

This section contains the subprocesses for Aid Awareness and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Target Markets AW-01	This subprocess identifies which segments of the student population (both students and families) to target for Aid Awareness programs and develops profiles to distinguish markets from one another.
AW-01.01	Target Markets collects data on current and potential aid recipients through multiple sources (e.g., census data, commissioned surveys, NPSAS, existing SFA databases, grant reports, etc.).
AW-01.02	Target Markets collects data on current and potential product distribution (including publications) through multiple sources (e.g., Application Ordering System, the Public Inquiry Contract and other order fulfillment systems, etc.).
AW-01.03	Target Markets analyzes data on current and potential aid recipients. Analysis tools include statistical packages, marketing models and comparisons to prior results.
AW-01.04	Target Markets conducts usage studies and demand analysis based on distribution data. Analysis tools include statistical packages, marketing models and comparisons to prior results.
AW-01.05	Target Markets identifies unique segments to receive SFA messages (e.g., age, degree of need, language preference, etc.).
AW-01.06	Target Markets builds profiles of target segments.
AW-01.07	Target Markets maps program characteristics and benefits to target segments.
AW-01.08	Target Markets receives from ED divisions or other government offices information about initiatives or priorities within or outside the Department of Education which should be reflected in SFA program targets.
AW-01.09	Target Markets collects and compiles performance measurement data.
Develop Awareness Programs AW-02	This subprocess structures Aid Awareness programs to suit the characteristics of each target market. Any target market may have one or more programs associated with it. Development includes action planning, resource planning, implementation planning and coordination with other initiatives.
AW-02.01	Develop Awareness Programs receives program information from legislative, policy and regulatory divisions.
2942	Develop Awareness Programs develops Title IV program information for current and prospective students and their families. This shall include general information about post-secondary education and each program in addition to specific rules and regulations applying to each program and information materials/alternatives related to the programs.

Business Requirement ID	Business Requirement Definition
AW-02.02	Develop Awareness Programs identifies other ED and non-SFA awareness programs which may be leveraged to support SFA initiatives.
AW-02.03	Develop Awareness Programs identifies delivery mechanisms (written, oral presentations, secondary-school counseling, Web postings, events, etc.) with the most impact for each target segment.
AW-02.04	Develop Awareness Programs develops and updates educational and promotional printed and electronic publications, presentations, videos, sound products and other alternative formats for students, parents, secondary schools, college counselors and other student educators.
AW-02.05	Develop Awareness Programs identifies potential partners (e.g., lenders, guaranty agencies, state associations, trade associations, corporate/business partners etc.) with access to appropriate media or with similar awareness goals.
AW-02.06	Develop Awareness Programs negotiates with potential partners to jointly finalize awareness program plans.
AW-02.07	Develop Awareness Programs nominates and appoints a panel of advisors annually consisting of students and parents to identify useful non-SFA college or financial resources for students.
AW-02.08	Develop Awareness Programs facilitates meetings and other group interactions with the panel of advisors, focus groups, testees, and others.
AW-02.09	Develop Awareness Programs conducts pilot testing of program initiatives.
AW-02.10	Develop Awareness Programs develops performance measurement criteria for each program.
AW-02.11	Develop Awareness Programs sets target levels for performance measurement criteria for each program (including outcome targets and process targets).
AW-02.12	Develop Awareness Programs develops quality control processes (technical quality and content quality).
AW-02.13	Develop Awareness Programs coordinates with media relations to develop communications (e.g., launches of new products and services, announcements and facilitation of outside communication).
AW-02.14	Develop Awareness Programs collects and compiles performance measurement data.
Execute Awareness Programs AW-03	This subprocess executes the Awareness Programs for each target market.
AW-03.01	Execute Awareness Programs disseminates awareness information and tools through conventional mechanisms (e.g., mail, fax, electronic media, Web sites, video/television, conferences/teleconferences, meetings, etc.).
AW-03.02	Execute Awareness Programs receives inquiries directly from students, parents and others via telephone (e.g., 800-4-FEDAID), writing, electronically or by other means.
AW-03.03	Execute Awareness Programs produces, distributes and warehouses awareness products and publications.

Business Requirement ID	Business Requirement Definition
AW-03.04	Execute Awareness Programs receives and fulfills orders for products and publications inquiries from other interested secondary school participants.
AW-03.05	Execute Awareness Programs tracks and maintains inventory levels for products and publications.
AW-03.06	Execute Awareness Programs posts "Web Resource Guidance Panel" recommendations for quality educational student aid Web-sites on the SFA Web sites.
AW-03.07	Executes Awareness Programs administers quality control processes (technical quality and content quality).
AW-03.08	Execute Awareness Programs coordinates with media relations to execute communications (e.g., launches of new products and services, announcements and facilitation of outside communication).
AW-03.09	Execute Awareness Programs will be consistent with Coded Federal Regulations 99.5, 668.41, 668.42, and 668.43.
AW-03.10	Execute Awareness Programs collects and compiles performance measurement data.
Provide Access to Financial Simulation Modeling AW-04	This subprocess facilitates access to models of various simulations of financial aid, which may include cost of attendance and student financial aid information for a given school, estimated salaries given a specific career path, and state aid program information.
1060	Provide Access to Financial Simulation Modeling facilitates students' access to financial planning sites to request simulations of possible financial aid packages and financing options, which may include: <ul style="list-style-type: none"> • Simulating the students' likely eligibility for Federal financial aid • Simulating costs that would be incurred in attending a particular program at a given school • Simulating the financial aid package options that may be available to the student • Simulating the financing options that may be available to the student
1080	Provide Access to Financial Simulation Modeling provides students with access (references to other sites or materials) to information on long term debt management, including: <ul style="list-style-type: none"> • Projected potential earnings after graduation by school program • Projected monthly payments after graduation, based on different types of aid packages available
AW-04.01	Provide Access to Financial Simulation Modeling which collects and compiles performance measurement data.

Business Requirement ID	Business Requirement Definition
Monitor Program Effectiveness AW-05	This subprocess analyzes data collected around the success measurement of each Aid Awareness program and distribution mechanisms. Analysis identifies drivers of success and failure. Recommendations are structured and shared with the Develop Awareness Programs subprocess.
AW-05.01	Monitor Program Effectiveness analyzes application data (demographics, volume, accuracy in completion, etc.), production volumes, distribution performance data, routine feedback loops, focus groups, special studies, phone statistics, cost data, usage/understanding of products and other data.
AW-05.02	Monitor Program Effectiveness identifies drivers of success and failure in Aid Awareness programs and distribution mechanisms.
AW-05.03	Monitor Program Effectiveness recommends actions to improve program and distribution performance from the target segments.
AW-05.04	Monitor Program Effectiveness coordinates and exchanges information with external partners (e.g., schools, guaranty agencies, state licensing and accreditation agencies) to improve service delivery to students.
AW-05.05	Monitor Program Effectiveness develops action plans resulting from the quality control process (technical quality and content quality).
AW-05.06	Monitor Program Effectiveness collects and compiles performance measurement data.

Student Services – Aid Application

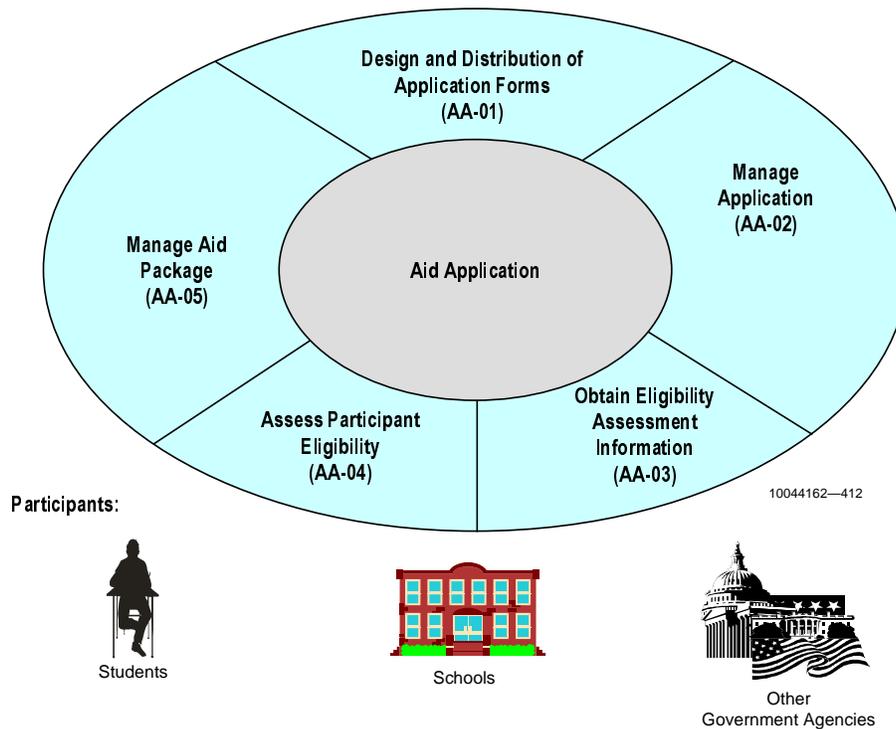
Process Description

This process collects and organizes application information for direct loans, verifies this information, and assists in the creation of aid packages for schools and students. Aid Application is responsible for the design of the physical application form. Aid Application enables potential students to apply through the communication medium of their choice, including the Internet (e.g., FAFSA renewal application on the Web) or traditional mail channels. As information comes in to SFA, it is organized and automatically verified. This information is then used to calculate and report the participant's Expected Family Contribution (EFC) to schools who put together aid packages. Decisions on the acceptance or rejection of aid packages are reported back to SFA.

Process Depiction

The goal of the Aid Application process is to efficiently collect information from potential students in an effort to rapidly determine their financial needs and notify them of their aid package choices. Students rely on the financial aid decision as their choice of school often hinges on its outcome. The following diagram illustrates the subprocesses within Aid Application.

Student Services – Aid Application



Aid Application Subprocess Descriptions

Subprocess Name	Definition
Design and Distribution of Application Forms AA-01	This subprocess reflects changes to the law, regulation, and community input resulting in redesigned application and renewal application forms. This activity is also responsible for the production and distribution of these forms across a number of distribution channels.
Manage Application AA-02	This subprocess collects the information on the financial aid application (for loans and grants disbursed by ED) received from the participant (including PLUS loans). Other information maintained by this activity includes, corrections to the application, financial aid applications, borrower signature of Direct Loan promissory note(s), and the waiver to release information from other external entities. The creation and maintenance of PINs and/or digital signatures is also managed by this subprocess.
Obtain Eligibility Assessment Information AA-03	This subprocess requests and receives information from other external entities to confirm information contained in the participant's financial aid application.
Assess Participant Eligibility AA-04	This subprocess calculates estimated family contribution (EFC); determines eligibility; and notifies the participant and other authorized parties (e.g., schools, state agencies) of eligibility determination. The Student Aid Report (SAR) is an output to Schools
Manage Aid Package AA-05	This subprocess supports packaging, including providing applicant aid history to schools to assist them in creating aid packages, and forwarding aid package information to the participant.

Aid Application Business Requirements

This section contains the subprocesses for Aid Application and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Design and Distribution of Application Forms AA-01	This subprocess reflects changes to the law, regulation and community input resulting in redesigned application and renewal application over the Web forms. This subprocess is also responsible for the production and distribution of these forms across a number of distribution channels.
AA-01.01	Design and Distribution of Application Forms supports the creation of a core design team, including members of the Education community and the Department of Education, states, and schools.
AA-01.02	Design and Distribution of Application Forms collects legal and policy requirements and user suggestions as inputs in the creation of the Application Form.
AA-01.03	Design and Distribution of Application Forms translates legal and policy changes and user inputs into specific information items to be requested from participants.
AA-01.04	Design and Distribution of Application Forms maintains a series of drafts of applications that are submitted for continuous refinement and review from the education community.
AA-01.05	Design and Distribution of Application Forms allows for the input of additional requirements from the Office of Management and Budget (OMB).
AA-01.06	Design and Distribution of Application Forms receives final clearance on Application format and information needs from the Office of Management and Budget.
AA-01.07	Design and Distribution of Application Forms allows for subsequent development of various application formats including renewal and electronic formats.
AA-01.08	Design and Distribution of Application Forms supports production and distribution of the paper application to the educational community through various channels.
AA-01.09	Design and Distribution of Application Forms will be consistent with Coded Federal Regulation 668.42.
AA-01.10	Design and Distribution of Application Forms collects and compiles performance measurement data.
Manage Application AA-02	This subprocess collects and coordinates the information on the financial aid application received from the participant. Information that is also maintained by this subprocess includes the corrections to the application and borrower authorization to endorse financial aid application, borrower signature of promissory note(s), and the waiver to release information from other external entities.
1090	Manage Application allows individuals to authorize the release of specified data to specific schools and lenders.

Business Requirement ID	Business Requirement Definition
AA-02.01	Manage Application provides a single point of interface, through the generation, distribution, and management of PIN numbers or interfaces with external authentication sources. These authentication sources are used to securely access and receive student aid data and payment history for federal loans and Title IV aid.
1690	Manage Application enables participants to apply for Federal financial aid with application mechanisms available 24 hours a day, 7 days a week.
AA-02.02	Manage Application receives completed applications from students (both electronic and paper based).
1711	Manage Application generates promissory notes for Direct Loans.
1713	Manage Application sends promissory notes to schools to allow schools to obtain borrower signatures.
1714	Manage Application sends promissory notes to borrowers for Direct Loans.
1715	Manage Application receives promissory notes from schools, sent on a borrower's behalf.
1742	Manage Application receives a signature/authentication from borrowers to endorse an aid application, promissory note, or waiver to release information to or from external databases.
1860	Manage Application receives up-to-date information on applicant's aid applications from schools.
1982	Manage Application provides information on the financial aid application process to participants.
6070	Manage Application uses the PIN number for confidentiality, authentication, integrity, and non-repudiation where required.
AA-02.03	Manage Application initiates the automatic aid re-application process by providing the prior year aid application information to the participant for confirmation and/or update. The participant, or the school on behalf of the participant, submits the renewal application, as well as corrections to renewal application information.
1760	Manage Application renews the participant's aid eligibility, as required, based on data obtained from the participant's prior-year aid application information, corrections from the participant, and data from the SSA, IRS, HHS, third-party repositories, state agencies, and HUD CAIVRS. Manage Application also ensures validity of all data.
AA-02.04	Manage Application obtains prior aid award information for each applicant.
AA-02.05	Manage Application will be consistent with Coded Federal Regulations 668.53-668.57.
AA-02.06	Manage Application collects and compiles performance measurement data.

Business Requirement ID	Business Requirement Definition
Obtain Eligibility Assessment Information AA-03	This subprocess requests and receives information from other external entities to confirm information contained in participant's financial aid application.
1692	Obtain Eligibility Assessment Information provides the ability to register participants for the Selective Service if the participant requests to do so.
1750.01	Obtain Eligibility Assessment Information verifies with the Selective Service if the participant has complied with draft registration.
1750.02	Obtain Eligibility Assessment Information verifies the immigration status of a participant who is not a US citizen with the Immigration and Naturalization Service (INS).
1750.03	Obtain Eligibility Assessment Information verifies the participant's name, social security number, citizenship status and mortality with the Social Security Administration (SSA).
1750.04	Obtain Eligibility Assessment Information obtains application information from the Internal Revenue Service (IRS).
1750.05	Obtain Eligibility Assessment Information verifies the participant's non-taxable income information with Health and Human Services (HHS).
1750.06	Obtain Eligibility Assessment Information verifies the participant's veteran's benefits income information with the Veteran's Administration (VA).
1750.07	Obtain Eligibility Assessment Information obtains a participant's personal information from third party repositories created by private and state organizations for the purpose of maintaining student information.
1750.10	Obtain Eligibility Assessment Information verifies the participant's drug conviction sentence with the Department of Justice (DOJ).
6040	Obtain Eligibility Assessment Information automatically reevaluates participant eligibility when a participant's record changes and notifies appropriate parties of the eligibility determination.
6050	Obtain Eligibility Assessment Information performs incarcerated applicant matches with the Social Security Administration upon aid application.
AA-03.01	Obtain Eligibility Assessment Information will be consistent with Coded Federal Regulations 668.32, 668.33, 668.35, 668.36, 668.37, 674.9, 675.9, 685.201, 690.12, and 690.13.
AA-03.02	Obtain Eligibility Assessment Information collects and compiles performance measurement data.
Assess Participant Eligibility AA-04	This subprocess calculates estimated family contribution (EFC); determines eligibility; and notifies participant and other authorized parties (e.g., schools, state agencies) of eligibility determination.
1070	Assess Participant Eligibility provides information to lenders and guaranty agencies about individuals looking for financial assistance opportunities, when authorized by the individual.
1750.12	Assess Participant Eligibility supplies information on a participant's eligibility for Title IV financial aid to third parties with the participant's authorization.

Business Requirement ID	Business Requirement Definition
1770	Assess Participant Eligibility determines the eligibility of participants for Federal financial aid, including the calculation of a participant's Expected Family Contribution (EFC).
1790	Assess Participant Eligibility notifies participants of their Expected Family Contribution through a Student Aid Report.
1800.01	Assess Participant Eligibility makes a participant's eligibility determination available to state grant and other agencies.
1800.02	Assess Participant Eligibility makes a participant's eligibility determination available to schools designated on the participant's aid application.
1800.03	Assess Participant Eligibility makes a participant's eligibility determination available to authorized private scholarship agencies.
1870	Assess Participant Eligibility receives aid award and funding information from state agencies.
6040	Assess Participant Eligibility automatically reevaluates participant eligibility when participant record changes occur and notifies appropriate parties of the eligibility determination.
6080	Assess Participant Eligibility notifies an applicant of the proper point of contact when the applicant's eligibility is denied.
AA-04.01	Assess Participant Eligibility will be consistent with Coded Federal Regulations 668.19, 668.32, 668.34, 668.38, 668.39, 668.54, 668.60, 668.141, 674.9, 674.10, 674.12, 674.32, 675.9, 675.10, 682.201, 682.203, 682.204, 685.200, 690.6, 690.8, 690.61, 690.62, and 690.75.
AA-04.02	Assess Participant Eligibility collects and compiles performance measurement data
Manage Aid Package AA-05	This subprocess supports packaging, including providing participant aid history to schools to assist them in creating aid packages, and forwarding aid package information to the participant. This subprocess maintains changes in information as well.
1820	Manage Aid Package provides the ability for schools to create packages, including creating and storing package simulations.
1920	Manage Aid Package receives aid award package information from schools, including participant budget information (tuition and fees, room and board, books and supplies), residency, class level, enrollment status, and Federal aid awarded to the participant.
AA-05.01	Manage Aid Package maintains information about whether and what parts of the aid package were accepted/rejected by the participant.
AA-05.02	Manage Aid Package collects and compiles performance measurement data.

Student Services – Loan Repayment

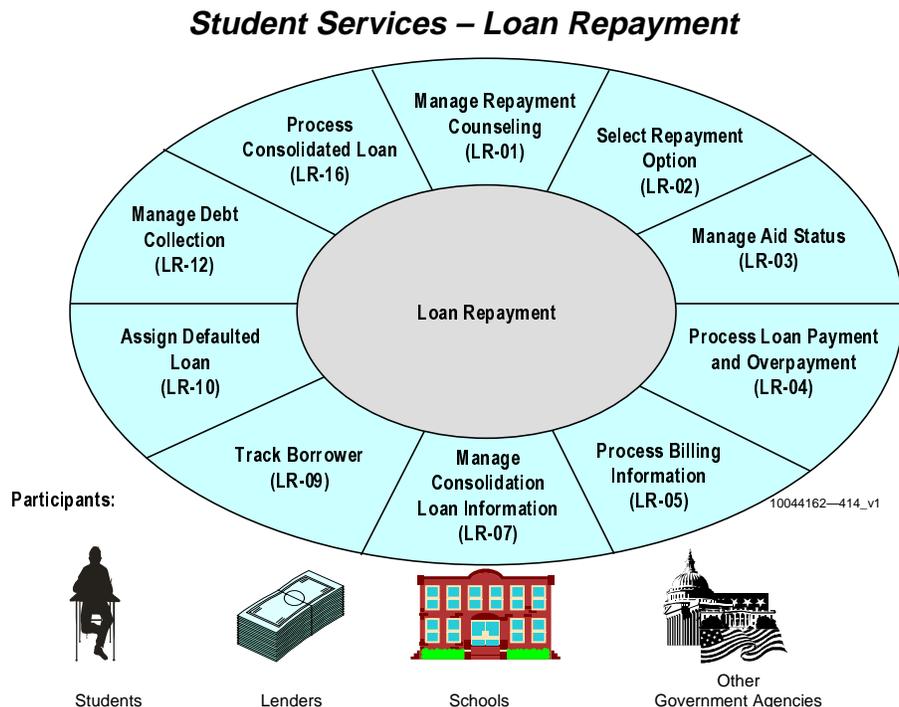
Process Description

For Direct Loans, this process offers counseling to and collects money from borrowers who have entered into repayment, provides invoices, processes loan consolidation requests, and attempts collection on defaulted loans. Loan Repayment provides students with different methods through which loans can be paid. As borrowers enter repayment, they will be offered advice on repayment options that best suit them and offer the best options in managing their loan debt. Repayment options, bill dates and repayment calculation tools are available over the Web. Loan Repayment looks to leverage commercial systems to process bill presentation and payment. (This initiative will be tested through the Direct Loan Servicing System.) Loan monitoring will be automated, defaulted loans will be identified, and Loan Repayment will choose how to deal with defaults (from wage garnishment to collection agencies to new approaches). Loan Repayment will also manage consolidation loan information and originate consolidation loans upon receipt of borrower requests.

All requirements related to the Direct Loan System, Debt Collection Systems, and Guaranteed Loan System will be compliant with JFMIP requirements. Specific requirement needs will be mapped primarily at Levels III and IV of the Modernization Blueprint.

Process Depiction

The following diagram illustrates the subprocesses within Loan Repayment.



Student Services – Loan Repayment Subprocess Descriptions

Subprocess Name	Description
Manage Repayment Counseling LR-01	This subprocess provides repayment exit counseling to a student about debt and accumulated indebtedness for loans held by ED. A Direct loan payment calculator tool is available on the Web.
Select Repayment Option LR-02	This subprocess notifies the borrower of options available to repay loan(s) and allows the borrower to select a repayment plan for loans held by ED. A borrower may pay any part of the outstanding balance of loans held by ED in a lump sum payment and the remaining balance in regular installments, or may make regular installments on the entire outstanding balance. Direct loan payment plan selection is available on the Web.
Process Billing Information LR-05	This subprocess handles requests for billing documentation (includes bills/statements), and for billing date changes for loans held by ED. Direct loan billing cycle date changes is available on the Web.
Process Loan Payment and Loan Overpayment Refund LR-04	This subprocess processes repayment information on all loans held by ED and refunds borrowers in case of overpayment of all final installments on Direct Loans. Direct loan deferment/forbearance counseling and loan history is available on the Web.
Manage Aid Status LR-03	This subprocess processes deferments, forbearances, discharges, cancellations, and loan transfers of Direct Loans. In addition, this subprocess monitors repayment history to update loan status to delinquency and/or default and, based on status updates, converts loans to repayment status. This subprocess also directs applications for deferments, discharges, forbearances, and cancellations to the appropriate party.
Track Borrower LR-09	This subprocess provides ED with a means to maintain delinquent accounts through credit bureau reporting and skip tracing. Credit bureau reporting selects delinquent accounts and reports those accounts to the appropriate credit bureau on a monthly basis. The system also maintains current demographic information through the generation of skip trace requests on a periodic basis. Requests are also accepted from external sources, such as guaranty agencies, schools, and lenders. Updated information is retrieved from state and federal agencies, including the United States Postal Service (and for Collections, the Internal Revenue Service).
Assign Defaulted Loan LR-10	This subprocess monitors (at specific periods) defaulted loans and works with guarantors to assign selected student loans (Perkins, FFELP) to ED and/or collection agencies as appropriate.
Manage Debt Collection LR-12	This subprocess tracks all transactions related to identifying defaulted loans, billing defaulted borrowers and processing repayments received from defaulted borrowers for those loans assigned to ED.

Subprocess Name	Description
Manage Consolidation Loan Information LR-07	This subprocess monitors the flow of information necessary to consolidate a borrower's separate loans either for Direct Loan consolidations of Direct and/or FFELP Loans, or for the Direct Loan component of FFELP loan consolidations. This information includes available consolidation agents, consolidation agent decisions, previous loan information, and loan payoff information.
Process Consolidated Direct Loan LR-16	This subprocess tracks the receipt, processing, and certification of Direct Loan consolidation requests. The output of this subprocess triggers the Financial Partner Services transaction, which pays off lenders of the underlying loans for consolidation and results in a new origination record for the consolidated Direct Loan.

Student Services – Loan Repayment Business Requirements

This section contains the subprocesses for Loan Repayment and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Manage Repayment Counseling LR-01	This subprocess provides repayment exit counseling to a student about debt and accumulated indebtedness for loans held by ED.
1990	Manage Repayment Counseling provides repayment counseling to borrowers, informing them of their rights and responsibilities as they relate to repayment of their loans.
2000	Manage Repayment Counseling notifies the borrower of repayment terms and conditions when they receive repayment counseling.
2030	Manage Repayment Counseling tracks whether borrowers have received repayment counseling, and which organization provided it.
LR-01.01	Manage Repayment Counseling will be consistent with Coded Federal Regulations 674.42, 682.210, 682.211, 682.301, 685.204, 685.205, 685.206, 685.207, 685.209, and 685.304.
LR-01.02	Manage Repayment Counseling collects and compiles performance measurement data.
Select Repayment Option LR-02	This subprocess notifies the borrower of options available to repay loan(s) and allows the borrower to select a repayment plan for loans held by ED. A borrower may pay any part of the outstanding balance of loans held by ED in a lump sum payment and the remaining balance in regular installments, or make regular installments on the entire outstanding balance.
1488	Select Repayment Option periodically recalculates interest, charges, and fees accrued for Direct Loans, and loans assigned to ED for debt collection with variable interest rates or specific repayment plans (e.g., graduated repayment and income contingent repayment).
2000	Select Repayment Option notifies the borrower of repayment terms and conditions when they receive repayment counseling.
2002	Select Repayment Option provides standard repayment options by program to the borrower.
2010	Select Repayment Option allows borrowers to select and request repayment options on their aid at any time.
2060	Select Repayment Option maintains repayment option decision information by borrower and loan.
2070	Select Repayment Option provides access to repayment option modeling capabilities to borrowers. This shall include modeling the effects of loan consolidation, income contingent repayment, and other repayment plans on the number and amount of payments required of borrowers.
2110	Select Repayment Option allows borrowers to sign up for automatic payroll and/or other debits (e.g., direct debit from the borrower's bank, automatic scheduled payment to the loan holder).

Business Requirement ID	Business Requirement Definition
2112	Select Repayment Option recalculates annually the payment due on borrower's loans, based on the interest rate and the repayment plan selected for Direct Loans.
2114	Select Repayment Option regenerates the repayment schedule for borrower's loans in the event that additional disbursements are made for the loan, the borrower requests to change repayment plans, or additional loans held by the same borrower enter repayment.
2130	Select Repayment Option provides automatic payroll deduction information to the borrower.
2150	Select Repayment Option provides routing information for automatic payroll deductions to authorized parties.
2180	Select Repayment Option allows borrowers to submit a request for consolidation of existing loans into a Direct Loan or FFELP Loan.
2300	(See LR-05 2552.07)
2360	Select Repayment Option calculates income contingent repayment terms for loans held by ED.
2370	Select Repayment Option verifies borrower income with the IRS when the borrower selects income contingent repayment terms.
2522	Select Repayment Option provides electronic debit advice to the borrower's bank for loans held by ED.
2920	Select Repayment Option provides authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
LR-02.01	Select Repayment Option will be consistent with Coded Federal Regulations 674.33-674.40, 682.209, 685.208-685.214, and 682.210-682.211.
LR-02.02	Select Repayment Option collects and compiles performance measurement data.
Process Billing Information LR-05	This subprocess handles requests for billing documentation (includes bills/statements) and billing date changes for loans held by ED.
1497	Process Billing Information sends periodic interest statements to borrowers during the grace period for Direct Loans that are unsubsidized, or that are consolidated while the student is still in school and have an unsubsidized or a PLUS portion.
2004	Process Billing Information sends the borrower a disclosure statement prior to the end of the grace period.
2116	Process Billing Information calculates the payment due on a loan and bills the borrower for that amount for loans held by ED.
2552.04	Process Billing Information generates financial aid statements of account for borrowers.
2552.06	Process Billing Information receives billing date change requests from borrowers and, if the request is approved, updates the billing date accordingly for Direct Loans and loans assigned to ED for debt collection.

Business Requirement ID	Business Requirement Definition
2552.07	Process Billing Information generates appropriate billing documentation (includes bills/statements) for Direct Loans. Select Repayment Option provides consolidated billing statements for Direct Loans.
LR-05.01	Process Billing Information will be consistent with Coded Federal Regulation 674.43.
LR-05.02	Process Billing Information collects and compiles performance measurement data.
Process Loan Payment and Loan Overpayment Refund LR-04	This subprocess processes repayment information on all loans held by ED and refunds borrowers in case of overpayment of final installments on Direct Loans.
LR-04.01	Process Loan Payment and Loan Overpayment prepares and distributes all tax-related forms/documents for borrowers (e.g., IRS 1098-E forms and Hope Scholarship verification).
1280	Process Loan Payment and Loan Overpayment provides a single point of interface for receiving student aid data and payment history for Federal loans.
1282	Process Loan Payment and Loan Overpayment provides a single point of interface for accessing student aid data other than Title IV aid.
1496	Process Loan Payment and Loan Overpayment accrues interest in the school, grace, or deferment periods for Direct Loans that are unsubsidized, or those that are consolidated while the student is still in school and has an unsubsidized or PLUS portion.
1498	Process Loan Payment and Loan Overpayment allows borrowers to make payment during the school, grace, or deferment period for the interest accrued, for Direct Loans that are unsubsidized, or that are consolidated while the student is still in school and has an unsubsidized or PLUS portion.
2179	Process Loan Payment and Loan Overpayment sends refunds to borrowers in the case of overpayments made by borrowers on the final payment of all loans held by ED.
2252	Process Loan Payment and Loan Overpayment receives loan payment information and updates loan principal, interest, collection charges, and late payment fee information as appropriate.
2620	Process Loan Payment and Loan Overpayment receives updated loan balance information from schools, lenders, and guaranty agencies for the loans that they hold.
2700	Process Loan Payment and Loan Overpayment receives loan overpayment information from schools.
2920	Process Loan Payment and Loan Overpayment provides to authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
5210	Process Loan Payment and Loan Overpayment applies transactions to the appropriate award year within multiple award-year disbursements at the student level.

Business Requirement ID	Business Requirement Definition
LR-04.02	Process Loan Payment and Loan Overpayment manages rehabilitated loans that are coming out of default status and reentering repayment status.
LR-04.03	Process Loan Payment and Loan Overpayment will be consistent with Coded Federal Regulation 673.5 and 690.79.
LR-04.04	Process Loan Payment and Loan Overpayment collects and compiles performance measurement data.
Manage Aid Status LR-03	This subprocess processes deferments, forbearances, discharges, cancellations, SSCRs, and loan transfers of Direct Loans. In addition, this activity monitors repayment history to update loan status to delinquency and/or default, and based on status updates, converts loans to repayment status. This subprocess also directs applications for deferments, discharges, forbearances, and cancellations to the appropriate party.
LR-03.01	Manage Aid Status provides exception reporting to identify errors and ensure corrections related to aid repayment processing.
1280	Manage Aid Status provides a single point of interface for receiving student aid data and payment history for ED loans.
1282	Manage Aid Status provides a single point of interface for accessing student aid data other than Title IV aid.
1484	Manage Aid Status transfers defaulted Direct Loans to Collections and defaulted loans held by ED among collection agencies.
1486	Manage Aid Status allows participants to reduce the amount of, or cancel disbursements within a designated time period for Direct Loans or grants.
1487	Manage Aid Status allows borrowers to notify the system of changes in their enrollment status (e.g., transfer or drop out of school).
2005	Manage Aid Status determines the beginning of the grace period for a Direct Loan based on the borrower's enrollment status.
2006	Manage Aid Status processes the borrower's request to make payments during the grace period or during the in-school deferment period.
2240	Manage Aid Status allows borrowers to query their aid status.
2250	Manage Aid Status allows authorized parties to query a student's aid status.
2320	Manage Aid Status verifies the unemployment status of borrowers through matches with state Departments of Labor.
2380	Manage Aid Status provides a means for borrowers to request deferment or forbearance on loans.
2390	Manage Aid Status receives notification of a deferment and/or forbearance initiated by a lender.
2400	Manage Aid Status determines whether borrowers qualify for in-school deferment.
2412	Manage Aid Status confirms whether borrowers qualify for active military deferment or forbearance by obtaining information from the Department of Defense.

Business Requirement ID	Business Requirement Definition
2420	Manage Aid Status notifies borrowers if they are eligible for in-school deferment when they enter repayment status.
2430	Manage Aid Status notifies all of a borrower's loan holders of a borrower's request for a deferment or forbearance on a loan.
2440	Manage Aid Status notifies all loan holders of a deferment or forbearance decision made by any individual loan holder.
2442	Manage Aid Status notifies borrowers of a deferment or forbearance decision made by any of their loan holders.
2482	Manage Aid Status receives notification of lender servicer changes from lenders.
2484	Manage Aid Status receives notification of guaranty agency and guaranty agency servicer changes from guaranty agencies.
2550	Manage Aid Status notifies schools of borrowers' delinquency after they have missed consecutive loan repayment due dates.
2570	Manage Aid Status informs the borrower if the servicer for their loan changes for loans held by ED.
2622.01	Manage Aid Status discharges a loan in the event of the borrower's death for loans held by ED.
2622.02	Manage Aid Status discharges a loan in the event of borrower disability for loans held by ED.
2622.03	Manage Aid Status discharges a loan in the event of false student certification for loans held by ED.
2622.04	Manage Aid Status discharges a loan in the event of school closure for qualified loans held by ED.
2622.05	Manage Aid Status discharges a loan in the event of a borrower's bankruptcy for loans held by ED.
LR-03.02	Manage Aid status reinstates discharged loans.
2622.06	Manage Aid Status notifies all of a borrower's loan holders of a loan discharge decision made by any individual loan holder.
2632	Manage Aid Status monitors borrower's repayment history and, if necessary, updates loan status to default for all loans held by ED.
2634	Manage Aid Status reinstates eligibility for Title IV aid as defaulted borrowers move on to an appropriate payment plan for their defaulted loans.
2640	Manage Aid Status sends a notice of default to borrowers and schools when one or more of their loans enter default.
2920	Manage Aid Status provides to authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
LR-03.03	Manage Aid Status will be consistent with Coded Federal Regulations 674.52, 682.510, 685.204, 685.212-685.214, and 685.305.
LR-03.04	Manage Aid Status collects and compiles performance measurement data.
LR-03.05	Manage Aid Status verifies borrower death or disability.

Business Requirement ID	Business Requirement Definition
Track Borrower LR-09	This subprocess provides the Department of Education with a means to maintain delinquent accounts through credit bureau reporting and skip tracing. The credit bureau reporting functionality selects all (including delinquent) accounts and reports those accounts to the appropriate credit bureaus on a monthly basis. The system also maintains current demographic information through the generation of skip trace request on a periodic basis. Requests are also accepted from external sources, such as guaranty agencies, schools and lenders. Updated information is retrieved from state and federal agencies, including the United States Postal Service (and for Collections, the Internal Revenue Service).
2340	Track Borrower provides assistance in skip-tracing when requested (an effort to find a borrower's correct address) to guaranty agencies, lenders and schools, through matches with the IRS, Postal Service, and state agencies.
2350	Track Borrower provides assistance in skip tracing by allowing loan holders, loan servicers, and collection agencies to update address information for borrowers whose loans they service.
2660	Track Borrower provides information on borrowers to credit bureaus for loans held by ED.
2752	Track Borrower provides deletion letters to credit bureaus when borrowers have been erroneously reported to a credit bureau for loans held by ED.
2920	Track Borrower provides authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
LR-09.01	Track Borrower will be consistent with Coded Federal Regulation 674.49.
LR-09.02	Track Borrower collects and compiles performance measurement data.
Assign Defaulted Loan LR-10	This subprocess monitors (at specific periods) defaulted loans and works with guarantors to assign selected student loans (Perkins, FFELP) to ED and/or collection agencies, as appropriate.
1280	Assign Defaulted Loan provides a single point of interface for receiving student aid data and payment history for defaulted ED loans.
1282	Assign Defaulted Loan provides a single point of interface for accessing defaulted student aid data other than Title IV aid.
2680	Assign Defaulted Loan provides defaulted loan alerts to the Department of Housing and Urban Development through Computer Activated Interactive Voice Response System (CAIVRS).
2690	Assign Defaulted Loan accepts defaulted Perkins Loans from schools, after unsuccessful collection, and shall assume responsibility for collection efforts on the loan.
2712	Assign Defaulted Loan accepts defaulted FFELP loans from guaranty agencies and, after unsuccessful collection, shall assume responsibility for collection efforts on the loan.

Business Requirement ID	Business Requirement Definition
2714	Assign Defaulted Loan accepts defaulted Federal Insured Student Loan (FISL) loans from loan holders and, after unsuccessful collection, shall assume responsibility for collection efforts on the loan.
2716	Assign Defaulted Loan accepts grant overpayment balances from schools, after unsuccessful collection, and assumes responsibility for collection efforts on the debt.
2920	Assign Defaulted Loan provides authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
LR-10.01	Assign Defaulted Loan will be consistent with Coded Federal Regulations 674.49, 674.50, and 682.409.
LR-10.02	Assign Defaulted Loan collects and compiles performance measurement data.
Manage Debt Collection LR-12	This subprocess coordinates all transactions related to identifying defaulted loans, billing defaulted borrowers and processing repayments received from defaulted borrowers for those loans assigned to ED.
LR-12.01	Manage Debt Collection provides the Department of Education with a means to manage control of defaulted accounts. Accounts meeting collection criteria are selected and then transferred to the appropriate Collection Agency. Updated addresses, account snapshots and other Information are transferred periodically between this system and Collection Agencies to keep updated records. Accounts can also be adjusted and/or recalled by the Department.
LR-12.02	Manage Debt Collection uses predictive risk profiling tools to identify potential defaulted loans, prior to their actual default.
LR-12.03	Manage Debt Collection enables the Department of Education to identify defaulted borrowers eligible for fund offset, and to take action on those accounts. If a borrower is certified in the Treasury offset program and the guaranty agencies (GA) through the Department and is otherwise entitled to a Federal state payment, including an income tax refund, the individual's amount due is offset up to the certified amount. This offset amount is then credited to the borrower's account.
LR-12.04	Manage Debt Collection attempts collection of payments related to defaulted loans.
LR-12.05	Manage Debt Collection enables the Department of Education to identify defaulted borrowers eligible for wage garnishment, and to take action on those accounts. Wages may be garnished through private sector employers. This subprocess also tracks the borrower's employment status, garnished wage status changes, and movement to new employers.
LR-12.06	Manage Debt Collection administers the process of preparing packages and sending eligible accounts to US attorneys for litigation actions on defaulted individuals.
LR-12.07	Manage Debt Collection receives and acts on recommendations from collection agencies when loans cannot be recovered by the agency. These recommendations may include initiating litigation or wage garnishment.

Business Requirement ID	Business Requirement Definition
LR-12.08	Manage Debt Collection resolves disputes between borrowers and ED related to loan ownership and status.
LR-12.09J	Manage Debt Collection sends wage garnishment orders to employers. (This requirement was taken from JFMIP.)
LR-12.10J	Manage Debt Collection supports real-time report generation to track amounts recovered through wage garnishment. (This requirement was taken from JFMIP.)
LR-12.11J	Manage Debt Collection allows for sorting and grouping of default accounts based on various debt characteristics. (This requirement was taken from JFMIP.)
LR-12.12J	Manage Debt Collection supports calculation of outstanding balance, including principal, interest penalties, and administrative charges, for each defaulted loan account to be referred to legal counsel. (This requirement was taken from JFMIP.)
LR-12.13J	Manage Debt Collection generates the Claims Collection Litigation Report (CCLR). The CCLR is used to capture collection actions and current debtor information and transmit this information to DOJ. (This requirement was taken from JFMIP.) (For loans held by ED.)
LR-12.14J	Manage Debt Collection tracks filing of pleadings and other motions, including proofs of claims in bankruptcy, to ensure swift legal action and to monitor litigation activity. (This requirement was taken from JFMIP.) Transfers accounts in bankruptcy to ERTIC
1484	Manage Debt Collection transfers defaulted loans held by ED among collection agencies.
2330	Manage Debt Collection obtains Federal employment confirmation by matches with the Department of Defense and U.S. Postal Service for those borrowers who are deemed eligible for Federal salary offset.
2662	Manage Debt Collection assesses necessary administrative fees against borrowers' defaulted loan balances.
2622.03	Manage Debt Collection discharges a loan in the event of false student certification for Direct Loans and those loans that are held by ED for debt collection.
2622.04	Manage Debt Collection discharges a loan in the event of school closure for Direct Loans and those loans that are assigned to ED for debt collection (including Perkins loans).
2634	Manage Debt Collection tracks the repayment history of borrowers with defaulted loans and, if appropriate, moves their loans into repayment status for those loans that have been assigned to ED for debt collection.
2640	Manage Debt Collection sends a notice of default to borrowers when one or more of their loans enter default.
2645	Manage Debt Collection refers debts (i.e., defaulted loans assigned to ED, grant overpayments assigned to ED, and defaulted Direct Loans) to collection agencies.
2662	Manage Debt Collection assesses necessary administrative fees against borrowers' defaulted loan balances.
2670	Manage Debt Collection provides defaulted loan information to debt collection agencies collecting on defaulted loans on behalf of ED.

Business Requirement ID	Business Requirement Definition
2730.01	Manage Debt Collection offsets Federal payments and refunds due to defaulted borrowers from the U.S. Treasury and shall apply these offsets to the borrower's debt.
2742	Manage Debt Collection garnishes wages from borrowers in defaulted status through private sector employers for loans held by ED.
2744	Manage Debt Collection tracks employment status, garnished wage status changes, and movement to new private sector employers for defaulted borrower's currently in wage garnishment for loans held by ED.
2746	Manage Debt Collection notifies private sector employers of intent to commence wage garnishment for loans held by ED.
2748	Manage Debt Collection offsets the wages of borrowers that have defaulted loans and are Federal employees for loans held by ED.
2750	Manage Debt Collection handles any litigation action on defaulted individuals. Claims Collection Litigation Reports (CCLRs) are generated for individuals that are recommended for litigation. Hearing proceedings and findings are made available to litigators (defaulted borrowers).
2754	Manage Debt Collection processes payment requests for service fees due a collection agency.
2802	Manage Debt Collection handles updated accounts and their adjusted payment terms that are returned from Department of Justice litigation for loans that ED holds.
2920	Manage Debt Collection provides to authorized staff access to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
6090	Manage Debt Collection charges a fee to students whose loans owned by ED are assigned to collection agencies.
LR-12.15	Manage Debt Collect will be consistent with Coded Federal Regulations 674.45, 674.48, 682.507, and 685.202.
LR-12.16	Manage Debt Collection collects and compiles performance measurement data.
Manage Consolidation Loan Information LR-07	This subprocess manages the flow of information necessary to consolidate a borrower's separate loans either for Direct Loan consolidations of Direct and/or FFELP Loans, or for the Direct Loan component of FFELP loan consolidations. This information would include available consolidation agent decisions, previous loan information, and loan payoff information.
2240	Manage Consolidation Loan Information allows borrowers to query their aid status.
2250	Manage Consolidation Loan Information allows authorized parties to query a student's aid status.
2260	Manage Consolidation Loan Information provides a listing of those loan holders that are authorized to be consolidation agents to borrowers upon the borrower's request.
2270	Manage Consolidation Loan Information receives the choice of a loan consolidator from the borrower.

Business Requirement ID	Business Requirement Definition
2280	Manage Consolidation Loan Information allows the borrower to request consolidation information.
2290	Manage Consolidation Loan Information provides consolidation information to the borrower.
LR-07.01	Manage Consolidation Loan Information processes loan consolidation requests from a borrower or by the loan holder on behalf of the borrower. A loan consolidation closes out separate smaller loans and creates a new larger loan equal to the sum of all previous separate loans plus eligible interest and fees, allowing for one payment instead of several.
2170	Manage Consolidation Loan Information receives loan consolidation requests from loan holders submitted on behalf of borrowers.
2180	Manage Consolidation Loan Information allows borrowers to submit a request for consolidation of existing loans into a Direct Loan.
2190	Manage Consolidation Loan Information notifies loan holders of the acceptance or rejection of consolidation requests they have submitted on behalf of borrowers. Rejection would be possible if SFA does not receive adequate loan information on any of the underlying loans that the borrower wishes to consolidate.
2192.01	Manage Consolidation Loan Information notifies borrowers of the acceptance or rejection of their requests for consolidation of existing loans into a Direct Loan. If acceptance, it also informs the borrower of the pending consolidation and permits the borrower to stop the consolidation.
LR-07.02	Manage Consolidation Loan Information determines which loans are eligible for consolidation.
LR-07.03	Manage Consolidation Loan Information receives and processes electronic files, images and processes paper loan consolidation applications and processes electronic files as necessary.
LR-07.04	Manage Consolidation Loan Information will be consistent with Coded Federal Regulation 685.215.
LR-07.05	Manage Consolidation Loan Information collects and compiles performance measurement data.
Process Consolidated Direct Loan LR-16	This subprocess manages the receipt, processing, and certification of Direct Loan consolidation requests. The output of this subprocess triggers the Financial Partner Services transaction, which pays off lenders of the underlying loans for consolidation and results in a new origination record for the consolidated Direct Loan.
2220	Process Consolidated Direct Loan requests verification of loan existence and balance from schools (for Perkins Loans), lenders (for FFELP Loans) and other sources of existing loans based upon the consolidation application provided by the applicant or loan holder.
2230	Process Consolidated Direct Loan receives verification of loan existence and balance from schools (for Perkins Loans) and lenders (for FFELP Loans) and other loan holders.
LR-16.01	Process Consolidated Direct Loan processes Direct Loan consolidations partially or in full depending on whether SFA receives lender verification on all loans that are eligible for consolidation.

Business Requirement ID	Business Requirement Definition
LR-16.02	Process Consolidated Direct Loan sends disclosures and promissory notes to students.
2172	Process Consolidated Direct Loan generates payment requests for underlying loans as a result of borrower's request for a Direct Consolidation Loan.
2174	Process Consolidated Direct Loan applies the payoff amount for each underlying loan of a Direct Consolidation Loan to the balance of the Direct Consolidation Loan.
2178	Process Consolidated Direct Loan receives information from loan holders on underpayments made when paying off an underlying loan of a Direct Consolidation Loan and authorizes payments to the loan holder.
2182	Process Consolidated Direct Loan reduces the balance of a Direct Consolidation Loan when loan holders make payoff overpayments to ED. This subprocess automatically reconciles the overpayment with the scheduled payoff and reduces the loan balance accordingly.
2210	Process Consolidated Direct Loan consolidates Direct Loans, FFELP Loans, Perkins Loans, and other federally insured student loans into Direct Consolidation Loans.
2176	Process Consolidated Direct Loan creates an origination record for Direct Consolidation Loans.
1230.01	Process Consolidated Direct Loan uses a common integrated origination process for all Title IV student financial assistance programs.
1230.02	Process Consolidated Direct Loan uses a common integrated payment process for all Title IV student financial assistance programs.
1230.03	Process Consolidated Direct Loan uses a common integrated reconciliation process for all Title IV student financial assistance programs.
1270	Process Consolidated Direct Loan enables ED and other specified fund sources to accept or reject award origination records based upon Title IV aid program criteria.
1350.01	Process Consolidated Direct Loan maintains an audit trail of all student aid origination by aid program by student.
1350.02	Process Consolidated Direct Loan maintains an audit trail of all student aid payment records by aid program by student.
6100	Process Consolidated Direct Loan performs netting out of underpayments and overpayments for loan holders in consolidation.
LR-16.03	Process Consolidated Direct Loan recalculates payoff amounts for students based on overpayment/underpayment adjustments.
LR-16.04	Process Consolidated Direct Loan runs a credit check for PLUS loan consolidations.
LR-16.05	Process Consolidated Direct Loan initiates forced income contingent repayment for consolidated loans in default.
2580	Process Consolidated Direct Loan receives requests from borrowers to refinance their loans.
2580.01	Process Consolidated Direct Loan informs the lender of a borrower's request to refinance their loans.

Business Requirement ID	Business Requirement Definition
2920	Process Consolidated Direct Loan provides to authorized staff visibility to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
LR-16.06	Process Consolidated Direct Loan collects and compiles performance measurement data.

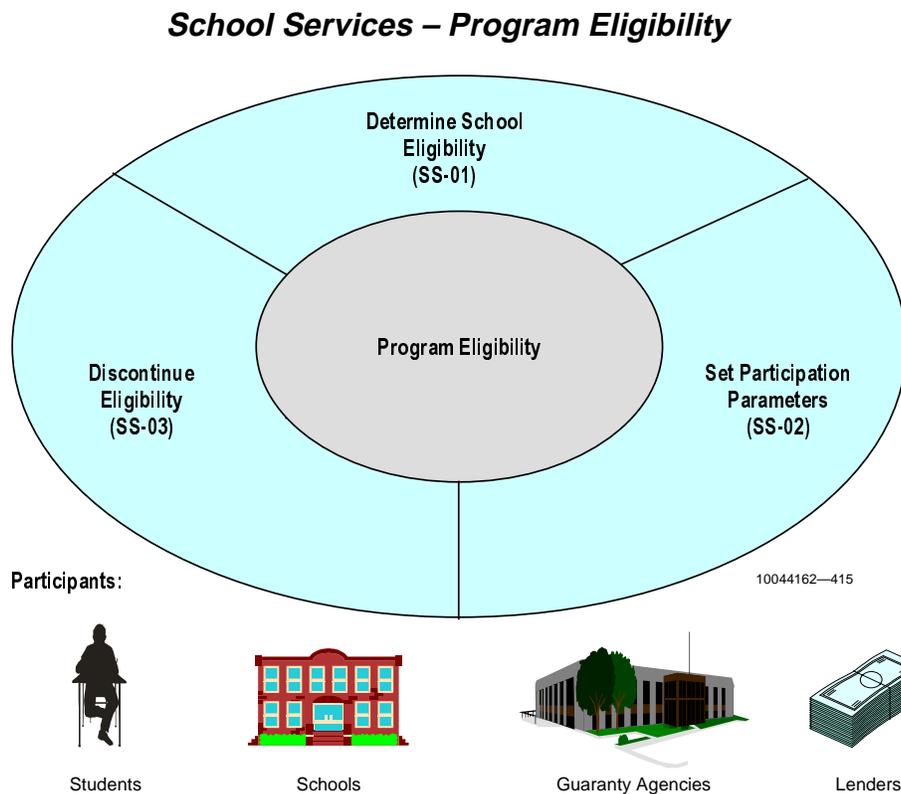
School Services – Program Eligibility

Process Description

This process monitors eligibility requirements throughout a school's involvement with Title IV Aid programs. Program Eligibility includes the activities needed to certify schools for participation in Title IV programs, to define the scope of their participation, and to discontinue eligibility as needed. Statutory eligibility, administrative capability and financial capability are key determinants of school eligibility. When a school is certified, SFA determines participation levels based on type of program, length of program, method of disbursement and other dimensions that may vary from school to school. School's participation may also be deactivated either voluntarily by the school or involuntarily by SFA. This process also manages the transactions related to discontinuing eligibility. Program eligibility activities represent the first line of interaction between SFA and schools so it is critical that these processes are executed efficiently and accurately. The information collected here will initiate the school profile and will be used as the basis of performance analysis and program support efforts throughout the school's tenure as a Title IV program participant.

Process Depiction

The following diagram illustrates the subprocesses within Program Eligibility.



School Services – Program Eligibility Subprocess Descriptions

Subprocess Name	Description
Determine School Eligibility SS-01	This subprocess analyzes and evaluates domestic and foreign schools applications for aid programs. It notifies schools of the determination of their eligibility and certification to participate in Title IV programs. Statutory eligibility, administrative capability and financial capability are key determinants of school eligibility. This subprocess may be a prerequisite for other ED programs.
Set School Participation Parameters SS-02	This subprocess determines the parameters under which domestic and foreign schools may participate in Title IV programs, related pilots, experimental demonstrations and other special programs based on a variety of dimensions.
Discontinue School Eligibility SS-03	This subprocess administers the transactions related to discontinuing or deactivating a domestic or foreign schools participation in Title IV programs. Eligibility may be discontinued voluntarily by program or by school or based on administrative actions taken by the Department.

School Services – Program Eligibility Business Requirements

This section contains the subprocesses for Program Eligibility and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Determine School Eligibility SS-01	This subprocess analyzes and evaluates domestic and foreign schools applications for aid programs. It notifies schools of the determination of their eligibility and certification to participate in Title IV programs. Statutory eligibility, administrative capability and financial capability are key determinants of school eligibility. This subprocess may be a prerequisite for other ED programs.
3164	Determine School Eligibility reviews accreditation board and state licensing business information (for foreign schools, accreditation information only applicable to medical graduate schools).
3170	Determine School Eligibility receives school applications for eligibility or recertification from schools.
3180	Determine School Eligibility notifies schools of the determination of their eligibility to participate in Title IV programs (only FFEL program for foreign schools).
3190	Determine School Eligibility receives and maintains signed program participation agreements (PPA) or equivalent (for foreign schools), from schools.
3200	Determine School Eligibility requests and receives signed letters of credit from domestic schools.
3290	Determine School Eligibility receives requests for school letters of credit from ED.
3240	Determine School Eligibility receives accreditation information from domestic schools and foreign medical schools.
3260	Determine School Eligibility receives and maintains school certification application data.
3280	Determine School Eligibility maintains school Title IV program eligibility determination information.
3320	Determine School Eligibility receives and reviews guaranty agencies' reviews of schools and school audit information from guaranty agencies to support decisions for certification or recertification (domestic schools only).
3330	Determine School Eligibility analyzes ED's reviews of schools and school audit and financial information to support decisions for recertification.
3340	Determine School Eligibility receives accreditation information from accreditation boards for domestic schools and foreign medical schools.
3350	Determine School Eligibility receives state/country licensing information from state/country licensing agencies (country licensing for foreign medical schools only).

Business Requirement ID	Business Requirement Definition
3360	Determine School Eligibility creates a unique, secure school identifier as a new school becomes active in the program. The school's status during the eligibility process can be updated and accessible across SFA records.
3370	Determine School Eligibility receives and reviews third-party audit information for domestic schools to support decisions for certification or rectification.
3380	Determine School Eligibility provides Title IV program acceptance packages to institutions and maintains these packages when approved by the institution.
6060	Determine School Eligibility generates, disseminates, and manages PIN or OPE ID numbers or interfaces with external authentication sources.
6070	Determine School Eligibility uses the PIN or OPE ID number for confidentiality, authentication, integrity, and non-repudiation where required.
SS-01.01	Determine School Eligibility recertifies the new ownership of schools that have changes in ownership for participation in ED programs. In the case of school mergers, individual default rates are analyzed and appropriate combined rates computed.
3250	Determine School Eligibility provides school change-of-ownership notices to ED.
3255	Determine School Eligibility receives change-of-ownership notices from schools.
3500	Determine School Eligibility updates change-of-ownership transfer-of-payments information to the integrated financial management system.
3510	Determine School Eligibility receives and processes change-of-ownership approvals.
SS-01.02	Determine School Eligibility reestablishes participation for change-of-ownership schools.
SS-01.03	Determine School Eligibility will be consistent with Coded Federal Regulations 600.20, 600.51, 668.8, 668.12, 668.12, 668.13, 668.15, 668.16, 668.130, 682.601, 682.603, and 690.7.
SS-01.04	Determine School Eligibility collects and compiles performance measurement data.
Set School Participation Parameters SS-02	This subprocess determines the parameters under which domestic and foreign schools may participate in Title IV programs, related pilots, experimental demonstrations and other special programs based on a variety of dimensions. Foreign schools are only eligible for the FELL program.
SS-02.01	Set School Participation Parameters determines the specific Title IV programs, related pilots, experimental demonstrations and other special programs in which schools may participate, including Pell, Direct Loan, and Campus Based programs.
SS-02.02	Set School Participation Parameters sets the length of participation in Title IV program, including either full or provisional participation.
SS-02.03	Set School Participation Parameters sets Direct Loan origination levels.

Business Requirement ID	Business Requirement Definition
SS-02.04	Set School Participation Parameters determines the type of payment status applicable to the domestic school: just-in-time, advance scheduled, reimbursements or cash monitoring. Students at foreign schools receive disbursements directly.
SS-02.05	Set School Participation Parameters sets deferment only participation for selected schools.
SS-02.06	Set School Participation Parameters has the flexibility to establish minimum and maximum participation thresholds based on predetermined parameters for domestic schools.
SS-02.07	Set School Participation Parameters will be consistent with Coded Federal Regulations 600.30, 668.14, 668.21, 674.7, 674.8, 674.17, 675.8, 682.610, 685.307, and 685.400.
SS-02.08	Set School Participation Parameters collects and compiles performance measurement data.
Discontinue Eligibility SS-03	This subprocess administers the transactions related to discontinuing or deactivating a domestic or foreign school's participation in Title IV programs. Eligibility may be discontinued voluntarily by program or by school voluntarily or based on administrative actions taken by the Department of Education.
3230	Discontinue Eligibility provides school start/stop payment orders to ED/Chief Financial Officer (CFO) when they are issued by ED.
3270	Discontinue Eligibility notifies schools of start/stop payments orders and discontinuance of eligibility.
SS-03.01	Discontinue Eligibility notifies guaranty agencies when a school's eligibility is discontinued.
SS-03.02	Discontinue Eligibility deactivates the previous owners of schools that have transferred to new ownership for participation in Title IV programs. This action is coordinated with certification of eligibility for the new owner.
SS-03.03	Discontinue Eligibility ensures internal access and control measure are in place so that only authorized individuals may execute discontinuances or changes in school eligibility status. This requirement will be integrated across all transaction level systems.
3480	Discontinue Eligibility creates an integrated link to all ED systems updating these systems on the school participation status based on a start/stop payment order or hold status.
SS-03.04	Discontinue Eligibility will be consistent with Coded Federal Regulations 600.40, 668.26, 668.71, 668.81, 668.111, 682.608, 682.609 and 682.700.
SS-03.05	Discontinue Eligibility collects and compiles performance measurement data.

School Services – Program Support

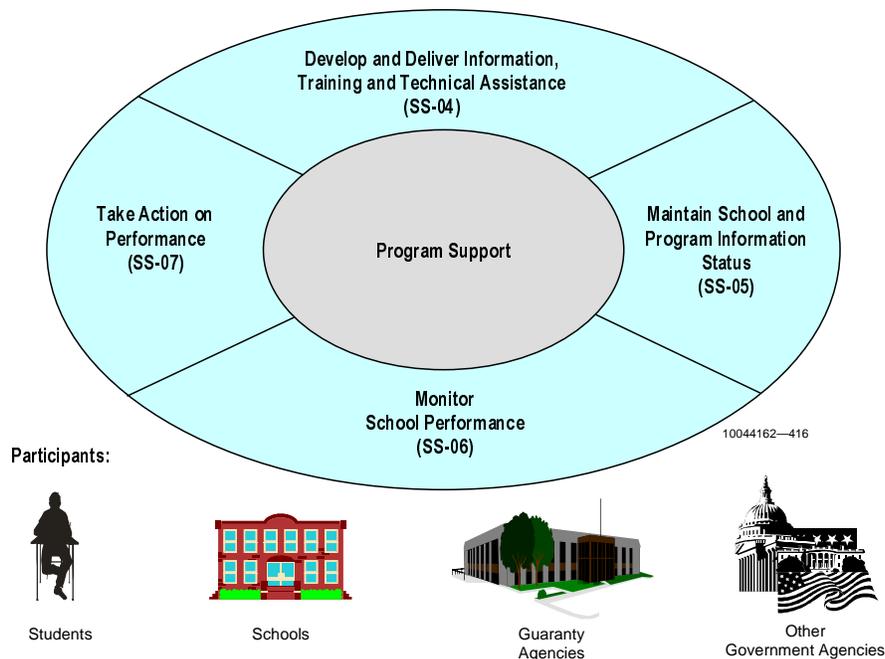
Process Description

This process ensures that schools have the tools and assistance they need to effectively manage Title IV Aid programs. Program Support includes the sets of activities that characterize the relationship and exchange of information between SFA and Title IV schools. Program Support starts with training and technical support and collection/maintenance of program information. This information is then used to analyze school performance across a number of indicators, including financial, administrative and outcomes-based measures. Performance analysis will be driven by predictive risk profiling tools that alert SFA to aberrant performance behavior across and among schools. Performance analysis and segmentation of schools across a risk continuum results in various actions by SFA ranging from regulatory relief for low risk, high performing schools to fines and participation discontinuance for high risk, low performing schools. Program Support in a modernized SFA will enable schools to access, manipulate and self-monitor their performance through the use of sophisticated technology tools that can reside on an aid administrator's desktop. These tools will help schools to identify corrective action options and improve performance levels relative to the cohort.

Process Depiction

The following diagram illustrates the subprocesses within Program Support.

School Services – Program Support



School Services – Program Support Subprocess Descriptions

Subprocess Name	Description
Develop & Deliver Information, Training & Technical Assistance SS-04	<p>This subprocess identifies and coordinates information development and distribution, training and technical assistance with domestic and foreign schools. Systematic training efforts will focus on educating financial aid professionals and other school administrators to better understand and use the resources available to them from SFA. Training efforts and guidance are also provided to state accrediting agencies and others who deliver service to schools as part of the financial aid system.</p>
Maintain School and Program Information and Status SS-05	<p>This subprocess collects and maintains information related to participating domestic and foreign schools and Title IV programs administered at the school level. The information includes, but is not limited to, school application information, program reviews, school audits, cohort default rates, experimental sites, financial analysis, addresses, school officials, financial aid officials, school closure, quality assurance data and other pertinent administrative and financial data. This subprocess provides an interface and access to school related data that resides outside of SFA and outside of ED. This information is accessed and used to conduct predictive analysis related to school performance.</p>
Monitor School Performance SS-06	<p>This subprocess reviews and analyzes internal and external data related to domestic and foreign school performance across a number of administrative, financial and outcome-based performance indicators. The types of analysis conducted include financial and risk management analysis, program and audit reviews, cohort default rate analysis, screening for special program eligibility (i.e., demonstration programs, pilots) and analysis which feeds the recertification process (included in SS-03, Program Eligibility). Fundamental to effective school performance monitoring is utilization of predictive risk analysis tools and profiling capabilities that will alert SFA to potential financial administrative and consumer protection risks for a particular school and across the peer group of schools based on pre-determined performance flags/indicators, including the proactive utilization of technical assistance as a positive indicator.</p>
Take Action on Performance SS-07	<p>This subprocess identifies the appropriate action or assistance needed to address positive and negative performance issues for domestic and foreign schools. Actions can take a number of forms from providing technical assistance and tools to imposing fines, eligibility termination or debarment. Performance actions will place an increasing emphasis on preventative measures to help schools correct performance issues before strong sanctions are necessary.</p>

School Services – Program Support Business Requirements

This section contains the subprocesses for Program Support and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Develop & Deliver Information, Training & Technical Assistance SS-04	This subprocess manages information development and distribution, training and technical assistance with domestic and foreign schools. Systematic training efforts will focus on educating financial aid professionals and other school administrators to better understand and use the resources available to them from SFA. Training efforts and technical assistance are also provided to state accrediting agencies and others who deliver service to schools as part of the financial aid system.
SS-04.01	Develop & Deliver Information, Training & Technical Assistance targets schools by type of information need (both needs determined by the schools and those identified by SFA).
SS-04.02	Develop & Deliver Information, Training & Technical Assistance develops training products for programs, information requirements or technical assistance training/delivery material. Specific development includes: <ul style="list-style-type: none"> • Curricula for training • “Train the trainer” programs and materials • Informational products and publications • Performance measurement criteria for each program • Quality control processes (technical quality and content quality)

Business Requirement ID	Business Requirement Definition
SS-04.03	<p>Develop & Deliver Information, Training & Technical Assistance executes awareness programs by:</p> <ul style="list-style-type: none"> • Administering mandated training on Title IV programs, program rules and program operations for first time schools and change of ownership schools. • Providing training for schools on the processes and procedures used by SFA to administer and monitor the success of aid programs at schools (e.g., program review process, certification/recertification process, etc). • Providing technology training on tools and systems that are accessed and utilized by school aid administrators. • Providing training for schools on the content of Title IV programs, including program regulations, offerings and aid levels. • Providing technical assistance and quality assurance training and tools to help schools determine and manage their risk profile proactively. • Coordinating and exchanging information with external partners (e.g., guaranty agencies, state licensing and accreditation agencies) to improve service delivery to schools. • Explaining and interpreting regulations for schools. • Responding to the public's request for information pertaining to participating schools' performance.
SS-04.04	<p>Develop & Deliver Information, Training & Technical Assistance monitors program effectiveness by:</p> <ul style="list-style-type: none"> • Maintaining Title IV program information to support training and education efforts at schools. This shall include general information about each program in addition to specific rules and regulations applying to each program and training materials/alternatives related to the programs. • Involving schools and other partners in decision planning processes so that changes in the financial aid system can be introduced smoothly and efficiently. • Analyzes data from routine feedback loops, focus groups, special studies, phone statistics, cost data, usage/understanding of products and other data. • Prepares lists of and answers to frequently asked questions (FAQs) and common inquiries. • Identifies drivers of success and failures in Aid Awareness programs. • Recommends actions to improve program and distribution performance from the target segments. • Coordinates and exchanges information with external partners (e.g., schools, guaranty agencies, state licensing and accreditation agencies) to improve service delivery to students. • Develops action plans resulting from the quality control process (technical quality and content quality).
SS-04.05	<p>Develop & Deliver Information, Training, & Technical Assistance will be consistent with Coded Federal Regulation 99.7.</p>

Business Requirement ID	Business Requirement Definition
SS-04.06	Develop & Deliver Information, Training & Technical Assistance collects and compiles performance measurement data.
Maintain School and Program Information and Status SS-05	This subprocess collects and maintains information related to participating domestic and foreign schools and Title IV programs administered at the school level. The information includes, but is not limited to, school application information, program reviews, school audits, cohort default rates, experimental sites, financial analysis, addresses, school officials, financial aid officials, school closure, quality assurance data and other pertinent administrative and financial data. This subprocess provides an interface and access to school related data that resides outside of SFA and outside of ED. This information is accessed and utilized to conduct predictive analysis related to school performance.
SS-05.01	<p>Maintain School and Program Information and Status provides access to view and manipulate critical performance-related information about schools that resides internal and external to ED/SFA and ED. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Data internal to ED, but outside SFA—financial management data (currently in GAPS) and IPEDS data. • Data outside of ED, but internal to other Federal government agencies—data from GSA, Census Bureau, Selective Service, Immigration and Naturalization Service, Veterans Administration, FTC, SEC, IRS and others. • Non-federal data—School ranking databases, data from state and accreditation agencies.
3094	Maintain School and Program Information and Status maintains school calendar information.
3020	Maintain School and Program Information and Status maintains domestic school Fiscal Operations Report and Application to Participate (FISAP) data (includes income grids).
3022	Maintain School and Program Information and Status maintains hold status information for domestic schools that are eligible for Campus Based Program funds.
3210	Maintain School and Program Information and Status receives FISAP data from domestic schools.
3220	Maintain School and Program Information and Status provides FISAP data to IFMD.
SS-05.02	Maintain School and Program Information and Status receives and maintains notice of closed schools, notices from state agencies, accreditation boards, guaranty agencies, students and schools. This subprocess also verifies school closures with the appropriate organization (state) and provides notification of such closures to the organizations above as needed.
3450	Maintain School and Program Information and Status provides refund information to the participant in the case of a school closure.
3455	Maintain School and Program Information and Status informs borrowers of their potential eligibility for a closed school loan discharge.

Business Requirement ID	Business Requirement Definition
SS-05.03	Maintain School and Program Information and Status ensures students have an opportunity to complete their education when a school closes (e.g., teachouts).
SS-05.04	Maintain School and Program Information and Status is able to execute aspects of the school closure process in certain cases that are not triggered by an actual closure (e.g., school liquidation of assets).
1256	Maintain School and Program Information and Status produces a low income school directory based on information received from state education offices.
1258	Maintain School and Program Information and Status sends all Perkins Loan schools a copy of the low income school directory annually.
SS-05.05	Maintain School and Program Information and Status will be consistent with Coded Federal Regulations 668.44, 668.47-668.49, 674.41, and 674.42.
SS-05.06	Maintain School and Program Information collects and compiles performance measurement data.
Monitor School Performance SS-06	This subprocess reviews and analyzes internal and external data related to domestic and foreign school performance across a number of administrative, financial and outcome-based performance indicators. The types of analysis conducted include financial and risk management analysis, program and audit reviews, cohort default rate analysis, screening for special program eligibility and utilization of technical assistance (i.e., demonstration programs, pilots) and analysis which feeds the recertification process (included in SS-03, Program Eligibility). Fundamental to effective school performance monitoring is utilization of predictive risk analysis tools and profiling capabilities that will alert SFA to potential financial, administrative and consumer protection risks for a particular school and across the peer group of schools based on pre-determined performance flags/indicators.
1180	Monitor School Performance accepts and solicits feedback from participants, schools, and other organizations on services offered by organizations associated with the Title IV aid programs.
1190	Monitor School Performance publishes results on the feedback and inquiries received from the schools, other organizations and participants.
3740	Monitor School Performance provides program and financial oversight data to lenders, servicers, guaranty agencies and secondary markets.
SS-06.01	Monitor School Performance identifies school closures and updates the appropriate systems as necessary.

Business Requirement ID	Business Requirement Definition
SS-06.02	Monitor School Performance flags SFA to potential risk for a given school or across a school peer group based on financial monitoring capabilities that leverage commercial best practice (e.g., credit card, banking, fraud prevention industries). An example of this tool in action would be systematic monitoring of fluctuations in school drawdown patterns to identify aberrant behavior for a single school or groups of schools. Monitoring of foreign schools is conducted to the extent possible, commiserate with necessary levels of consumer protection and financial exposure of the school.
SS-06.03	Monitor School Performance enables SFA to compare schools across a continuum (risk or performance profiling) using performance analysis methods and tools. Schools may be compared based on a combination of administrative, financial and outcomes-based performance indicators.
2950	Monitor School Performance monitors key performance indicators and shall flag those indicators whose values are outside predetermined parameters. Indicators may include, but are not limited to: <ul style="list-style-type: none"> • Significant increase in federal aid to a school • Student outcomes-based indicators (e.g., student graduation percentages, income realization). Other outcome-based indicators are included in the Customer Service Task Force recommendations and will be incorporated into the Modernization Blueprint as they are finalized and approved for implementation. • Adherence to reporting requirements both internal and external to ED. • Administrative performance indicators (e.g., timeliness and accuracy of required SFA reporting, NSLDS submissions, use of technical assistance services)
1150	Monitor School Performance allows auditors and ED staff, as well as those with the need for self audit such as schools, the necessary access to transaction histories by school, student, and program in order to perform audits/reviews, based on: <ul style="list-style-type: none"> • Judgmental samples • Statistical sampling • Exception reports • Performance based standards and measures
SS-06.04	Monitor School Performance identifies and notifies schools of upcoming program reviews.
SS-06.05	Monitor School Performance conducts program review site visits at selected schools, which include entrance/exit interviews, examination/duplication of applicable school records, individual interviews and identification of non-compliance issues.
SS-06.06	Monitor School Performance writes and issues program review reports and may forward information on non-compliance to other offices internal and external to SFA, if appropriate.
SS-06.07	Monitor School Performance receives school response to program review report and issues Final Program Review Determination Letter (FPRDL).

Business Requirement ID	Business Requirement Definition
SS-06.08	Monitor School Performance coordinates the distribution of program review and audit data. The input comes from the various schools and from audit data. The audit results are gathered from ED and are used for many purposes (e.g., assessment of liabilities, technical assistance, trend analysis).
3372	Monitor School Performance receives and maintains SFA, A-133, and OIG audit information from schools and third-party servicers (submitted originally either to SFA directly or to the government clearinghouse).
SS-06.09	Monitor School Performance determines acceptability of submitted SFA, A-133 and OIG audits of schools.
SS-06.10	Monitor School Performance determines whether accepted SFA, A-133 and OIG audits of schools are deficient or complete.
3372	Monitor School Performance receives and maintains SFA, A-133, and OIG financial statements from schools and third-party servicers (submitted originally either to SFA directly or to the DRCC clearinghouse).
SS-06.12	Monitor School Performance determines acceptability and “flagged” status (yes or no, as determined by key ratios) of submitted SFA, A-133 and OIG school financial statements.
SS-06.13	Monitor School Performance further reviews “flagged” SFA, A-133 and OIG financial statements and determines whether action must be taken.
SS-06.14	Monitor School Performance resolves deficient SFA, A-133 and OIG audits of schools and issues Final Audit Determination Letters (FADs).
5330	Monitor School Performance accepts Quality Control Review reports, audit acceptance or rejection reason information, and auditors’ debarment information.
SS-06.15	Monitor School Performance contributes to the Quality Control Review process (as performed by OIG) when necessary.
SS-06.16	Monitor School Performance coordinates the distribution of information related to all non-default-rate appeals from schools. This mostly includes appeals of audit and review determinations. Appeals are sent to ED.
SS-06.17	Monitor School Performance calculates and analyzes school cohort default rates. This subprocess distributes aid history inputs and default rate outputs to the respective school.
3550	Monitor School Performance calculates and provides school cohort default rates to ED, schools and guaranty agencies.
3572	Monitor School Performance provides cohort default rates and corresponding back up data to the appropriate parties.
3580	Monitor School Performance receives student default information from schools to substantiate a school’s cohort default rate appeal.
3610	Monitor School Performance provides student default information to ED to substantiate a school’s cohort default rate appeal.

Business Requirement ID	Business Requirement Definition
SS-06.18	Monitor School Performance manages the appeal by schools of the calculated default rates. Schools may appeal their default rates based on erroneous data, improper servicing, requests for adjustment or mitigating circumstances. ED evaluates these appeals and the Guaranty Agency's response, when applicable, and informs the schools of the appeal status. Any required changes to the aid history are recorded.
3590	Monitor School Performance receives school draft cohort default rate challenges from schools.
3600	Monitor School Performance receives school cohort default rate appeals from schools.
3610	Monitor School Performance provides student default information to ED to substantiate a school's cohort default rate appeal.
3620	Monitor School Performance receives school cohort default rate appeal status from ED.
3630	Monitor School Performance receives student default information from guaranty agencies to substantiate a school's cohort default rate appeal.
3640	Monitor School Performance provides school cohort default rate appeals to ED.
3650	Monitor School Performance provides school cohort default rate appeal status to schools.
SS-06.19	Monitor School Performance monitors recognition of accreditation agencies including conducting an analysis of the petitions filed by these agencies. Accreditation agency reviews are voluntary for the agency but required by ED to allow these agencies to accredit schools in Title IV programs and foreign medical schools.
SS-06.20	Monitor School Performance monitors independent auditors to identify performance trends across schools with the same auditors and to identify aberrant performance trends across auditors.
SS-06.21	Monitor School Performance monitors third-party servicers and school consultants to identify trends and address performance issues.
SS-06.22	Monitor School Performance monitors compliance with school reporting requirements both within ED and outside ED (e.g., consumer protection and campus security requirements). Access to compliance information will be available across SFA (e.g., case teams, others) to support performance decisions.
3100	Monitor School Performance maintains school Limitation, Suspension, and Termination (LST) notices data.
3400	Monitor School Performance provides LST notices to schools.
3410	Monitor School Performance receives LST appeals from schools.
3420	Monitor School Performance receives LST notices from ED.
3430	Monitor School Performance provides LST appeals to ED.
3440	Monitor School Performance receives LST appeal status from ED.
SS-06.23	Monitor School Performance monitors school drawdown/disbursement ratio using periodically generated reports (e.g., 30-Day Warning Reports, School Activity Reports, Direct Loan Student Account Statements).

Business Requirement ID	Business Requirement Definition
SS-06.24	Monitor School Performance follows up with schools with incomplete submissions or reportings
SS-06.25	Monitor School Performance follows up with schools exhibiting abnormal or excessive drawdown/disbursement ratios via telephone or in person. Follow-up may be conducted either by regional representatives, central SFA personnel or by contracted third-parties.
SS-06.26	Monitor School Performance will be consistent with Coded Federal Regulations 668.23, 668.24, 668.46, and 674.5.
SS-06.27	Monitor School Performance collects and compiles performance measurement data.
Take Action on Performance SS-07	This subprocess determines the appropriate action or assistance needed to address positive and negative performance issues for domestic and foreign schools. Actions can take a number of forms from providing technical assistance and tools to imposing fines, eligibility termination or debarment. Performance actions will place an increasing emphasis on preventative measures to help schools correct performance issues before strong sanctions are necessary.
SS-07.01	Take Action on Performance provides schools with materials, self-monitoring technology tools and training to help them develop and monitor their own risk profile. Self-monitoring tools will enable schools to assess their performance relative to peer groups and will offer options for addressing early warning signals or potential performance issues.
SS-07.02	Take Action on Performance conducts targeted training related to refunds and reimbursements.
SS-07.03	Take Action on Performance exempts schools from administrative, financial and performance requirements for a given period of time due to natural or other disasters.
SS-07.04	Take Action on Performance provides flexibility to schools based on their status in the quality assurance and experimental sites programs or outcome-based performance levels (to a limited extent for foreign schools).
SS-07.05	Take Action on Performance manages waivers to administrative, financial and performance requirements for various programs (e.g., experimental programs) and domestic schools (e.g., waivers to Campus Based requirements for under utilization and community service associated with participation).
SS-07.06	Take Action on Performance manages the information provided by ED to issue sanctions against schools that have improperly managed financial aid programs on behalf of ED.

Business Requirement ID	Business Requirement Definition
SS-07.07	Take Action on Performance makes the following action decisions based on the severity of performance issues: <ul style="list-style-type: none"> • Assess liabilities • Require Letter of Credit (further detail to be refined in Level 3) • Place on reimbursement or cash monitoring (further detail to be refined in Level 3) • Limitations on Title IV program participation • Impose monetary fines • Suspend/discontinue eligibility • Debarment/suspension • Emergency action • Disqualification by Guaranty Agency • Deny recertification • Deny Change in Ownership • Referral to OIG or other agencies • Discontinue participation in special programs • Or, a combination of the above
SS-07.08	Take Action on Performance will be consistent with Coded Federal Regulations 668.17, 668.26, and 674.6.
SS-07.09	Take Action on Performance collects and compiles performance measurement data.

School Services – Common Origination and Disbursement

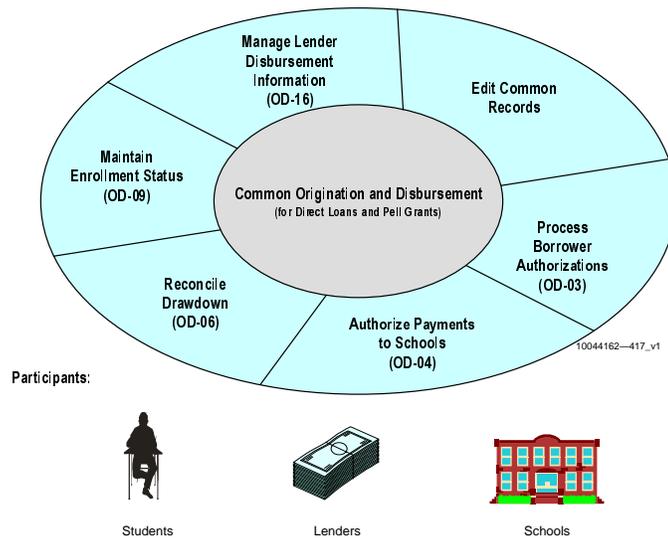
Process Description

For Direct Loans and Pell Grants, this process generates a grant and/ or loan once the application and supporting documentation have been received through to the authorization of disbursements. For Pell and Direct Loans, this process receives a common record and checks the accuracy of data reported on the record. Once the record passes edit checks, Aid Origination and Disbursement receives, stores, and distributes participant authorizations. One of the primary initiatives underway is to reengineer the processes and systems that support this process for the Federal Pell Grant and Direct Loan Programs as well common reporting for Campus-Based funds. An analysis of the current processes led to the development of common origination and disbursement process for these programs, also incorporating after-the-fact reporting for Campus-Based funds. The design of a new common origination and disbursement process takes the best ideas from the old and new processes, the lessons learned from the implementation of LOS and, more recently, RFMS and recent initiatives such as Access America and Project EASI. This process is designed to support JIT payments for all schools. However, in the implementation and transition period for this process, various methods of disbursement will be supported. Once distributions have been made, this process reconciles disbursements. Further, this process tracks the enrollment status of all program participants. More information describing the design of the common process is included in the following pages.

Process Depiction

The following diagram illustrates the subprocesses within Common Origination and Disbursement.

School Services – Common Origination and Disbursement



Today's version of originating and disbursing federally managed Title IV programs is run through three distinct processes: one for Pell Grants, another for Direct Loans, and yet another for Campus Based programs. In addition, their processes are supported by three data distinct systems: RFMS, LOS, and CBS. These processes and systems are extremely expensive, costing the taxpayers \$55.5 million a year to administer. The current process requires the Department and the schools to manage and bear the additional costs of three separate data systems, as opposed to serving the students these programs are designed to support.

In an era of information – collecting, analyzing, and using it to better understand the who, what and how of federal Title IV programs - the Department is unable to use what it has. It collects a great deal of information; however, the current systems do not allow for ease of access to that information. Data is stored in many places, and this causes data integrity problems and lengthy data reconciliation efforts. There is no easy process for anyone to retrieve school and student data and use it for any kind of analysis. The current systems in their fragmented state do not allow for the building relationships between data in the separate systems, and the reduction of redundant data necessary to support a robust data warehouse.

The Department is concerned that multiple systems, incapable of daily processing, leave too many ways that financial integrity can be compromised. Schools are currently able to draw down funds, without reporting students, through several monthly or quarterly reconciliation cycles. These institutions have millions of dollars that have not yet been identified to a specific student, and the Department's systems have no way to prevent this from happening, under the current systems arrangement. This has put the federally managed Title IV programs at great risk.

This analysis of the current processes led to the development of common origination and disbursement. The design of a new common origination and disbursement process takes the best ideas from the old and new processes, and the lessons we have learned from the implementation of RFMS and LOS, to accomplish three goals: to decrease the cost of delivering financial aid, to increase customer satisfaction, and to increase employee satisfaction. The Common Origination and Disbursement system integrates processing of the three separate financial aid programs into a single data system. This process and system will be a critical piece of the Department enterprise-wide solution that will provide real-time data to students, schools, the Department, and financial partners via portals.

First, to **decrease the cost** of delivering these federally managed financial aid programs, the department can lower the system operating costs. This can be achieved by combining the current RFMS, LO and CBS into one system as recommended by the Advisory Committee for Student Financial Assistance. In addition to the cost savings of only maintaining one system, costs will also be saved by providing customer service from one system. With the focus concentrated on one system, instead of splitting efforts between three systems, system enhancements can be made much more quickly and more easily. Similarly schools will be maintaining support for only one system. With the integrated systems, students and schools can have easier access

to their own data. With improved functionality, and improved access to systems data, the Department can implement more timely and more effective oversight. Improved fiscal controls will mean less dollars unaccounted for and fewer after the fact adjustments, while continuing to ensure rapid flow of money from ED to the student.

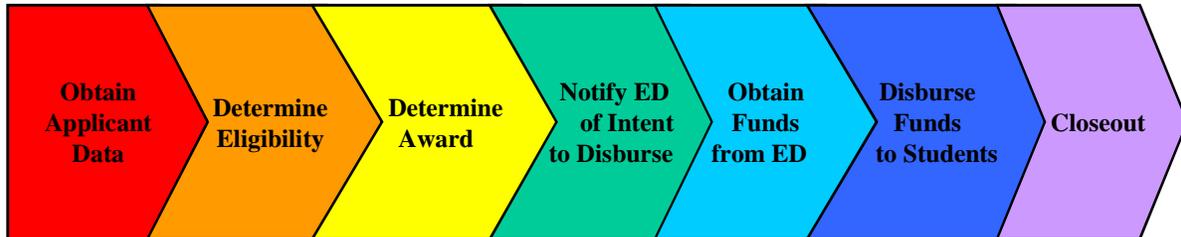
Second, a common origination and disbursement process will support **improved customer service** to students and schools in many ways. With the common record and the development of consistent data definitions across programs, the new process and technical architecture will support access to real-time, or near real-time, accurate and complete data via the students and schools portals. In addition to sharing common data, the new integrated process allows for a student or a school to pull up the student's entire federal financial aid history at the same time. No more accessing one database to find out how much Pell a student has, and another to find out how much Direct Loan they have, and yet another to find out how much Perkins they have – they will find it out all at the same time. The best part of it all is that students will be able to do this in real-time, a goal of Project EASI.

In addition to better access to and more reliable data, the common process for the three funds will allow for streamlined processes at schools, fewer programming modifications over time, and a simplified means for processing changes. In other words, less time managing multiple systems and processes and, therefore, more time available for serving students.

Another improvement to customer satisfaction will be the elimination of the amount of time Customer Relationship Managers (CRM) spend going between databases. Instead, there will be a single interface that connects users to the single source of data, providing a real-time, full picture of the school and/ or student with whom they are working. Although a common process will not lead to a straightline reduction in all questions, the new system will allow us to answer technical questions once, leaving more time to address functional questions. This will allow the CRM's to require less training time to understand the processes, so that they can focus on customer service.

Finally, to **increase employee satisfaction**, the common process will improve how employees utilize their time. A simpler process of looking up school/student data can increase the value that employees can derive from their time. Employees can have greater mobility between different financial aid program areas due to the fact that they could now spend more time learning the programs, or learning requirements for other programs. One system for the three financial aid programs can help break down the "cultural differences" that currently exist between units, due to the differing knowledge basis required of each system. More time can be spent on providing better customer service. Reports of how schools spent their drawdowns are easier to create. The common system would allow one account manager team per institution, instead of one for each type of aid per institution. With one, simpler, system, the Department can more easily discern and address school reconciliation issues. And finally, paying the right student, the right amount, at the right time can be a reality.

The following pages represent a high-level overview of required steps and a walkthrough narrative and flowchart describing the common origination and disbursement process:



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Application

The process begins with the student filing the Federal Application for Federal Student Aid (FAFSA). [1] The FAFSA is filed in one of two ways, with the applicable data being sent to the US Department of Education (“ED”) (either on-line or via mail). ED then receives the application, processes the application and mails an acknowledgement to the student. [2]

As student application records are processed, they are also transmitted electronically to all the schools the student indicated on the FAFSA [3]. The schools receive this information and loads to their institutional system (EDEXpress, third party vendor, home grown application).

Eligibility

Upon receiving the results of student applications from ED (i.e.: Institutional Student Information Records (ISIR)), the schools confirms general student eligibility. This is confirmed primarily via review of the results of the matches conducted during ISIR processing. For records that are not flagged with potential eligibility issues, the students move forward in the process [4]. For those records with eligibility holds, the school reviews the students and confirms eligibility.

At this point in the process, the school will have the option of correcting the student record and submitting the revised record via a batch process or do an immediate, on-line correction [5]. The on-line correction will result in real-time feedback (i.e.: near immediate receipt of a higher transaction ISIR with a new official EFC).

Determining Aid Package

The school then moves forward with determining the amount of funds for which the student is eligible within each program [6]. These funds are put together in a financial aid package for the student. At many schools, this packaging process takes place

within the school's institutional system. A notification of this award package is then send to the student to inform them of the aid offered.

The school is able to access the student's federal financial aid history profile, allowing them to access student aid history to counsel the student and make awarding decisions [7].

Communication of Disbursement

Upon determining the students' financial aid award package, the school communicates a scheduled disbursement (i.e. the intent to disburse these funds, at a later date) to ED. As noted below, the school has the option to report these early to pre-screen for edits but is not required to report until immediately prior to disbursement.

The school communicates these scheduled disbursements to ED through a common process [8]. In other words, information for Pell awards is sent via the same transmission process as information for Direct Loan awards, with all data elements defined consistently across programs. FFEL data will be incorporated in a similar format (NACHA's work). In addition, the common record eliminates the process of two separate records for origination and disbursement, allowing (but not requiring) schools to submit common records early to pre-screen for edits.

The school has several options related to the timing of reporting disbursements via the common record. As indicated above, scheduled disbursements may be reported via batch at any time, with acknowledgements returned within hours [9a]. Scheduled disbursements may also be reported on an individual basis with real-time acknowledgement [9b]. Schools may also choose to not report until funds are needed.

Resolving Rejects

Upon receipt of rejected common records, the school must resolve and resubmit a new common record.

As part of this process all edits are under review and each edit must be justified, with an end result of getting to a smaller group of edits which are all either required or value-added. In the common process, those edits that are the same across programs will be standardized.

As with the initial submissions, records may be reported via batch at any time, with acknowledgements returned within hours. They may also be reported on an individual basis with real-time acknowledgement.

Pre-Disbursement Eligibility Checks

As a typical part of the financial aid process, the school confirms that no changes have taken place that impact the students' eligibility for their awards prior to disbursement (e.g.: enrollment status, cost of attendance, satisfactory progress).

The school may choose to send a file containing key student data (e.g. SSN, transaction number, EFC) used to determine the scheduled award via their portal to ED to obtain a determination of whether student eligibility, as indicated on the ISIR, has changed. This can take place at any time during the processing cycle (e.g.: for a school with a long lag time between ISIR receipt and packaging, prior to packaging; for a school with a long lag time between packaging and disbursement, prior to disbursement)

Disbursement

A school must take action to confirm the population for which they want to disburse.

A school who has not previously reported common records has the following option for completing this process:

(1) Four days prior to disbursement, submit aggregate batch of common records

The timeframe for submission of these confirmation records will hinge upon the 3-day maximum timeframe for holding funds prior to disbursement. It is anticipated that this timeframe will be four days prior to the anticipated disbursement date. Upon receipt of the records, ED authorizes and transmits amounts for students who the school has confirmed. These funds are transmitted directly to the school's bank account via ACH or FedWire transaction. If no records have been received, no funds will be transmitted.

It is noted that the capacity to access funds via drawdown will be maintained for exception use in the case of an emergency – natural disaster, technology downtime, interface failures, unique problem at school, etc.

A school who has previously reported common records has the following options for completing this process:

submit aggregate batch of common records, replacing any previous transmissions;

review 'ready to pay' file posted to school's portal and confirm students, amounts and dates as appropriate; or

download 'ready to pay' file, identify changes and transmit changes to ED (changes transmitted via the same common record but identified as change record, these records, on a student-by-student basis, replace previously transmitted records).

The timeframe for submission of these confirmation records will hinge upon the 3-day maximum timeframe for holding funds prior to disbursement. It is anticipated that this timeframe will be four days prior to anticipated disbursement date. Upon receipt of the confirmation records, ED authorizes and transmits amounts for students who the school has confirmed. These funds are transmitted directly to the school's bank account via an ACH or FedWire transaction. If no confirmations made, no funds will be transmitted.

It is noted that the capacity to access funds via drawdown will be maintained for exception use in the case of an emergency – natural disaster, technology downtime, interface failures, unique problem at school, etc.

Change Records

Change records will be submitted via the same record layout and process for reporting disbursements. Changes can be submitted at any time, either after pre-screening edits and before disbursement, or after disbursement.

Close Out/ Reconciliation

At any time, schools have the option of requesting a year-to-date or date range electronic file reporting all their students who have been reported to ED and other pertinent reconciliation information. This file will be in the same layout as the common record.

At the end of the processing year (8/1/00), schools will submit detailed student disbursements for FSEOG, Federal Work Study and Federal Perkins loans. These records will be reported via the common origination and disbursement process.

Access to Data

Via their portal, schools will have the capacity to access data about their school and their students. This data will be accessible for downloading to desktops or institutional systems at the school. In addition, the data will be structured in such a way to be easily accessible via OLAP query and reporting tools (if the school chooses to invest in OLAP) for more complex data analyses without downloading.

School Examples: Reporting and Disbursement Options

Example 1

School 1 is a large institution utilizing an institution-wide integrated software package. Based upon logic provided by ED, their system has been programmed to run all the edit checks required to accept common records. Because of their confidence in these edits, School 1 chooses not to report any student records to ED until they have

determined their pre-registered population and confirmed all awards. Upon finalization of their pre-registration process and completion of packaging for all students, School 1's system runs a stored procedure to extract a batch file of common origination records for both Pell and Direct Loans. This file is transmitted via the School 1 portal to ED four days prior to anticipated disbursement. Three days prior to reported disbursement dates, funds for the students reported are transmitted directly to the schools bank account via an ACH/FedWire transaction.

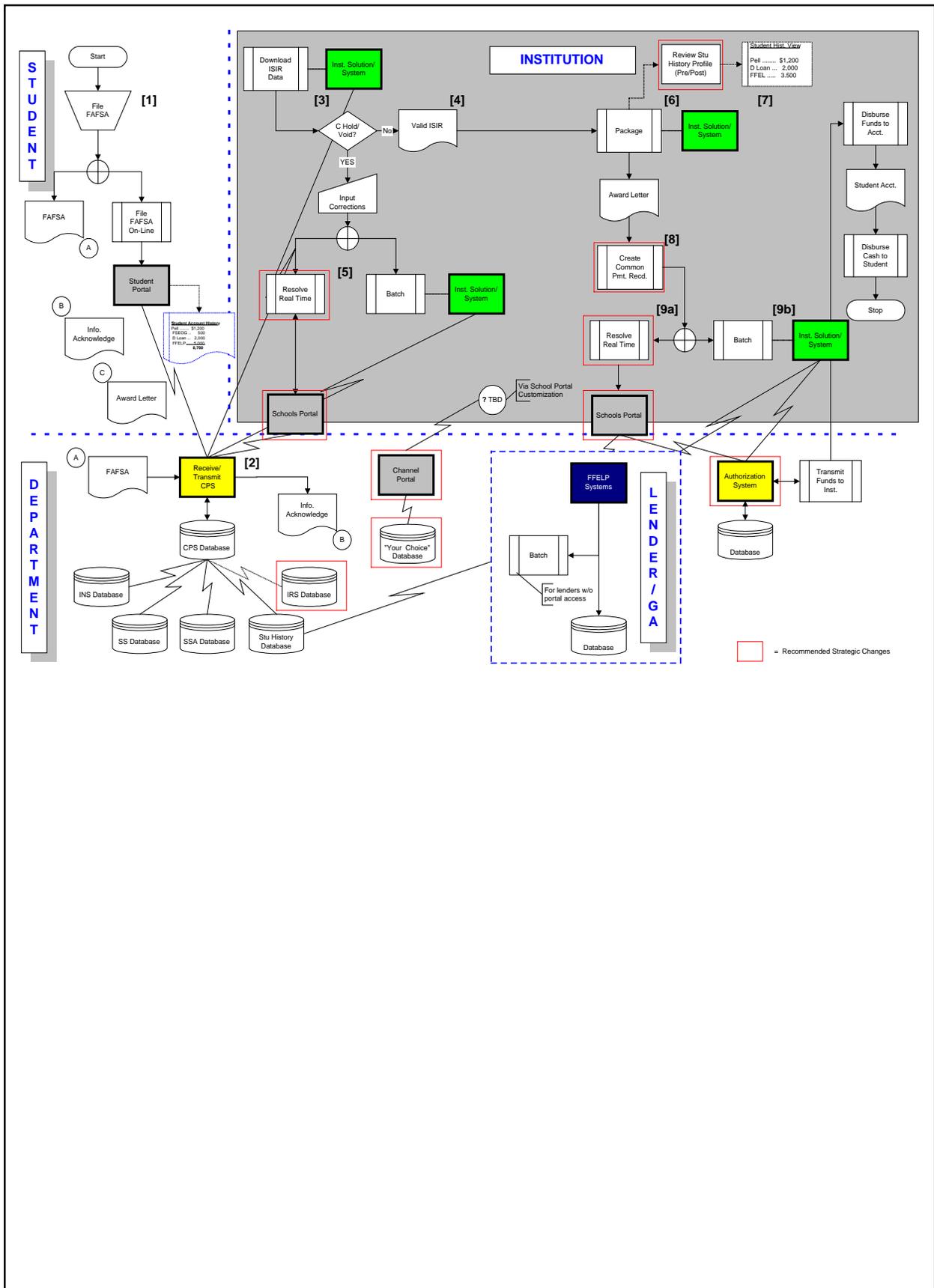
Example 2

School 2 is a large institution with fluctuating enrollment. School 2 has a homegrown system that shares information across offices via nightly batch jobs. Although some common record edits are coded to their system, their internal system checks are not sufficient to catch all potential issues. Therefore, School 2 chooses to report common records for the batches of students as they are packaged in order to identify required changes and/or resolutions. School 2 disburses funds to students two days after confirmation of enrollment (the end of their official 'add' period). Upon confirmation of enrollment, the school makes adjustments to awards and then transmits common disbursement records for all enrolled students to be paid. This file replaces previous files submitted and does not require School 2 to produce change records for previously transmitted records. Funds for the students reported are transmitted within twenty-four hours to the schools bank account via an ACH/FedWire transaction.

Due to the fact that School 2 has open registration and is accepting and enrolling students during the first few weeks, the process allows them, if needed, to resolve eligibility issues real-time via their School 2 portal. Additionally, those students who are packaged for the first time after enrollment confirmation (i.e.: the school is ready to disburse), are reported only once (assuming their record is accepted).

Example 3

School 3 is a small institution with classes of students who enroll monthly. They operate utilizing different systems for their key processes: a small business accounting application, a homegrown registration application and EDEExpress for financial aid. Upon packaging a new class, School 3 reports common records for these packaged students via an extract from EDEExpress. Through this extract they are able to identify required changes/ resolutions. School 3 then reports disbursements by accessing a web-based 'ready to pay' file and selecting those students who are enrolled/modifying amounts, dates, etc. as necessary. Three days prior to reported disbursement dates funds for the reported students are transmitted directly to the schools bank account via an ACH/FedWire transaction.



School Services – Common Origination and Disbursement Subprocess Descriptions

Subprocess Name	Description
Edit Common Origination and Disbursement Record OD-01	This subprocess receives common records from schools and checks for a valid edit result.
Process Borrower Authorizations OD-02	This subprocess receives, stores, and distributes borrower authorizations. Borrower authorizations are necessary before any funds are disbursed to the school.
Authorize Payments to Schools OD-03	This subprocess authorizes invoice and schedules disbursements to schools based on valid incoming origination disbursement records. For the invoice method, the disbursement is authorized based on valid disbursement records (invoices) submitted by schools. For the scheduled method, a disbursement is authorized based on the on scheduled disbursement date in the aid origination record. This subprocess will change or become obsolete if SFA adopts JIT payments by invoicing at a student level.
Manage Lender Disbursement Information OD-16	This subprocess receives fund source disbursement information and default loan information from the lender. This activity also distributes student-level disbursement information to schools.
Reconcile Drawdown OD-06	This subprocess reconciles drawdown amounts disbursed to schools against disbursements, adjustments, and cancellation records received from schools. This subprocess will change or become obsolete if SFA adopts JIT payments by invoicing at a student level.
Maintain Enrollment Status OD-09	This subprocess tracks a student's enrollment status at a school. Participant's status is requested from schools and forwarded to loan holders and guaranty agencies.

School Services – Common Origination and Disbursement Business Requirements

This section contains the subprocesses for Common Origination and Disbursement and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Edit Common Origination and Distribution Record OD-01	This subprocess receives origination and disbursement records from schools and checks for a valid edit result. For Federal Family Educational Loans Program (FFELP) loans, this activity receives an acceptance decision from the loan holder and forwards it to the school. This subprocess will change or become obsolete if SFA adopts JIT payments by invoicing at a student level.
1220	Edit Common Origination Record applies disbursements, adjustments, and cancellations to achieve an accurate daily net settlement of Federal funds.
1224.01	Edit Common Origination Record receives disbursement records from schools for JIT schools and from lenders.
1224.02	Edit Common Origination Record receives origination records, adjustments, and cancellations from schools and from lenders.
1224.03	Edit Common Origination Record receives disbursement records from schools that are non-JIT schools.
1230.01	Edit Common Origination Record uses a common integrated origination process for all Title IV student financial assistance programs originated by ED.
1230.02	Edit Common Origination Record uses a common integrated payment process for all Title IV student financial assistance programs originated by ED.
1230.03	Edit Common Origination Record uses a common integrated reconciliation process for all Title IV student financial assistance programs originated by ED.
1270	Edit Common Origination Record enables ED and other specified fund sources to accept or reject award origination records based upon Title IV aid program criteria.
1350.01	Edit Common Origination Record maintains an audit trail of all student aid payment records by aid program by student.
1350.02	Edit Common Origination Record maintains an audit trail of all student aid origination by aid program by student.
1445	Edit Common Origination Record notifies schools and participants when two or more Pell Grant origination records are received from different schools for the same academic period and the same participant.
1446	Edit Common Origination Record notifies schools and participants when two or more disbursement records are received from different schools for the same academic period and for the same participant.

Business Requirement ID	Business Requirement Definition
1450	Edit Common Origination Record edits origination records based on school academic period start date, student default status (where the defaulted loan is not reinstated), grant overpayment status, and award threshold amount for the aid program.
1458	Edit Common Origination Record transmits to state grant agencies the origination records for residents of the state receiving Pell Grants.
1460.01	Edit Common Origination Record informs the school, the participant, and the fund source of the results of edits applied to disbursement records.
1460.02	Edit Common Origination Record informs the school, the participant, and the fund source of the results of edits applied to origination records, adjustments, and cancellations.
1490	Edit Common Origination Record performs a credit check for Direct Plus loan applicants.
1492	Edit Common Origination Record allows the borrower to request an endorser in the case of a failed credit check for a Direct Plus loan.
1495	Edit Common Origination Record notifies the borrower and the school of the credit check result for a Direct Plus loan.
2910	Edit Common Origination Record monitors the receipt of disbursement records from schools to ensure that they are submitted on a timely basis.
2920	Edit Common Origination Record provides to authorized staff visibility to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
5260	Edit Common Origination Record adjusts school awards and authorizations if necessary.
	This subprocess checks the incoming disbursement records (related to ED disbursed aid programs) for participant defaults, overpayments and aid thresholds. The outcome of this check is the valid disbursement record. This subprocess will change or become obsolete if SFA adopts JIT payments by invoicing at a student level. Several pilot projects are currently in place to address this issue (including RFMS and Access America).
1450.01	Edit Common Disbursement Record authorizes adjustments, cancellations, invoice disbursements, and scheduled disbursements to schools. Edit Common Disbursement Record edits disbursement record against origination record.
1450.02	Edit Common Disbursement Record (for non-JIT schools) edits disbursement record against origination records based on school academic period start date, student default status (where the defaulted loan is not reinstated), grant overpayment status, and award threshold.
1450.03	Edit Common Disbursement Record (for JIT schools) edits disbursement record against origination records based on school academic period start date, student default status (where the defaulted loan is not reinstated), grant overpayment status, and award threshold.

Business Requirement ID	Business Requirement Definition
1510	Edit Common Disbursement Record provides disbursement records, adjustments, and cancellations to ED Case Teams for schools that have been placed on ED's reimbursement system of payment (i.e., the schools must disburse funds to students prior to ED transferring any funds to the schools).
2920	Edit Common Disbursement Record provides to authorized staff visibility to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
OD-02.01	Edit Common Disbursement Record will be consistent with Coded Federal Regulations 682.605,668.22(j), and 668.31-669.39.
OD-02.02	Edit Common Disbursement Record collects and compiles performance measurement data.
Process Borrower Authorizations OD-03	This subprocess receives, stores, and distributes borrower authorizations. Borrower authorizations are necessary before any funds are disbursed to the school.
1080	Process Borrower Authorizations provides borrowers with information on long term debt management, including: <ul style="list-style-type: none"> • Projected potential earnings after graduation by school program • Projected monthly payments after graduation, based on different types of aid packages available
1380	Process Borrower Authorizations requires that the borrower authorize the disbursement of funds to a school before the disbursement is made on a Stafford, PLUS, or Perkins loan for that borrower.
1390	Process Borrower Authorizations prompts the borrower to authorize the disbursement of funds to a school for the borrower's loan. The prompt shall occur when the participant has not authorized the disbursement to the school within 30 days of the effective date of the disbursement request made by the school.
2001	Process Borrower Authorizations provides the maximum loan interest rate to the borrower prior to the disbursement authorization.
2003	Process Borrower Authorizations provides formal loan disclosures to the borrower, which indicates the current actual interest rate for the loan.
OD-03.01	Process Borrower Authorizations will be consistent with Coded Federal Regulations 682.604, 682.207, 674.16, 685.303, 690.78, and 668.165.
OD-03.02	Process Borrower Authorizations collects and compiles performance measurement data.

Business Requirement ID	Business Requirement Definition
Authorize Payments to Schools OD-04	This subprocess authorizes invoice and schedules school disbursements based on valid incoming origination and/or disbursement records. For the invoice method, the disbursement will be authorized based on valid confirmation submitted by schools. For the schedule method, a disbursement is authorized based on the scheduled disbursement date in the aid origination record. This subprocess will change or become obsolete if SFA adopts JIT payments by invoicing at a student level. Several pilot projects are currently in place to address this issue (including RFMS and Access America).
1230.01	Authorize Payments to Schools uses a common integrated origination process for all Title IV student financial assistance programs originated by ED.
1230.02	Authorize Payments to Schools uses a common integrated payment process for all Title IV student financial assistance programs originated by ED.
1230.03	Authorize Payments to Schools uses a common integrated reconciliation process for all Title IV student financial assistance programs originated by ED.
1260.01A	Authorize Payments to Schools supports the JIT payment method based on actual disbursement records.
1260.01B	Authorize Payments to Schools requests fund sources to generate automated clearinghouse (ACH) payments in response to student disbursement records (invoices) submitted by schools.
1260.01C	Authorize Payments to Schools requests schools to report any adjustments or cancellations of disbursement in future transactions.
1260.02A	Authorize Payments to Schools supports the scheduled method of disbursement to schools. Fund sources will generate ACH payments and student disbursement rosters based on the scheduled disbursement dates in the award origination record.
1260.02B	Authorize Payments to Schools requests schools to update or cancel the scheduled disbursement dates timely to that overpayments are not made to the school.
1260.03	Authorize Payments to Schools supports the drawdown method of disbursements to schools. Schools will request a sum of money from ED. This sum is calculated as either the accumulated total of the student disbursement amounts provided on the individual origination records, grouped by date, or the amount authorized for that school based on a program-specific funding formula. The drawdown is net of adjustments and cancellations not already netted.
1350.01	Authorize Payments to Schools maintains an audit trail of all student aid origination by aid program by student.
1350.02	Authorize Payments to Schools maintains an audit trail of all student aid payment records by aid program by student.
1520	Authorize Payments to Schools receives accepted/rejected disbursement records, adjustments, and cancellations from ED Case Teams for Schools on Reimbursement.

Business Requirement ID	Business Requirement Definition
2920	Authorize Payments to Schools provides to authorized staff visibility to audit trail information (backward and forward from the point of origination through repayment) to ensure that for each Title IV program, the correct Federal funds reach the right recipient at the appropriate time.
OD-04.01	Authorize Payments to Schools will be consistent with Coded Federal Regulations 668.162.
OD-04.02	Authorize Payments collects and compiles performance measurement data.
Manage Lender Disbursement Information OD-16	This subprocess receives fund source disbursement information and default loan information from the lender. This subprocess also distributes student-level disbursement information to schools.
1224	Manage Lender Disbursement Information receives disbursement records, origination records, adjustments, and cancellations from schools and from fund sources.
1370	Manage Lender Disbursement Information produces specified reports that meet Federal account requirements and Federally mandated school reporting requirements from data in the transaction histories.
1440	Manage Lender Disbursement Information notifies the school when the system authorizes disbursement of funds to the school.
1460.01	Manage Lender Disbursement Information informs the school, the borrower, and the fund source of the results of edits applied to disbursement records.
1460.02	Manage Lender Disbursement Information informs the school, the borrower, and the fund source of the results of edits applied to origination records.
1600	Manage Lender Disbursement Information provides student disbursement rosters to schools. The disbursement rosters shall list the students for whom the disbursement being made to the school was intended, and the award amount that each student is expected to receive.
OD-16.01	Manage Lender Disbursement Information will be consistent with Coded Federal Regulations 674.16, 675.16, 682.408, 685.303, and 668.164.
OD-16.02	Manage Lender Disbursement Information collects and compiles performance measurement data.
Reconcile Drawdown OD-06	This subprocess reconciles drawdown amounts disbursed to schools against disbursements, adjustments, and cancellation records received from schools. This subprocess will change or become obsolete if SFA adapts JIT payments by confirmation at a student level.
1230.01	Reconcile Drawdown uses a common integrated origination process for all Title IV student financial assistance programs originated by ED.
1230.02	Reconcile Drawdown uses a common integrated payment process for all Title IV student financial assistance programs originated by ED.

Business Requirement ID	Business Requirement Definition
1230.03	Reconcile Drawdown uses a common integrated reconciliation process for all Title IV student financial assistance programs originated by ED.
1260.03	Reconcile Drawdown supports the drawdown method of disbursements to schools. Schools will request a sum of money from ED. This sum is calculated as either the accumulated total of the student disbursement amounts provided on the individual origination records, grouped by date, or the amount authorized for that school based on a program-specific funding formula. The drawdown is net of adjustments and cancellations not already netted.
1412	Reconcile Drawdown reconciles the amounts drawn down by schools against the amounts reported by the schools as having been disbursed to students including adjustments, cancellations and refunds.
1592	Reconcile Drawdown receives information about unused drawdown funds returned by schools to ED.
OD-06.01	Reconcile Drawdown collects and compiles performance measurement data.
Maintain Enrollment Status OD-09	This subprocess tracks a student's enrollment status at school(s). Participant status is requested from schools and forwarded to loan holders and guaranty agencies.
2820	Maintain Enrollment Status requires schools or their servicers to report enrollment data such as percentage enrollment, credit hours, and clock hours on all enrolled students.
2830	Maintain Enrollment Status requires schools to report student enrollment changes no less frequently than once per academic period, but shall allow them to report as often as they wish.
2850	Maintain Enrollment Status provides to loan holders the participant enrollment changes that affect aid status.
2870	Maintain Enrollment Status allows state scholarship and grant agencies access to participant enrollment information.
OD-09.01	Maintain Enrollment Status will be consistent with Coded Federal Regulations 674.19, 674.20, and 685.402.
OD-09.02	Maintain Enrollment Status collects and compiles performance measurement data.

School Services – Financial Transactions

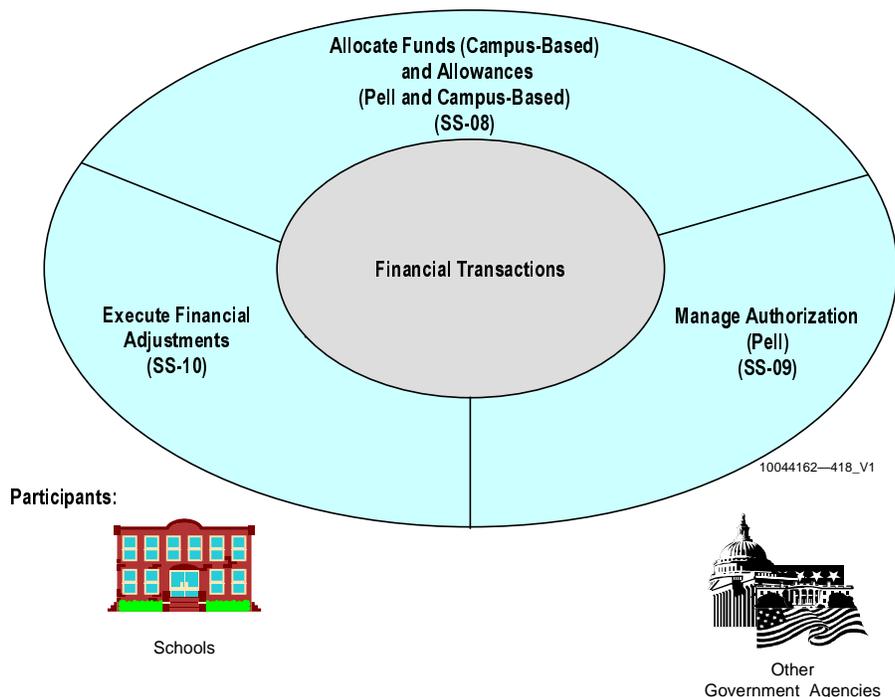
Process Description

This process coordinates execution of financial activities that are conducted at the school level versus the student level. Financial Transactions supports delivery of service to schools through the accurate, efficient processing of financial transactions. Financial Transactions includes the activities necessary to complete and track disbursement and reconciliation of funds to schools for Pell, Direct Loan and Campus-Based programs. These activities include various adjustments, disbursements, and closeout transactions needed to ensure SFA's integrated financial management system reflects accurate and complete financial data related to school programs. Financial Transactions is also responsible for payment of cost allowances to schools for administering Pell and Campus-Based programs. Several of the requirements included in Financial Transactions will change or become obsolete in a just-in-time payment environment for school disbursements. The subprocesses that will be effected are noted in the appropriate sections. Systems creating all financial transaction requirements will be JFMIP compliant as detailed in the Financial Management process later in Chapter III.

Process Depiction

The following diagram illustrates the subprocesses within Financial Transactions.

School Services – Financial Transactions



School Services – Financial Transactions Subprocess Descriptions

Subprocess Name	Description
Allocate Funds (Campus-Based) and Allowances (Pell and Campus-Based) SS-08	This subprocess simulates, calculates, and allocates the authorization amount to be awarded to a school for each of the Campus-Based Programs, and generates an award notice to be sent to the school. This subprocess reallocates unexpended funds to schools that have a shortfall in Campus-Based funds. This subprocess will change or may become obsolete based on the success of just-in-time payment methods through the Access America pilot program.
Manage Authorizations (Pell) SS-09	This subprocess determines the initial authorization amount and notifies each school participating in the Pell Grant program of its initial authorization amount. The authorization amount is the maximum aggregate amount that each institution is allowed to distribute in the form of Pell Grant payments, and is calculated at the beginning of each program year. This subprocess monitors and adjusts the authorization levels for each school to ensure schools have sufficient funds to issue Pell Grants.
Execute Financial Adjustments SS-10	This subprocess executes financial adjustments throughout the year and as part of year-end accounting close-out procedures to ensure payment and expenditure records reconcile. Adjustments may be necessary due to reimbursements to schools, reconciliation of overpayments/underpayments to schools, fund off-sets and cancellation of funding.

School Services – Financial Transactions Business Requirements

This section contains the subprocesses for Financial Transactions and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Allocate Funds (Campus-Based) and Allowances (Pell and Campus-Based) SS-08	This subprocess simulates, calculates, and allocates the authorization amount to be awarded to a school for each of the Campus-Based programs, and generates an award notice to be sent to the school. This subprocess reallocates unexpended funds to schools that have a shortfall in Campus-Based funds. This subprocess will change or may become obsolete based on the success of just-in-time payment methods through the Access America pilot program.
1260.03	Allocate Funds and Allowances supports the drawdown method of disbursements to schools. Schools will request a sum of money from ED. This sum is calculated as either the accumulated total of the student disbursement amounts provided on the individual origination records, grouped by date (for Direct Loans and Pell Grants), or the amount authorized for that school based on a program-specific funding formula (for Perkins Loans, Federal Supplemental Education Opportunity Grant [FSEOG], Federal Work Study [FWS], and Leveraging Educational Assistance Program Partnership [LEAPP]).
1530.01	Allocate Funds and Allowances calculates at least annually the amount of funds authorized for a school participating in the Campus Based programs.
1540	Allocate Funds and Allowances provides Federal Perkins Loan, FSEOG, and FWS school authorization amounts to ED.
1542	Allocate Funds and Allowances simulates Campus-Based award amounts at the request of IFMD, using the school information stored in the system at the time of the request.
1543	Allocate Funds and Allowances allows the allocation of special authorization amounts for Campus-Based programs.
1572.01	Allocate Funds and Allowances reallocates school Campus-Based Program (Perkins Loan, SEOG, and FWS) authorization amounts based upon unexpended award balances as reported by schools.
1580.01	Allocate Funds and Allowances notifies schools of their Campus-Based Program authorization amounts.
3200	Allocate Funds and Allowances requests and receives signed letters of credit from schools.
5260	Allocate Funds and Allowances adjusts school awards and authorizations if necessary.
5280	Allocate Funds and Allowances tracks Perkins loan portfolio balances and FCC disbursed amounts per school per award year.
5310	Allocate Funds and Allowances processes prior year award adjustments when necessary.

Business Requirement ID	Business Requirement Definition
SS-08.01	Allocate Funds and Allowances calculates and authorizes administrative cost allowance payments to schools as reimbursement for costs incurred by a school to administer the Pell Grant programs.
SS-08.02	Allocate Funds and Allowances will be consistent with Code of Federal Regulations 668.22, 668.162-668.164, 668.167, 673.4, 675.42, 673.7, 690.10, 682.800, and 674.63.
SS-08.03	Allocate Funds and Allowances collects and compiles performance measurement data.
Manage Authorizations SS-09	This subprocess determines the initial authorization amount and notifies each school participating in the Pell Grant program of its initial authorization amount. The authorization amount is the maximum aggregate amount that each institution is allowed to distribute in the form of Pell Grant payments and is calculated at the beginning of each program year. This subprocess also monitors and adjusts the authorization levels for each school to ensure schools have sufficient funds to issue Pell Grants. This subprocess will change or may become obsolete based on the success of just-in-time payment methods through the Access America pilot program.
1260.03	Manage Authorizations supports the drawdown method of disbursements to schools. Schools will request a sum of money from ED. This sum is calculated as either the accumulated total of the student disbursement amounts provided on the individual origination records, grouped by date (for Direct Loans and Pell Grants), or the amount authorized for that school based on a program-specific funding formula (for Perkins Loans, Federal Supplemental Education Opportunity Grant [SEOG], Federal Work Study [FWS], and Leveraging Educational Assistance Program Partnership [LEAPP]).
1530.02	Manage Authorizations calculates at least annually the amount of funds authorized for a school participating in the Pell Grant program.
1572.02	Manage Authorizations monitors and adjusts the authorization levels for each school to ensure schools have sufficient funds to issue Pell Grants. This subprocess also adjusts Pell Grant authorization amounts for schools participating in the Pell Grant program.
1580.02	Manage Authorizations notifies schools of their Pell Grant authorization amounts.
1590.02	Manage Authorizations generates school Pell Grant ACH payment requests.
SS-09.01	Manage Authorizations will be consistent with Code of Federal Regulations 668.165, 690.80, 682.207, 674.16, 685.303, 690.78, and 668.165.
SS-09.02	Manage Authorizations collects and compiles performance measurement data.
Execute Financial Adjustments SS-10	This subprocess executes financial adjustments throughout the year and as part of year-end accounting closeout procedures to ensure payment and expenditure records reconcile. Adjustments may be necessary due to reimbursements to schools, reconciliation of overpayments/underpayments to schools, fund offsets and cancellation of funding.

Business Requirement ID	Business Requirement Definition
SS-10.01	Execute Financial Adjustments processes low-income-school information received from state education offices to generate a low-income school directory.
SS-10.02	Execute Financial Adjustments reimburses schools for the amount of Perkins loans they report as being canceled when a student is exempt from repayment due to employment status upon graduation.
1252	Execute Financial Adjustments calculates the amount of money due to a school as a result of Perkins Loan cancellations in the previous award year.
1254	Execute Financial Adjustments requests low-income school information from state education offices annually, based on the screening criteria sent to them. This requirement may be moved to Program Support in the next version of the Modernization Blueprint.
1590.01	Execute Financial Adjustments generates school Campus-Based Program ACH payment requests.
5280	Execute Financial Adjustments tracks Perkins loan portfolio balances and FCC disbursed amounts per school per award year.
SS-10.03	Execute Financial Adjustments completes the monthly reconciliation of Direct Loan drawdowns versus disbursements.
SS-10.04	Execute Financial Adjustments provides an alternative method to advance payment for schools so that funds are disbursed by the school and then reimbursed by SFA upon approval for Pell and Campus-Based programs.
SS-10.05	Execute Financial Adjustments calculates and processes adjustments of Pell funds for the previous (closed-out) award year.
SS-10.06	Execute Financial Adjustments manages offsets as a result of a liability that has been assessed or fine imposed by ED.
SS-10.07	Execute Financial Adjustments handles Teacher and Military cancellation payments for Perkins Loans.
SS-10.08	Execute Financial Adjustments will be consistent with Code of Federal Regulations 668.61, 668.166, 674.13, 685.306, and 690.10.
SS-10.09	Execute Financial Adjustments collects and compiles performance measurement data.

Financial Partner Services – Program Eligibility

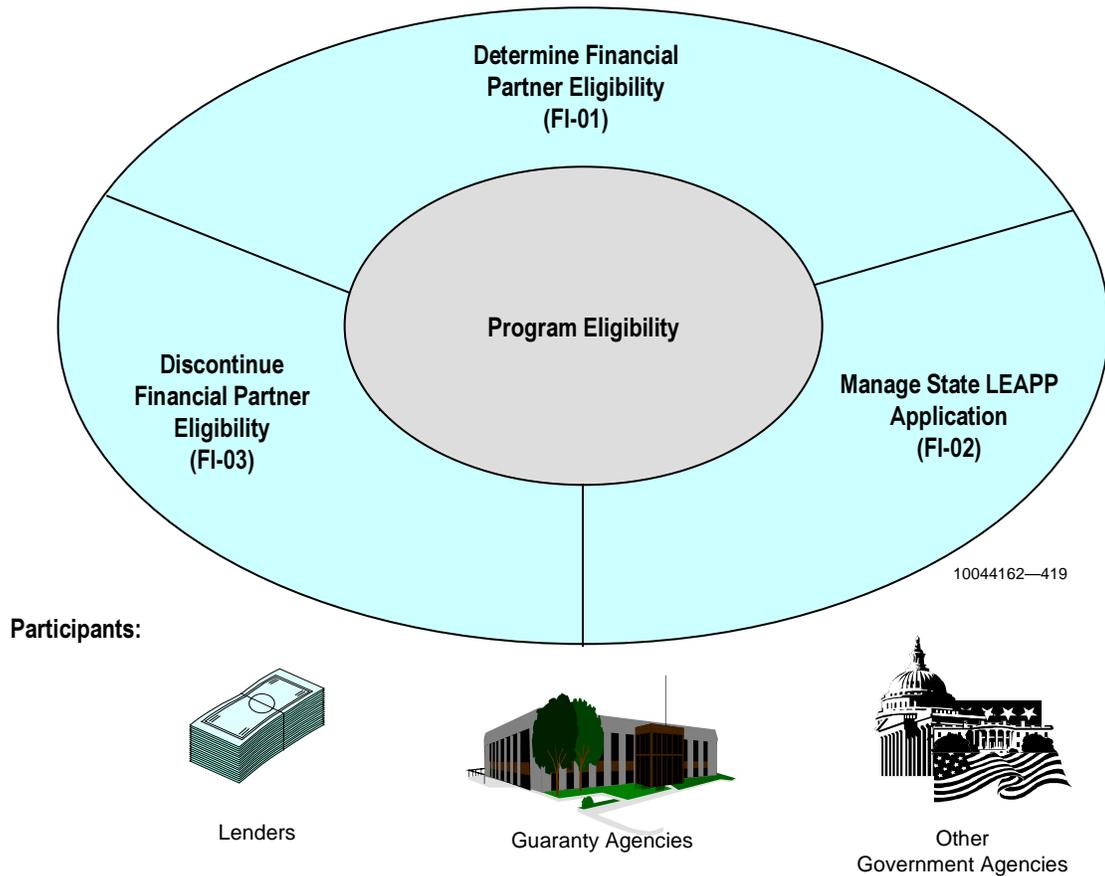
Process Description

This process activates and deactivates eligibility for financial partners, namely lenders and guaranty agencies. The process determines eligibility through the review of applicable certifications and requirements, application information, and reporting. If a lender or guaranty agency fails to meet the requirements set forth by SFA in terms of reporting, financial health, or participation, SFA may discontinue eligibility of the said institution. Shared access to data for Lenders and Guaranty Agencies will significantly improve the program eligibility process by eliminating process steps and speeding eligibility verification. Additionally, Program Eligibility receives and evaluates States' applications for the LEAPP program (a Federal contributions program) and maintains related performance reports.

Process Depiction

The following diagram illustrates the subprocesses within Program Eligibility.

Financial Partner Services – Program Eligibility



Financial Partner Services – Program Eligibility Subprocess Descriptions

Subprocess Name	Description
Determine Financial Partner Eligibility FI-01	This subprocess receives program application information from potential lenders and generates program eligibility notices.
Manage State LEAPP Application FI-02	This subprocess receives and processes state applications for the Federal contributions programs.
Discontinue Financial Partner Eligibility FI-03	This subprocess coordinates the deactivation of lender eligibility based on performance and adherence to reporting requirements.

Financial Partner Services – Program Eligibility Business Requirements

This section contains the subprocesses for Financial Partner Program Eligibility and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Determine Financial Partner Eligibility FI-01	This subprocess receives program application information from potential lenders and generates program eligibility notices.
3862	Determine Financial Partner Eligibility receives notification of applications to participate in Title IV programs made by lenders that have been approved by guaranty agencies.
3970	Determine Financial Partner Eligibility notifies AFMS of applications to participate in Title IV programs made by lenders that have been approved by guaranty agencies.
FI-01.01	Determine Financial Partner Eligibility generates a unique, secure identifier for newly eligible lenders.
3980	Determine Financial Partner Eligibility sends Lender Participation Questionnaires (LPQs) to lenders who have been approved for participation in Title IV programs.
3990	Determine Financial Partner Eligibility receives completed LPQs from lenders.
FI-01.02	Determine Financial Partner Eligibility generates program eligibility notices and/or confirmations for lenders.
FI-01.03	Determine Financial Partner Eligibility will be consistent with Coded Federal Regulations 682.200, 682.400, and 682.401.
FI-01.04	Determine Financial Partner Eligibility collects and compiles performance measurement data.
Manage Leveraging Educational Assistance Program Partnership (LEAPP) Application FI-02	This subprocess receives and processes state applications for the Federal contribution program.
1572.03	Manage Leveraging Educational Assistance Program Partnership (LEAPP) Application calculates and maintains the level of state LEAPP applications.
1587	Manage Leveraging Educational Assistance Program Partnership Application receives performance reports on disbursements of LEAPP funds from state grant agencies.
FI-02.01	Manage Leveraging Educational Assistance Program Partnership Application collects and compiles performance measurement data.

Business Requirement ID	Business Requirement Definition
Discontinue Financial Partner Eligibility FI-03	This subprocess manages the deactivation of lender eligibility based on performance and adherence to reporting requirements.
FI-03.01	Discontinue Financial Partner Eligibility automatically deactivates lenders who have failed to report for two quarters.
FI-03.02	Discontinue Financial Partner Eligibility allows lenders to voluntarily discontinue participation in the program (typically because the lender has sold all FFELP loans).
FI-03.03	Discontinue Financial Partner Eligibility allows lenders to continue filing claims when they decide to voluntarily discontinue their program participation.
FI-03.04	Discontinue Financial Partner Eligibility will be consistent with Coded Federal Regulations 682.700-682.712.
FI-03.05	Discontinue Financial Partner Eligibility collects and compiles performance measurement data.
FI-03.06	Discontinue Financial Partner Eligibility manages and responds to appeals of eligibility discontinuance.

Financial Partner Services – Program Support

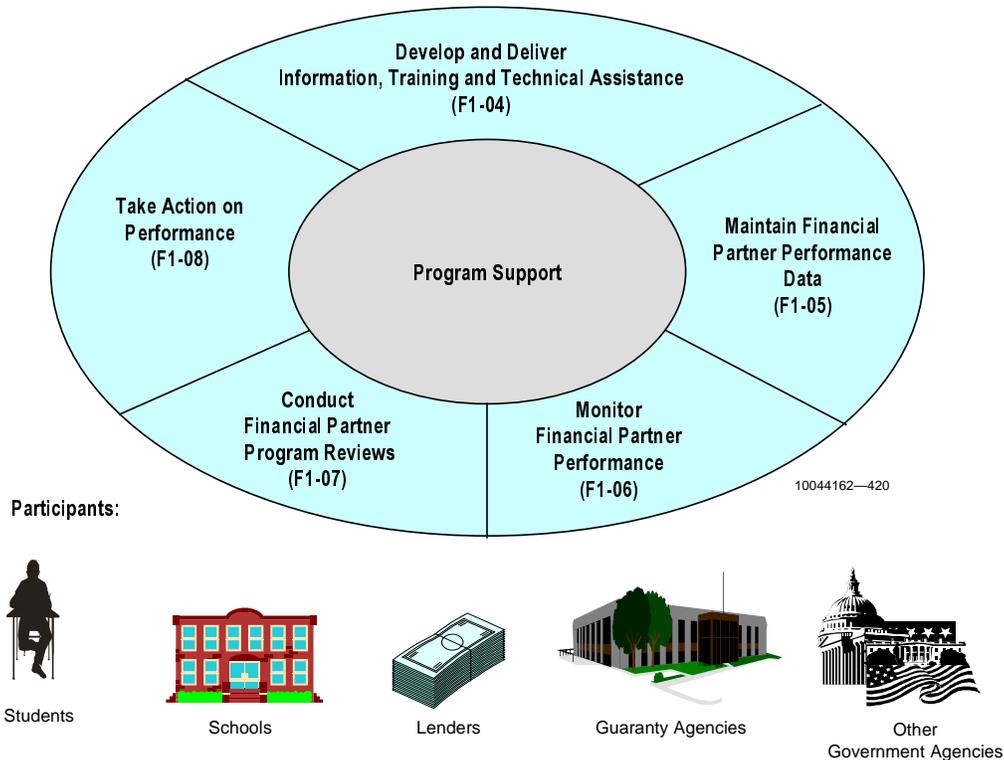
Process Description

This process maintains and supports the financial partner in all aspects of the aid programs. This subprocess provides technical assistance and guidance to institutions in program specifics and changes to program guidelines. SFA maintains and monitors performance data and reporting from the financial partners including information such as number and size of loans, and distribution of funds by school or region. This information may be provided, upon request, to program participants. This subprocess uses this information to identify potential performance issues and target on-site program reviews. If a financial partner's performance is significantly better or worse than its baseline, SFA takes action to either expand the lender/guaranty agency's participation levels or sanction the financial partner (through decreases in participation levels or other methods). Access to and use of data across SFA to predict risk and potential performance issues for financial partners will be critical to improving program support efforts in a modernized SFA.

Process Depiction

The following diagram illustrates the subprocesses within Program Support.

Financial Partner Services – Program Support



Financial Partner Services – Program Support Subprocess Descriptions

Subprocess Name	Description
Develop & Deliver Information, Training & Technical Assistance FI-04	This subprocess supports financial partners (lenders, guaranty agencies and servicers) with information, training, and technical assistance related to Title IV financial aid policy and operational issues.
Maintain Financial Partner Performance Data FI-05	This subprocess collects and maintains financial partner profiles, program reviews, and audits that are performed external and internal to ED. Additional performance data is collected, updated, and tracked through this activity. This data will be accessed, manipulated, and used during the risk analysis and performance reviews conducted by ED.
Monitor Financial Partner Performance FI-06	This subprocess analyzes the risk profile of financial partners to identify potential issues and target program reviews conducted by ED. The system will enable ED to predict and monitor performance based on pre-determined indicators or drivers that vary by type of financial partner.
Conduct Financial Partner Program Reviews FI-07	This subprocess schedules and conducts program reviews of financial partners based on targeting efforts. Targeted program reviews will be driven by: <ul style="list-style-type: none"> • Outcomes of performance analysis already conducted (i.e., desk reviews) • Mergers or changes of ownership • Complaints/External issues affecting given financial partners • Substantial change in loan volumes • Analysis of published reporting or review data
Take Action on Performance FI-08	This subprocess manages the outcomes of performance analysis and program reviews. This subprocess also oversees ED's response and involvement with appeals to audits, and program reviews performed by ED.

Financial Partner Services – Program Support Business Requirements

This section contains the subprocesses for Financial Partner Program Support and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Develop & Deliver Information, Training & Technical Assistance FI-04	This subprocess manages information distribution, training and technical assistance with guaranty agencies, lenders and servicers. Systematic training efforts will focus on educating financial institutional professionals to better understand and utilize the resources available to them from SFA.
FI-04.01	Develop & Deliver Information, Training & Technical Assistance targets financial partners by type of information need (both needs determined by the financial partners and those identified by SFA).
FI-04.02	Develop & Deliver Information, Training & Technical Assistance develops training products for programs, information requirements or technical assistance training/delivery material. Specific development includes: <ul style="list-style-type: none"> • Curricula for training • “Train the trainer” programs and materials • Informational products and publications • Performance measurement criteria for each program • Quality control processes (technical quality and content quality)
FI-04.03	Develop & Deliver Information, Training & Technical Assistance executes awareness programs by: <ul style="list-style-type: none"> • Providing training for financial partners and guarantors on the processes and procedures used by SFA to administer and monitor the success of aid programs at financial partners • Providing technology training on tools and systems that are accessed and utilized by financial partners • Providing training for financial partners and guarantors on the content of Title IV programs, including program regulations, offerings and aid levels • Providing technical assistance and quality assurance training and tools • Coordinating and exchanging information with external partners (e.g., lenders, guaranty agencies, state licensing and accreditation agencies) to improve service delivery to financial partners • Explaining and interpreting regulations for financial partners • Disseminates information regarding issues that impact the financial aid industry

Business Requirement ID	Business Requirement Definition
FI-04.04	Develop & Deliver Information, Training & Technical Assistance monitors program effectiveness by: <ul style="list-style-type: none"> • Maintaining Title IV program information to support training and education efforts at financial partners. This shall include general information about the major Title IV loan programs in addition to specific rules and regulations applying to those programs and training materials/alternatives related to the programs • Involving financial partners and other partners in decision planning processes so that changes in the financial aid system can be introduced smoothly and efficiently • Analyzes data from routine feedback loops, focus groups, special studies, phone statistics, cost data, usage/understanding of products and other data • Identifies drivers of success and failures in executing programs • Recommends actions to improve program and distribution performance from the target segments • Coordinates and exchanges information with external partners (e.g., schools, guaranty agencies, state licensing and accreditation agencies) to improve service delivery to students • Develops action plans resulting from the quality control process (technical quality and content quality)
FI-04.05	Develop & Deliver Information, Training & Technical Assistance will be consistent with Coded Federal Regulations 682.205 and 682.604.
FI-04.06	Develop & Deliver Information, Training & Technical Assistance collects and compiles performance measurement data.
Maintain Financial Partner Performance Data FI-05	This subprocess collects and maintains financial partner profiles, program reviews, and audits that are performed external and internal to ED. Additional performance data is collected, updated, and tracked through this subprocess. This data will be accessed, manipulated, and used during the risk analysis and performance reviews conducted by ED.
FI-05.01	Maintain Financial Partner Performance Data collects lender audit reports prepared by Independent Public Accountants.
FI-05.02	Maintain Financial Partner Performance Data collects guaranty agency and lender reviews.
FI-05.03	Maintain Financial Partner Performance Data collects guaranty and lender reporting form data.
FI-05.04	Maintain Financial Partner Performance Data collects other performance data as required for analysis and performance monitoring purposes.
3690	Maintain Financial Partner Performance Data provides organizational program review and audit data to ED.
3940	Maintain Financial Partner Performance Data maintains ED's reviews of guaranty agencies, lenders, and servicers, as well as audit information.
5330	Maintain Financial Partner Performance Data collects third-party quality control review flagging information, audit acceptance or rejection reason information, and auditors' debarment information.

Business Requirement ID	Business Requirement Definition
3700	Maintain Financial Partner Performance Data receives profiles from lenders, servicers, guaranty agencies, and secondary markets.
3740	Maintain Financial Partner Performance Data maintains financial program and oversight data and provides this data to lenders, servicers, guaranty agencies, and secondary markets.
FI-05.05	Maintain Financial Partner Performance Data creates an integrated link with the financial management system for sharing profile and financial oversight data related to guaranty agencies, lenders, servicers, and secondary markets.
FI-05.06	Maintain Financial Partner Performance Data collects and maintains the data supporting the appeal process for guaranty agencies, lenders, servicers, and secondary markets. Appeals take two forms: appeals of audits and program reviews performed by the Department of Education (appeals of audits performed by Independent Public Accountants (IPAs)), and appeals of calculated default rates.
3890	Maintain Financial Partner Performance Data provides audit and review appeal status to guaranty agencies, lenders and servicers.
3896	Maintain Financial Partner Performance Data provides secondary market audit and review appeal status to secondary markets.
3900	Maintain Financial Partner Performance Data receives lender, guaranty agency and secondary market audit, review, and default appeals from lenders, guaranty agencies and secondary markets, respectively.
3930	Maintain Financial Partner Performance Data receives secondary market audit and review appeals from secondary markets.
FI-05.07	Maintain Financial Partner Performance Data populates the subsidiary ledger with guaranty agency financial reporting data.
FI-05.08	Maintain Financial Partner Performance Data will be consistent with Coded Federal Regulations 668.172-668.175, 682.305, 682.401, 682.410, 682.414, and 682.515.
FI-05.09	Maintain Financial Partner Performance Data collects and compiles performance measurement data.
Monitor Financial Partner Performance FI-06	This subprocess analyzes the risk profile of financial partners to identify potential issues and target program reviews conducted by ED. The system will enable ED to predict and monitor performance based on predetermined indicators, or drivers that vary by type of financial partner.
3830	Monitor Financial Partner Performance provides guaranty agency, lender, servicer, and secondary market default rates to ED.
3840	Monitor Financial Partner Performance provides secondary market default rates to secondary markets.
3850	Monitor Financial Partner Performance provides lender default rates to lenders.
3860	Monitor Financial Partner Performance provides servicer (holder of loans) default rates to servicers.
3870	Monitor Financial Partner Performance provides guaranty agency default rates to guaranty agencies.

Business Requirement ID	Business Requirement Definition
3882	Monitor Financial Partner Performance calculates guaranty agency, lender, secondary market, and servicer default rates. "Life-long" default rates will be calculated and analyzed at several levels (e.g., by lender, by guaranty agency and by type of school).
1150	Monitor Financial Partner Performance allows auditors and ED staff, as well as those with the need for self audit such as lenders and guaranty agencies, the necessary access to transaction histories in order to perform audits/reviews, based on: <ul style="list-style-type: none"> • Statistical sampling • Exception reports • Audit/Review Histories • Performance based standards and measures
1170	Monitor Financial Partner Performance allows borrowers, lenders, or schools to provide feedback on services offered by financial partners associated with the Title IV programs.
1180	Monitor Financial Partner Performance solicits feedback from participants, schools, and other organizations on services offered by organizations associated with the Title IV aid programs.
1190	Monitor Financial Partner Performance publishes results on the feedback received from the schools, other organizations, and borrowers.
2900	Monitor Financial Partner Performance provides authorized parties visibility to Title IV participant information at varying levels of detail and shall associate Title IV participant information across business processes (e.g., application, disbursement, repayment).
2930	Monitor Financial Partner Performance provides statistical sampling and modeling capabilities to support Title IV program oversight functions.
2950	Monitor Financial Partner Performance monitors key performance indicators and shall flag those indicators whose values are outside predetermined parameters.
FI-06.01	Monitor Financial Partner Performance determines the institution's risk category based on various indicators that include: <ul style="list-style-type: none"> • Lenders—Origination fees, data match quality, payment of fees • Guaranty Agencies—Size of fund balance, reserve ratio, data quality match • Servicers—Size and growth of portfolio, frequency and type of complaints
2952	Monitor Financial Partner Performance maintains performance measurements for each financial partner. Relevant information on these performance measurements shall be provided to authorized external organizations and individuals.
2960	Monitor Financial Partner Performance provides what-if analysis capability to support the formulation of program legislation and policy.
3740	Monitor Financial Partner Performance updates program and financial oversight data and provides this data to lenders, servicers, guaranty agencies, and secondary markets.

Business Requirement ID	Business Requirement Definition
FI-06.02	Monitor Financial Partner Performance will be consistent with Coded Federal Regulations 668.172-668.175, 682.206-682.209, 682.402, 682.406, 682.410, and 682.418.
FI-06.03	Monitor Financial Partner Performance collects and compiles performance measurement data.
Conduct Financial Partner Onsite Program Reviews FI-07	<p>This subprocess schedules and conducts program reviews of financial partners based on targeting efforts. Targeted program reviews will be driven by:</p> <ul style="list-style-type: none"> • Outcomes of performance analysis already conducted (i.e., desk reviews) • Mergers or changes of ownership • Complaints/External issues affecting given financial partners • Substantial change in loan volumes • Analysis of published reporting or review data
FI-07.01	Conduct Financial Partner Program Reviews uses performance data to target and schedule financial partner program reviews.
FI-07.02	Conduct Financial Partner Program Reviews distributes pre-notification of program reviews to the financial partner, including requests for additional information.
FI-07.03	Conduct Financial Partner Program Reviews conducts on-site program reviews, prepares program review reports, and delivers these reviews to the financial partner.
FI-07.04	Conduct Financial Partner Program Reviews may place a hold status on program participation during the review process.
FI-07.05	Conduct Financial Partner Program Reviews will be consistent with Coded Federal Regulations 668.172-668.175 and 682.410.
FI-07.06	Conduct Financial Partner Program Reviews collects and compiles performance measurement data.
Take Action on Performance FI-08	This subprocess manages the outcomes of performance analysis and program reviews. This subprocess also oversees ED's response and involvement with appeals to audits and program reviews performed by ED.
FI-08.01	Take Action on Performance prepares and distributes Program Determination Letters (PDLs).
FI-08.02	Take Action on Performance assesses fines for non-compliance of financial partners with program requirements.
FI-08.03	Take Action on Performance triggers a limitation on participation or discontinuance of participation for lenders, guaranty agencies, and servicers.
FI-08.04	Take Action on Performance creates an integrated link to the financial management system to establish appropriate receivables for fines/fees levied on lenders or guaranty agencies.
FI-08.05	Take Action on Performance will be consistent with Coded Federal Regulations 682.413 and 682.700-682.712.
FI-08.06	Take Action on Performance collects and compiles performance measurement data.

Financial Partner Services – Financial Transactions

Process Description

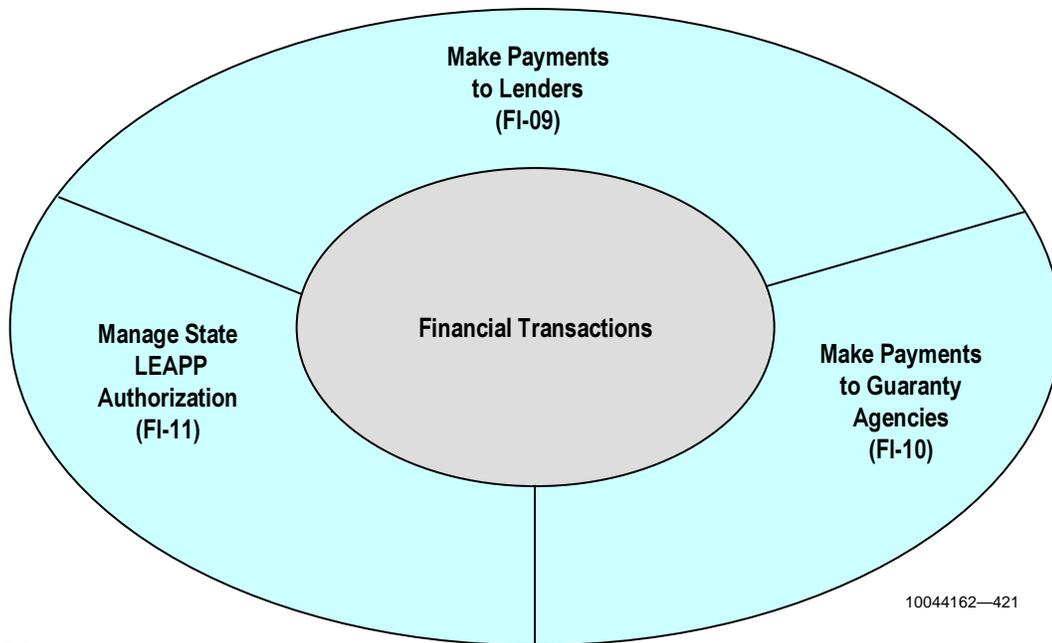
Financial Transactions manages the flow of funds between financial partners and SFA. The subprocess makes payments to lenders and guaranty agencies that may include reimbursements, special allowances, and payments. Additionally, once a state has been accepted to the LEAPP program, this subprocess manages the authorization process for funds, keeping track of contribution levels for each state.

Systems creating financial transactions requirements will be JFMIP compliant as detailed in the Financial Management process later in Chapter III.

Process Depiction

The following diagram illustrates the subprocesses within Financial Transactions.

Financial Partner Services – Financial Transactions



Participants:



Lenders



Guaranty Agencies



Other
Government Agencies

Financial Partner Services – Financial Transactions Subprocess Descriptions

Subprocess Name	Description
Make Payments to Lenders FI-09	This subprocess authorizes and processes interest invoice claims and special allowance invoices from fund sources. It also manages payoffs to lenders for consolidation of direct loans.
Make Payments to Guaranty Agencies FI-10	This subprocess makes payments to guaranty agencies.
Manage State LEAPP Authorization FI-11	This subprocess manages information about the federal LEAPP contributions to a given state. The LEAPP contribution is allotted and disbursed based on several criteria.

Financial Partner Services – Financial Transactions Business Requirements

This section contains the subprocesses for Financial Transactions and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Make Payments to Lenders FI-09	This subprocess authorizes and processes interest invoice claims and special allowance invoices from fund sources. It also manages payoffs to lenders for consolidation of Direct Loans.
1610	Make Payments to Lenders receives loan-holder interest and special allowance invoices from the loan holders.
1614	Make Payments to Lenders sends approval/rejection notices to the loan holder for interest and special allowance invoices received from that loan holder.
1616	Make Payments to Lenders offsets interest and special allowance payments for receivables due to ED or Treasury for those receivables that could not be collected by other means.
1620	Make Payments to Lenders provides loan holder interest and special allowance authorizations to ED/CFO for certification and to Treasury for payment.
1670	Make Payments to Lenders maintains information on interest and special allowance payments made by ED.
FI-09.01	Make Payments to Lenders distributes payoffs to lenders for Direct Loan consolidations.
FI-09.02	Make Payments to Lenders offsets payments to lenders through origination fees, lender fees, treasury offsets or other receivables.
FI-09.03	Make Payments to Lenders will be consistent with Code of Federal Regulations 682.300 and 682.302-682.305.
FI-09.04	Make Payments to Lenders collects and complies performance measurement data.
Make Payments to Guaranty Agencies FI-10	This subprocess makes payments to guaranty agencies.
FI-10.01	Make Payments to Guaranty Agencies confirms maintenance fees, generates payment requests, and sends them to ED/CFO for payment through Treasury.
FI-10.02	Make Payments to Guaranty Agencies confirms processing fees, generates payment requests, and sends them to ED/CFO for payment through Treasury.
FI-10.03	Make Payments to Guaranty Agencies receives reinsurance claim data from guaranty agencies.
1652	Make Payments to Guaranty Agencies confirms reinsurance claim data received from guaranty agencies, generates payment requests, and sends them to ED/CFO for certification, and to Treasury for payment.

Business Requirement ID	Business Requirement Definition
1654	Make Payments to Guaranty Agencies maintains reinsurance claim information received from guaranty agencies.
1656	Make Payments to Guaranty Agencies sends approvals/rejections of reinsurance claims to guaranty agencies.
1658	Make Payments to Guaranty Agencies offsets reinsurance payment amounts for receivables due to ED for those receivables that could not be collected by other means.
FI-10.04	Make Payments to Guaranty Agencies will be consistent with Code of Federal Regulations 682.400, 682.402, 682.404, and 682.403.
FI-10.05	Make Payments to Guaranty Agencies collects and compiles performance measurement data.
Manage Leveraging Educational Assistance Program Partnership (LEAPP) Authorization FI-11	This subprocess manages information about the federal LEAPP contributions to a given state. The LEAPP contribution is allotted and disbursed based on several criteria including maintenance of effort, funds matching, and base year requirements.
1580.03	Manage LEAPP Authorization notifies states of their LEAPP authorization amounts.
1585	Manage LEAPP Authorization receives profile information from state grant agencies.
1590.03	Manage LEAPP Authorization generates state LEAPP ACH payment requests.
1587	Manage LEAPP Authorization receives reports on disbursements of LEAPP funds from state grant agencies.

Performance Management – Customer Satisfaction Management

Process Description

Customer Satisfaction Management focuses on the systematic, structured collection of information about customer/partner preferences and satisfaction.

SFA will set periodic performance goals and develop objectives for achieving customer/partner satisfaction. Throughout the year, data will be collected from various sources and rigorously analyzed to produce trends, gaps, etc. This information will then be used by SFA to identify necessary changes to processes, performance objectives and technology.

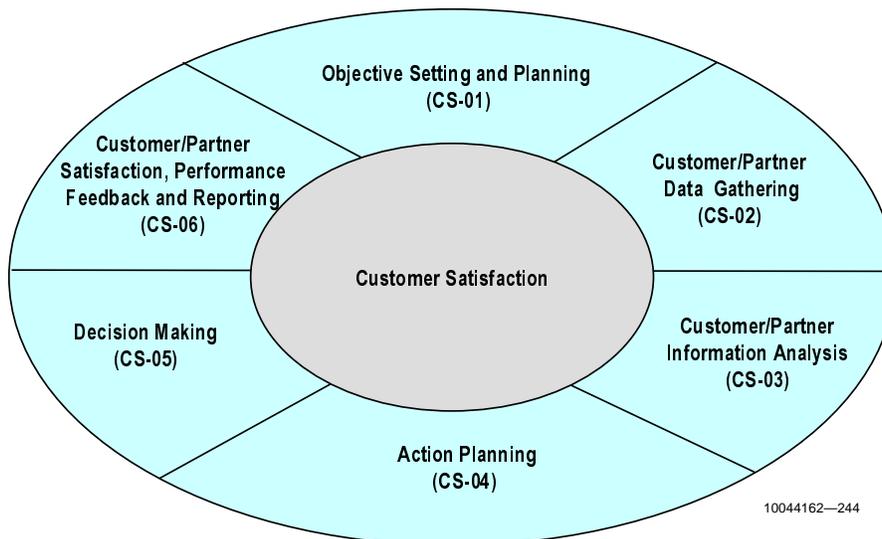
Close monitoring and reporting of customer/partner satisfaction information will allow SFA to determine how well it is meeting the PBO's objective of improving customer satisfaction. It will also allow SFA to gauge success toward realizing the goals of the modernization blueprint.

The Customer Satisfaction Management process is currently under development. SFA is researching best in business practices from both the public and private sectors to build a customer satisfaction management process that focuses on measuring customer satisfaction according to customer segments, gathering customer feedback on needed improvements, and providing feedback to those who can impact customer satisfaction. SFA will validate the process and define accountability for the process within the organization.

Further updates to the Customer Satisfaction process will be incorporated in future version of the Modernization Blueprint

Process Depiction

These activities are illustrated by a circle to depict the ongoing and continuous cycle of Customer Satisfaction Management.



Performance Management – Customer Satisfaction Management Subprocess Descriptions

Subprocess Name	Definition
Objective Setting and Planning CS-01	This subprocess identifies information to be collected from target segments, design initiatives and establishes metrics to measure success of those initiatives.
Customer/Partner Data Gathering CS-02	This subprocess determines the ongoing methods or techniques used to collect customer satisfaction information and preferences. Common methods of collection include mail, telephone and in-person surveys, focus groups, conferences, information from contractors, mystery shopping, opinion polls, and the Web.
Customer/Partner Information Analysis CS-03	This subprocess examines customer data to discover patterns and trends, gaps in performance and customer opportunity areas.
Action Planning CS-04	This subprocess formulates options, prepares recommendations and develops plans to address customer satisfaction issues.
Decision Making CS-05	This subprocess acts on recommendations, involves appropriate officials and assigns responsibility/accountability for implementation of action plans.
Customer/Partner Satisfaction Performance Feedback and Reporting CS-06	This subprocess provides feedback to customers and the organization regarding how well SFA is achieving customer satisfaction performance goals. It develops a set of routine and ad-hoc reports tailored to various customers and partners including: students, schools, financial partners, accrediting agencies, state licensing agencies, guarantee agencies, SFA management, employees and other officials.

Performance Management – Customer Satisfaction Management Business Requirements

This section contains the subprocesses for Customer Satisfaction Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Objective Setting and Planning CS-01	This subprocess identifies information to be collected from target segments, designs initiatives and establishes metrics to measure success of those initiatives.
CS-01.01	Objective Setting and Planning creates customer policy statements with minimum allowable service standards for customers and partners.
CS-01.02	Objective Setting and Planning identifies SFA's customer/partner bases and target segments.
CS-01.03	Objective Setting and Planning requires representative sampling of the various groups that exist within the customer base (i.e., large universities, vocational schools, etc.).
CS-01.04	Objective Setting and Planning identifies and tracks the available sources of customer/partner satisfaction data that need to be collected from customers, partners and internal systems.
CS-01.05	Objective Setting and Planning prescribes that data is statistically valid.
CS-01.06	Objective Setting and Planning determines frequency/cycles of data accumulation.
CS-01.07	Objective Setting and Planning maintains a system to store accumulated customer information that can be shared across the organization and with partners.
CS-01.08	Objective Setting and Planning develops and updates baseline customer satisfaction performance levels.
CS-01.09	Objective Setting and Planning develops and updates customer satisfaction performance targets.
CS-01.10	Objective Setting and Planning details a coordinated approach for gathering, analyzing, action planning, decision planning and feedback reporting.
CS-01.11	Objective Setting and Planning reviews progress and results of initiatives.
CS-01.12	Objective Setting and Planning identifies, through the Ombudsman, how information will be received, reviewed and cataloged from student, parents, and others. It manages attempts made to resolve informal complaints. It determines how information will be compiled, feedback data will be analyzed and process improvement opportunities will be identified.
Customer/Partner Data Gathering CS-02	This subprocess determines the ongoing methods or techniques used to collect customer satisfaction information and preferences. Common methods of collection include mail, telephone and in-person surveys, focus groups, conferences, information from contractors, mystery shopping, opinion polls, and the Web.

Business Requirement ID	Business Requirement Definition
CS -02.01	Customer/Partner Data Gathering uses multiple methods of data gathering to ensure data validity (e.g., telephone, Web, etc.).
CS -02.02	Customer/Partner Data Gathering gathers data from external sources (e.g., best practice, benchmarking).
CS-02.03	Customer/Partner Data Gathering maintains a robust current/historical database of customer/partner satisfaction information.
CS-02.04	Customer/Partner Data Gathering captures both high and low level detail for review and analysis (e.g., complaints per given number of applications).
CS-02.05	Customer/Partner Data Gathering thanks respondents and participants for their input and survey participation.
CS-02.06	Customer/Partner Data Gathering identifies, through the Ombudsman, the variety of methods that students and parents can use to give feedback and inquiries to SFA through the Office of the Ombudsman. Common methods for receiving feedback and inquiries include telephone, fax, mail, and referrals, e-mail, and the Web.
Customer/Partner Information Analysis CS-03	This subprocess examines customer data to discover patterns and trends, gaps in performance, and customer opportunity areas.
CS-03.01	Customer/Partner Information Analysis provides authorized users access to customer/partner data and analysis tools.
CS-03.02	Customer/Partner Information Analysis processes, translates and presents data in an easy to understand format.
CS-03.03	Customer/Partner Information Analysis links customer/partner feedback information to SFA-specific processes and activities.
CS-03.04	Customer/Partner Information Analysis tracks data elements (e.g., date, time, and source) related to customer/partner feedback.
CS-03.05	Customer/Partner Information Analysis combines customer/partner feedback information with other initiatives.
CS-03.06	Customer/Partner Information Analysis uses statistical tools and techniques to assist in the analysis and presentation of customer/partner satisfaction data (e.g., regression).
CS-03.07	Customer/Partner Information Analysis alerts decision-makers to critical customer satisfaction information and triggers analysis to determine sources of dissatisfaction.
CS-03.08	Customer/Partner Information Analysis tracks complaints and captures information about recurring problems. It provides the data necessary to recommend appropriate changes in the student loan programs.
Action Planning CS-04	This subprocess formulates options, prepares recommendations and develops plans to address customer/partner satisfaction issues.
CS-04.01	Action Planning addresses issues and concerns identified in the analysis of the customer satisfaction data.
CS-04.02	Action Planning ensures quick response and corrective action by modifying programs, processes and policies based on the customer/partner feedback.
CS-04.03	Action Planning calculates qualitative and quantitative estimates (e.g., benefits, cost, time, etc.) for potential corrective actions.

Business Requirement ID	Business Requirement Definition
CS-04.04	Action Planning creates business cases for customer/partner satisfaction improvement options.
CS-04.05	Action Planning defines expected results for each initiative.
CS-04.06	Action Planning alerts decision-makers to critical customer satisfaction information and triggers action steps to address sources of dissatisfaction.
CS-04.07	Action Planning recommends how to use customer performance information to improve programs and initiatives.
CS-04.08	Action Planning prepares and delivers recommendations to the appropriate decision making body.
CS-04.09	Action Planning takes responsive action to address customer feedback. It includes the sharing of customer feedback information with partners, enabling them to assess their own services and to determine what improvements are warranted.
CS-04.10	Decision Making selects options and assigns accountability.
Decision Making CS-05	This subprocess acts on recommendations, involves appropriate officials and assigns responsibility/accountability for implementation of action plans.
CS-05.01	Decision Making triggers analysis and/or action steps to address sources of dissatisfaction.
CS-05.03	Decision Making ensures roles and responsibilities for each initiative are available online.
CS-05.04	Decision Making analyzes capture performance information to identify trends; determines where and when issues are emerging (an "early warning system"); and promotes proactive, rather than reactive decision making.
Customer/Partner Satisfaction Performance Feedback and Reporting CS-06	This subprocess provides feedback to customers and the organization regarding how well SFA is achieving customer satisfaction performance goals. It develops a set of routine and ad-hoc reports tailored to various customers and partners including: students, schools, financial partners, accrediting agencies, state licensing agencies, guarantee agencies, SFA management, employees and other officials.
CS-06.01	Decision Making summarizes, presents and delivers data and recommendations at different levels to different constituencies (management, team, and individuals).
CS-06.02	Customer/Partner Satisfaction Performance Feedback and Reporting tailors and customizes reports for customers and partners.
CS-06.03	Customer/Partner Satisfaction Performance Feedback and Reporting generates reports for customers and partners.
CS-06.04	Customer/Partner Satisfaction Performance Feedback and Reporting develops routine and ad-hoc performance-based communications.
CS-06.05	Customer/Partner Satisfaction Performance Feedback and Reporting provides a feedback loop to track and report success of decisions.

Business Requirement ID	Business Requirement Definition
CS-06.06	Customer/Partner Satisfaction Performance Feedback and Reporting builds customer satisfaction into performance measures for employees/teams (e.g., uses GPAs to obtain feedback from customer/partners). Uses information to honor, recognize and reward customers/partners.
CS-06.07	Customer/Partner Satisfaction Performance Feedback and Reporting measures the effectiveness of the Ombudsman function. Activities include: random surveys of the Ombudsman's customers, establishment of a Web site for customers to give comments and suggestions, solicitations of manager and partner feedback and comments, and development of measurable performance standards to evaluate Ombudsman function.

Performance Management – Employee Satisfaction Management

Process Description

Employee Satisfaction Management focuses on sustaining SFA’s PBO efforts by focusing on employees—building their capabilities, motivating them, and providing long term growth opportunities to attract and retain them. It also focuses on building organizational capability through knowledge sharing.

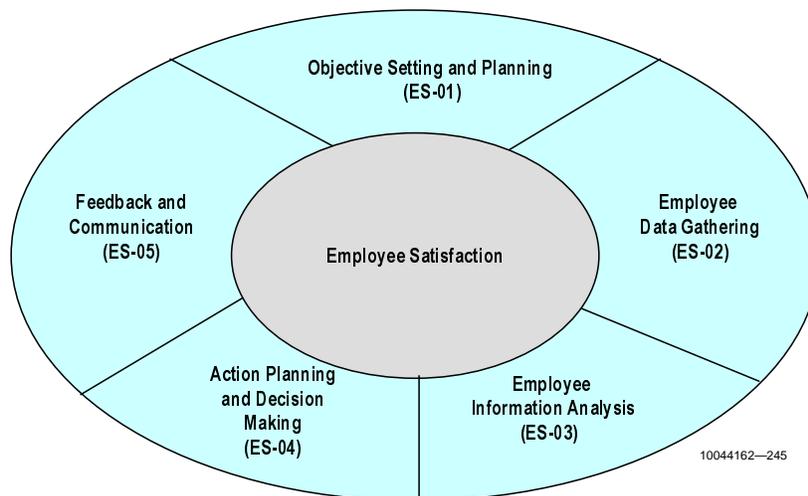
SFA will address employee satisfaction by developing a detailed process that identifies critical employee programs and converts data from these programs into managerially-significant information, which can then be used to identify gaps in program performance and initiate corrective action. This information will also be used to address critical employee concerns and continually improve employee programs.

One of the PBO’s three primary objectives is employee satisfaction. To support this objective, Employee Satisfaction Management will involve measuring and rewarding employees for attaining individual and corporate performance satisfaction objectives. In this way, Congress can measure SFA’s success.

The Employee Satisfaction Management process is currently under development. SFA is researching best in business practices from both the public and private sectors to build an employee satisfaction management process that focuses on measuring employee satisfaction, gathering employee feedback on needed improvements, and providing feedback to those who can impact employee satisfaction. SFA will validate the process and define accountability for the process within the organization. Further updates to the Employee Satisfaction process will be incorporated in a future version of the Modernization Blueprint.

Process Depiction

These activities are illustrated by a circle to depict the ongoing and continuous cycle of Employee Satisfaction Management.



Performance Management – Employee Satisfaction Management Subprocess Descriptions

Subprocess Name	Definition
Objective Setting and Planning ES-01	This subprocess involves identifying employee needs, tracking initiatives to fill those needs and developing the metrics to measure success of those programs. It involves the establishment of individual and group/department employee satisfaction objectives. It also involves identification of key labor and management relations issues.
Employee Data Gathering ES-02	This subprocess involves the ongoing collection of employee satisfaction and preferences information through various feedback mechanisms, including the expanded Intranet, town meetings, formal surveys, performance reviews and exit interviews.
Employee Information Analysis ES-03	This subprocess includes the processing and synthesizing of employee satisfaction and preference information in order to identify meaningful trends and insights to inform agreements and decisions.
Action Planning and Decision Making ES-04	This subprocess involves utilizing analysis to reward and improve performance and to measure the level of success of employee satisfaction. Analysis is used to determine the value of continuing or canceling different initiatives.
Feedback and Communication ES-05	This subprocess provides feedback and communicates decisions and actions based on employee satisfaction and preference analysis. This subprocess also shares information among employees in the organization.

Performance Management – Employee Satisfaction Management Business Requirements

This section contains the subprocesses for Employee Satisfaction Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Objective Setting and Planning ES-01	This subprocess involves identifying employee needs, tracking initiatives to fill those needs and developing the metrics to measure success of those programs. It involves the establishment of individual and group/department employee satisfaction objectives. It also involves identification of key labor and management relations issues.
ES-01.01	Objective Setting and Planning communicates management intentions/policies on how SFA will treat its employees.
ES-01.02	Objective Setting and Planning identifies and determines realms and spheres of information deemed worthwhile or valuable to gather.
ES-01.03	Objective Setting and Planning ensures SFA has systematic, manual and automated means of gathering employee information.
ES-01.04	Objective Setting and Planning ensures SFA has both anonymous and public employee feedback mechanisms.
ES-01.05	Objective Setting and Planning uses voluntary and involuntary gathering techniques.
ES-01.06	Objective Setting and Planning determines frequency of data gathering, i.e., based on perceived need and level of employee satisfaction.
ES-01.07	Objective Setting and Planning identifies and contains baseline employee satisfaction performance objectives and satisfaction indices aligned towards corporate strategic goals and human asset capabilities.
ES-01.08	Objective Setting and Planning identifies and contains employee satisfaction performance targets.
ES-01.09	Objective Setting and Planning specifies a logical and coordinated approach for capturing, processing, decision making and action-taking.
ES-01.10	Objective Setting and Planning interacts with unions and employees to establish employee satisfaction criteria and levels.
ES-01.11	Objective Setting and Planning collects and compiles performance measurement data.
Employee Data Gathering ES-02	This subprocess involves the ongoing collection of employee satisfaction and preferences information through various feedback mechanisms, including the expanded Intranet, town meetings, formal surveys, performance reviews and exit interviews.
ES-02.01	Employee Data Gathering ensures that surveys and other data collecting tools are effectively designed to address the relevant topic.
ES-02.02	Employee Data Gathering ensures diversity and participation in employee information gathering efforts.
ES-02.03	Employee Data Gathering ensures data gathered is statistically valid.

Business Requirement ID	Business Requirement Definition
ES-02.04	Employee Data Gathering uses different methods of data gathering to ensure holistic participation and representation.
ES-02.05	Employee Data Gathering ensures capture of both qualitative and quantitative measures.
ES-02.06	Employee Data Gathering uses automated (e.g., automated telephone survey) and manual (handwritten forms) gathering techniques.
ES-02.07	Employee Data Gathering collects and compiles performance measurement data.
Employee Information Analysis ES-03	This subprocess includes the processing and synthesizing of employee satisfaction and preference information in order to identify meaningful trends and insights to inform agreements and decisions.
ES-03.01	Employee Information Analysis ensures data is readily accessible for analysis.
ES-03.02	Employee Information Analysis uses statistical analysis tools and software (e.g., Excel) to produce insights.
ES-03.03	Employee Information Analysis processes customer feedback data using such techniques as trending and gap analysis and determines progress made against performance targets and benchmarks.
ES-03.04	Employee Information Analysis ensures data is organized in a presentable format.
ES-03.05	Employee Information Analysis collects and compiles performance measurement data.
Action Planning and Decision Making ES-04	This subprocess involves utilizing analysis to reward and improve initiative performance and to measure the level of success of employee initiatives so as to determine the value of continuing or canceling different initiatives.
ES-04.01	Action Planning and Decision Making takes corrective action on controversial areas of concern that were identified as a result of the employee satisfaction data gathering.
ES-04.02	Action Planning and Decision Making implements continuous improvement actions based on employee satisfaction data results.
ES-04.03	Action Planning and Decision Making provides important information that may be used for career development and guidance.
ES-04.04	Action Planning and Decision Making recognizes and rewards individuals who have had a large impact on increasing employee satisfaction.
ES-04.05	Action Planning and Decision Making organizes feedback and presents it to executives for dissemination throughout the organization.
ES-04.06	Action Planning and Decision Making ensures data is customized to specific employees.
ES-04.07	Action Planning and Decision Making automatically creates action items for people/department based on employee satisfaction output.
ES-04.08	Action Planning and Decision Making creates automated reminders that action items exist.
ES-04.09	Action Planning and Decision Making identifies local and remote technical and non-technical training needs.

Business Requirement ID	Business Requirement Definition
ES-04.10	Action Planning and Decision Making collects and compiles performance measurement data.
Feedback and Communication ES-05	This subprocess provides and communicates decisions and actions based on employee satisfaction and preference analysis. This subprocess also shares information among employees in the organization.
ES-05.01	Feedback and Communication thanks employees for their input and survey participation.
ES-05.02	Feedback and Communication allows real time collection of information.
ES-05.03	Feedback and Communication ensures actions based on results are communicated across organization.
ES-05.04	Feedback and Communication provides automated and manual media to disseminate important employee information (e.g., employee satisfaction information).
ES-05.05	Feedback and Communication ensures initiative result data information is available to both managers and employees.
ES-05.06	Feedback and Communication provides interactive methods to share information between employees and managers to improve management.
ES-05.07	Feedback and Communication tailors reports to process owners, stakeholders, and managers.
ES-05.08	Feedback and Communication provides an online search engine which employees use to search SFA Intranet sites.
ES-05.09	Feedback and Communication maintains an interactive employee communication tool (e.g., Web, Lotus Notes, and virtual "Water Cooler").
ES-05.10	Feedback and Communication provides employee-wide electronic communications.
ES-05.11	Feedback and Communication creates and updates employee directories.
ES-05.12	Feedback and Communication provides user friendly electronic access to get current and historical organization communication information.
ES-05.13	Feedback and Communication provides a "tip of the day", each day.
ES-05.14	Feedback and Communication collects and compiles performance measurement data.

Performance Management – Financial Management

Process Description

The Government Performance and Results Act of 1993 required all government agencies to manage by results. In response to this act, the Chief Financial Officers Council adopted the following vision for financial management:

Enabling government to work better and cost less requires program and financial managers, working in partnership using modern management techniques and integrated financial management systems, to ensure the integrity of information, make decisions, and measure performance to achieve desirable outcomes and real cost effectiveness.

This function contains all of the activities SFA must perform to fulfill this vision. Included in the financial management function are the traditional accounting activities necessary to manage the flow of funds between students, SFA, schools, financial partners and other government agencies as well as the activities SFA must perform to manage one of the largest portfolios of consumer loans in the Country. The financial management function will produce reports that SFA management will use to monitor how well the SFA organization is performing relative to one of its three primary objectives: reducing the overall cost of student financial assistance. As specified in the CFO Council's vision, a key business requirement of the financial management function is an integrated financial management system that manages the flow of financial information across all of SFA's information systems. In the future, SFA will leverage all financial systems in the Department of Education's CFO office as much as possible. However, to perform new PBO specific financial management functions mandated by legislature, SFA will need its own best in business integrated financial management system.

This need serves as the foundation for the SFA FMS design. The SFA FMS is not intended to be a standalone, independent subsystem utilized by only a limited number of SFA CFO personnel. It must incorporate the core Financial Management functions (i.e., Funds Management, Payment Management, Receipts Management, General Ledger Management, Financial Management Reporting, Cost Management, Loan Portfolio Management, Budget Analysis and Development, Procurement and Contract Management, and Fixed Asset Management) that span across Programs, Channels, and systems and must be targeted to offer value and control to virtually all SFA employees and partners. Thus, the SFA FMS will establish the ability to provide financial, performance, and cost information across Programs, consolidate redundant processes and data, improve (and in some cases establish) financial management controls, and provide the ability to report to Congress and other stakeholders either with summary or detailed financial information on SFA activities. Within this framework the SFA FMS will:

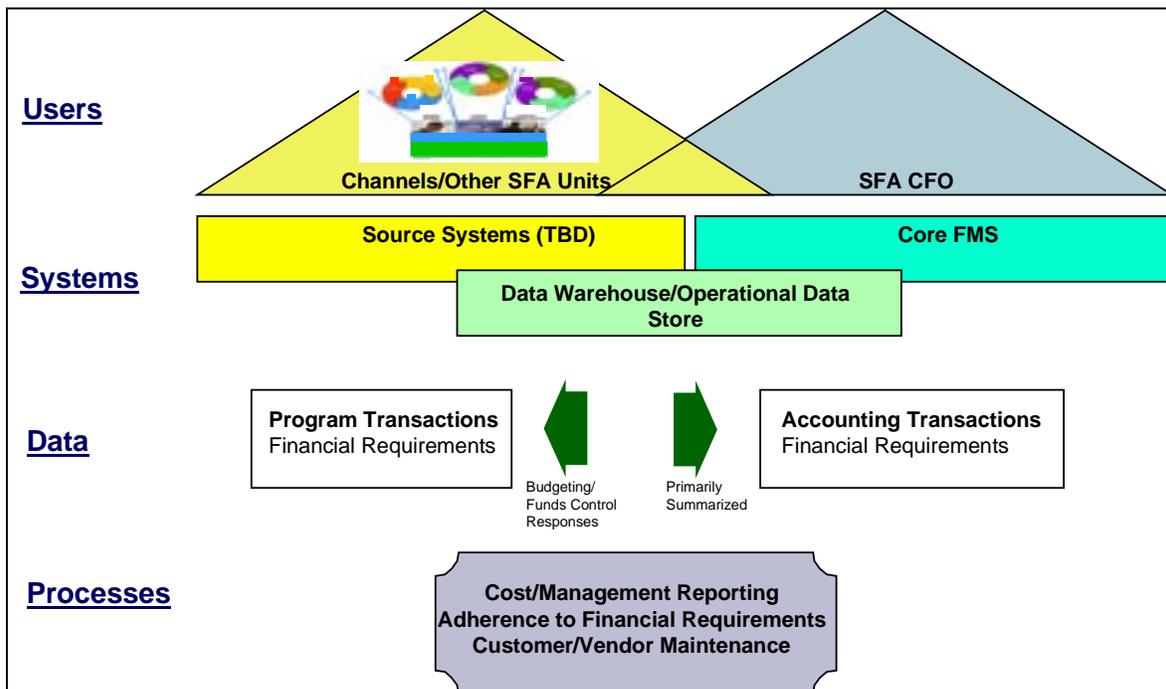
- ◆ Provide easy on-line access to current and historical data,

- ❖ Provide timely and consistent data for strategic decisions,
- ❖ Increase reporting capability across organizational units and SFA contracting partners,
- ❖ Provide appropriate security and controls,
- ❖ Limit redundancies of data and processes,
- ❖ Support SFA Channels, Partners and Contractors, and
- ❖ Provide audit trails supporting financial information and statements.

SFA FMS will not become the “owners” of the transaction-level detail data, as ownership remains with the originating subsystem. SFA FMS will identify the financial requirements to be incorporated in the reengineered subsystems. Any reengineering of Program subsystems must consider the requirements mandated by JFMIP for systems supporting Direct Loans, Grants, and Guaranteed Loans. Therefore, a coordinated effort between SFA FMS Integrated Product Team (IPT) and other SFA IPTs is essential as implementation proceeds.

Financial Management Model

The Financial Management model shown below represents how program source systems and the core FMS fit together in SFA’s overall financial management framework and how both data and processes are linked so that accurate and timely information can be utilized across all SFA Channels and Stakeholders.



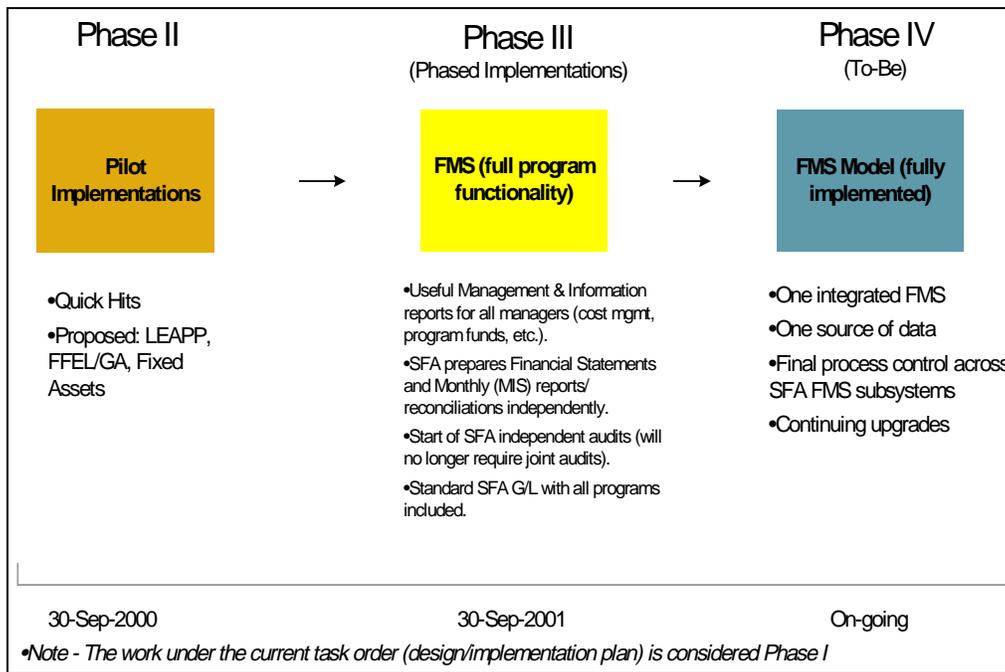
Key Financial Management Objectives

The primary objective of the FMS effort is to define an integrated SFA FMS with long-term value to include cost accounting and full subsidiary ledger structures supporting SFA requirements and provide important management information. The SFA FMS will support SFA in achieving its three main objectives:

- ❖ **Improve customer satisfaction** by making the process of applying for financial aid dramatically faster, easier, and more understandable for Customers and Partners as well as more accountable to taxpayers by providing a single source of current, on-line, accurate data and providing access to cross-program data
- ❖ **Reduce unit cost** by using information technology to provide easy access to cost accounting data, performance-based information, and analytical tools that assist in strategic decision making and that enable SFA employees to identify and pursue potential cost savings
- ❖ **Increase employee satisfaction** by providing timely information retrieval and reporting to meet business needs which enables employees to make accurate decisions with complete and timely information. The SFA FMS will ensure access to accurate financial data and will provide timely financial statements.

FMS Implementation Approach

This section briefly describes the Phasing approach envisioned for implementing the SFA FMS as well as the components of each discrete implementation Phase. Please note that current efforts to develop an FMS design and implementation plan constitute phase I.



Phase II Scope

Phase II of the SFA FMS modernization effort is planned to commence on April 1, 2000, with the goal of implementing three SFA business areas and installing and configuring the Oracle Federal Financials as the basis for SFA FMS. The purpose of Phase II is to prove the General Ledger setup of books and accounts and the account code classification structure in a quick timeframe. This will allow for verification of the SFA FMS Design and provide a “proof of concept” for the system going forward when additional, larger subsystems are rolled out over the complete implementation planning cycle. Currently, Phase II of the SFA FMS is defined by three “pilots”,

- ❖ Federal Family Education Loan Program (FFELP) Guaranteed Loan - Guaranty Agency (GA) Payments,
- ❖ Leveraging Educational Assistance Partnership Programs (LEAPP), and
- ❖ SFA Operations - Fixed Assets.

The SFA FMS Phase II benefits include:

- ❖ First production rollout of FMS,
- ❖ Initial integrated solution for the selected program/processes,
- ❖ Introduction to SFA FMS users for the selected program/processes, and
- ❖ Initial SFA FMS proof of concept.

The Pilots are intended to be a final, not interim, solution affecting a broad group of users. These systems were chosen because of their current visibility and value as a “quick hit” implementation proving the design concept for SFA FMS. Each pilot is of manageable magnitude and isolated transactions such that final implementation can be achieved in the identified timeframe.

Phase III Scope

Phase III is expected to commence in the summer of 2000 and to roll out into production by September 30, 2001. This Phase will result in a fully operational SFA FMS inclusive of all major functions (reference Section 4.2) and supporting both Programs and SFA Operations activities. Major features of Phase III include:

- ❖ A standard SFA General Ledger (GL) which includes all programs
- ❖ SFA independent audits (will no longer require joint departmental audits)
- ❖ SFA independent preparation of Financial Statements, Budget reports, reports to Treasury and OMB, and other scheduled reports
- ❖ Useful management information reports for all managers (i.e., for Cost Management, Funds Control, Performance Measurement, Procurement, Travel, etc.)

This Phase will capture each of the remaining programs' (Direct Loan, Campus Based, Pell Grants, FFEL Lenders, and Debt Collection) financial transaction detail and use that information to summarize into the General Ledger and provide reporting across programs at a School, Guaranty Agency (GA), or Financial Institution level.

Phase III SFA FMS will integrate/interface with the Program and Operational subsystems in place as of September 2001. These subsystems may be either existing legacy subsystems or reengineered subsystems in production. In order to create a fully operational SFA FMS by this timeframe, it is assumed that existing legacy systems (i.e., existing, non-reengineered subsystems) will be interfaced into SFA FMS, while all fully reengineered systems will be designed to directly integrate into SFA FMS.

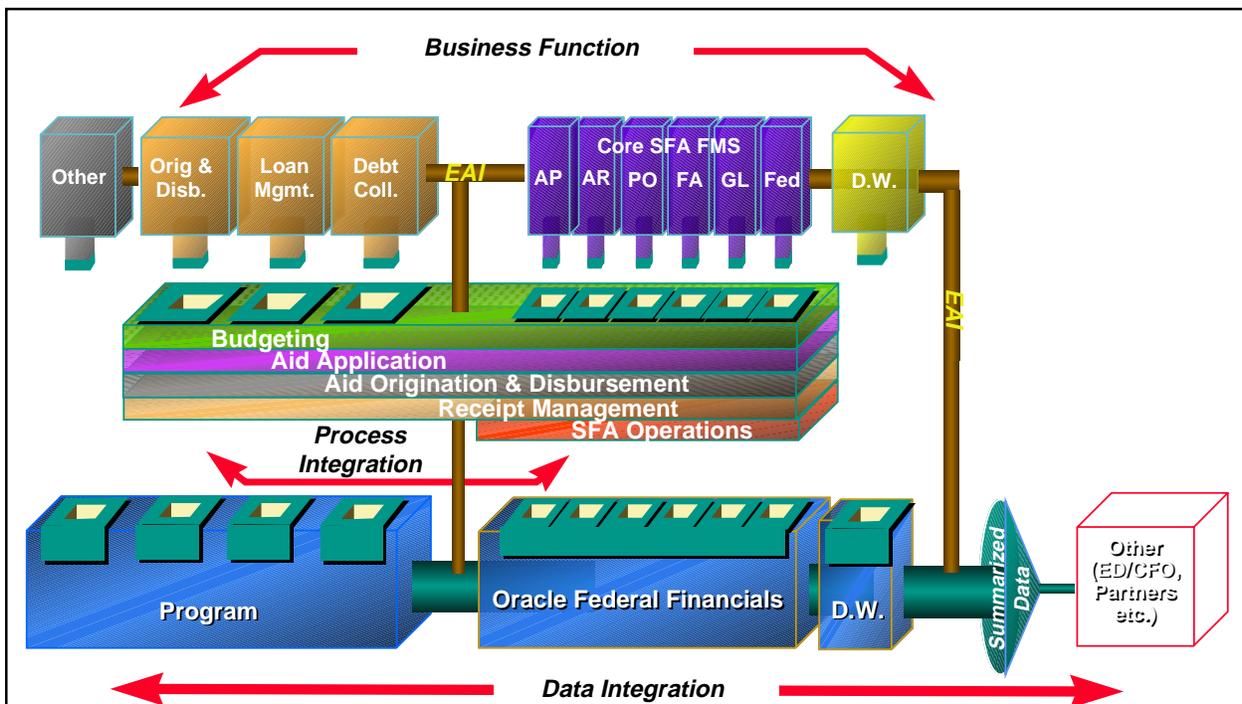
Phase IV Scope

Phase IV or the "TO BE" SFA FMS is the true realization of the comprehensive SFA FMS Design. It encompasses an integrated design incorporating information and processes from SFA Operations and all SFA reengineered Program subsystems which will have replaced the legacy systems of Origination & Disbursement, Servicing, and Collections. In this phase, SFA FMS will include all major functions supporting both Programs and SFA Operations activities (reference Section 4.2).

While Phase IV will be a fully functional and integrated SFA FMS, it is not envisioned as the "end state" of the SFA FMS project. It is from this point that the SFA FMS will mature into a stable production system and future efforts may be focused on adding additional functionality (either technical or functional).

Financial Management System Architecture Overview

The figure below provides an overview of the relationship between SFA Business Functions, the SFA business processes, and the underlying SFA data. This serves as a logical reference for the SFA FMS vision that describes the SFA enterprise-wide financial management framework and will be further defined throughout this document.



Business Function or Application Layer

The Business Functions identified are Origination & Disbursement, Loan Management, and Debt Collection. These functions are logically based and may be supported by a single or multiple systems (to be defined by the relevant IPT). The Oracle Federal Financials Applications that make up the Core SFA FMS are Accounts Payable (AP), Accounts Receivable (AR), Purchasing and Contracts Management (PO), Fixed Assets (FA), General Ledger (GL), and Federal Administrator (Fed).

Process Integration Layer

The Process Integration Layer is used to represent the major SFA processes necessary to satisfy SFA's mission. The primary SFA FMS processes identified are Budgeting, Aid Application, Aid Origination & Disbursement, Receipt Management, and SFA Operations. These processes are organized to establish controls, both financial and programmatic, throughout the SFA FMS.

Data Integration Layer

The Data Integration Layer will serve as one of the primary mechanisms to reduce redundancy and foster data consistency and control across all SFA subsystems. The Program feeder data is directly integrated with core SFA FMS applications, providing drill down capability from the Oracle Federal Financial applications to the source subsystems. The Data Integration Layer depicts the increasing summarization of data as it flows from the Program subsystems, through the Oracle Federal Financial applications, into a warehouse or directly to ED/CFO. The path identified above is representative, and may not be the actual physical path of the data.

Financial Management Sub-Processes

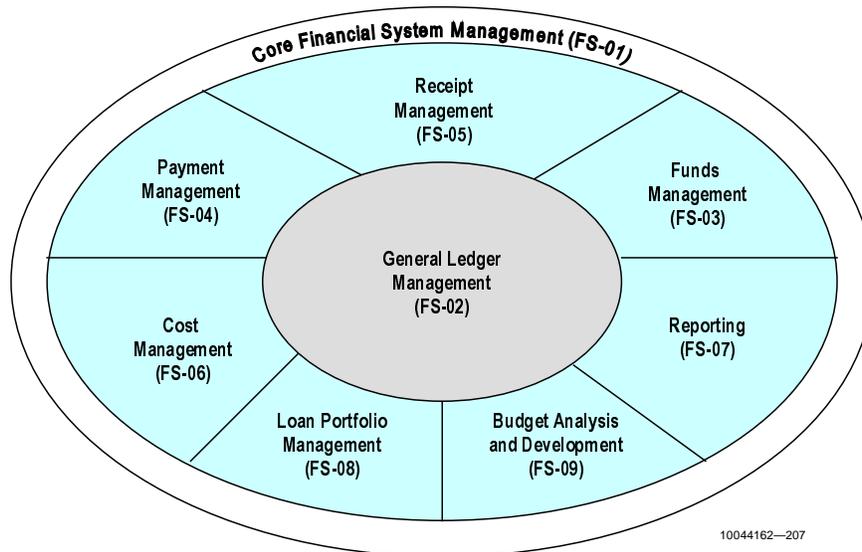
The following diagram shows how the various subprocesses within the Financial Management function are logically organized. General Ledger Management is depicted as the “core” subprocess because it is involved either directly or indirectly with every financial event, since transactions to record financial events must be posted to the Department of Education general ledger and/or the SFA general ledger. The surrounding subprocesses interact with the General Ledger Management subprocess but may not be involved with every financial transaction. For example, the Payment Management function is only involved with processing SFA payments. Payment Management is not involved with processing SFA receivables. The Core Financial System Management is shown graphically as surrounding the Financial Management function because it is responsible for coordinating the processing of financial events across all the Financial Management subprocesses. The Core Financial System Management subprocess is responsible for managing an integrated financial management system, which will perform all of the financial management subprocesses.

Systems creating financial transactions requirements will be JFMIP compliant as detailed in the Financial Management process later in Chapter III.

Process Depiction

These activities are illustrated by a circle to depict the ongoing and continuous cycle of Financial Management.

Financial Management Functional Overview



Financial Management – Financial Management Subprocess Descriptions

Subprocess	Definition
<p>Core Financial System Management FS-01</p>	<p>The Core Financial System Management subprocess consists of the processes necessary to maintain system-processing rules consistent with established financial management policy. This subprocess sets the framework in which all other Core financial system functions operate.</p> <p>Other processes, such as application security and other internal controls needed to support general requirements, which apply to all financial management systems, also fall under this subprocess.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements - February 1999</p>
<p>General Ledger Management FS-02</p>	<p>The General Ledger Management subprocess consists of the processes by which the SFA general ledger is developed and maintained. The general ledger is the highest level of summarization and must maintain account balances by the fund structure and by individual general ledger accounts established in the Core Financial System Management subprocess. This subprocess maintains audit trail information of all financial transactions sent to and received from ED/CFO, ED/Budget, and SFA. The general ledger is supported by subsidiary ledgers at various levels of detail. These subsidiary ledgers are developed by this subprocess as well.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements - February 1999 Project EASI Business Requirements</p>
<p>Funds Management FS-03</p>	<p>The Funds Management subprocess is SFA's primary tool for ensuring it does not obligate or disburse funds in excess of those appropriated and/or authorized. This subprocess receives funding information from ED/CFO and manages fund appropriations, allotment, and balance for each aid program. This subprocess supports both government-wide funds management policies and SFA's internal funds allocation methods and controls.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
<p>Payment Management FS-04</p>	<p>The Payment Management subprocess provides appropriate control over all payments made by or on behalf of SFA. SFA may make payments to vendors in accordance with contracts; to employees for salaries and expense reimbursements; to other Federal agencies for reimbursable work performed; to individual citizens receiving Federal benefits; to recipients of Federal loans; and for many other reasons. This subprocess maintains accounts payable records, such as loan repayment transactions and interest payments.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements - February 1999 Project EASI Business Requirements</p>

Subprocess	Definition
Receipt Management FS-05	<p>The Receipt Management subprocess supports activities associated with recording SFA cash receipts, including servicing and collecting receivables. The Receipt Management subprocess maintains accounts receivable records by recording, billing, monitoring, and collecting amounts due the government whether previously established as a receivable or not. These activities must be supported by aging schedules, exception reports, and reports used to monitor due diligence efforts. This subprocess also receives and manages school drawdown information and sends this information to ED/CFO.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements - February 1999 Project EASI Business Requirements</p>
Cost Management FS-06	<p>The Cost Management subprocess measures SFA costs at many different levels. This subprocess enables SFA to monitor and manage costs by cost object, activity, process, SFA organization unit, aid program, loan type, school, and financial partner. This subprocess is essential for providing accurate program management information, performance measures, and financial statements with verifiable disclosure of the cost of activities. In some cases, SFA is reimbursed by another organization that incurs costs that are paid by SFA. In these cases, this subprocess generates the bill that is sent to the organization, which reimburses SFA.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements - February 1999 Project EASI Business Requirements SFA Management Input</p>
Financial Management Reporting FS-07	<p>This subprocess provides financial information in a timely and useful fashion to support management's fiduciary role; supports budget information and extension subprocesses; supports fiscal management of program delivery and program decision making; and supports internal and external reporting requirements. Reporting information is provided in a variety of formats to users according to their needs. Methods of providing information include online inquiries, extract data files, and hard-copy reports.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements - February 1999</p>
Loan Portfolio Management FS-08	<p>The Portfolio Management subprocess supports the management and performance evaluation of the SFA guaranteed and direct loan portfolios. It also supports program financing and management of portfolio sales.</p> <p><u>Sources:</u> JFMIP Direct Loan System Requirements – June 1999 JFMIP Guaranteed Loan System Requirements – October 1999 JFMIP Grant Financial Systems Requirements – October 1999</p>

Subprocess	Definition
Budget Analysis and Development FS-09	<p>The Budget Analysis and Development subprocess supports SFA preparation of budget information during the budget formulation and execution process. This subprocess establishes the baseline from which to build the budget, tracks initial submissions and modifications to the budget, provides budget data for inclusion in the President's Budget and tracks the status of the budget request as it moves through the process until enactment of appropriations.</p> <p><u>Source:</u> JFMIP Framework for Federal Financial Management Systems January 1995</p>

Financial Management Business Requirements

This section contains the subprocesses for Financial Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Core Financial System Management FS-01	<p>The Core Financial System Management subprocess consists of the processes necessary to maintain system-processing rules consistent with established financial management policy. This subprocess sets the framework in which all other Core financial system subprocesses operate. Other processes, such as application security and other internal controls, needed to support general requirements that apply to all financial management systems also fall under this subprocess.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-01.01J	<p>The Core Financial System Management subprocess must perform the Accounting Classification Structure Management process. This process provides a consistent basis for:</p> <ul style="list-style-type: none"> • Consolidating government-wide financial information. • Integrating planning, budgeting, and accounting. • Capturing data at the lowest level of detail-at the point of data entry throughout SFA in a manner that ensures that when data is rolled up to the level that is standardized, it is consistent at the standardized level. • Comparing and combining similar programs across agencies and calculating overall program results. <p><u>Source:</u> JFMIP Core Financial System Requirements - February 1999</p>
FS-01.02J	<p>The Core Financial System Management subprocess must perform the Standard General Ledger process. This process establishes the general ledger account structure for SFA in accordance with the U.S. Government Standard General Ledger (SGL) and the transaction edit and posting rules to record financial events.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-01.03J	<p>The Core Financial System Management subprocess must perform the Transaction Control process. This process must be able to process transactions originating in other systems, recording and keeping track of such transactions and related information, in order to provide the basis for central financial control.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>

Business Requirement ID	Business Requirement Definition
FS-01.04J	<p>The Core Financial System Management subprocess must perform the Archiving and Purging process. This process removes data which is no longer needed for immediate access from the system data stores used for inquiry and reporting on current information.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-01.05	<p>Core Financial System Management collects and compiles performance measurement data.</p>
<p>General Ledger Management FS-02</p>	<p>The General Ledger Management subprocess consists of the processes by which the SFA general ledger is developed and maintained. The general ledger is the highest level of summarization and must maintain account balances by the fund structure and individual general ledger accounts established in the Core Financial System Management subprocess. This subprocess performs and maintains audit trail information of all financial transactions sent to and received from ED/CFO, ED/Budget, and SFA. The general ledger is supported by subsidiary ledgers at various levels of detail. These subsidiary ledgers are developed by this subprocess as well.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements -- February 1999 Project EASI Business Requirements</p>
FS-02.01J	<p>The General Ledger Management subprocess must perform the General Ledger posting process. This process records financial transactions in the general ledger using double-entry accounting.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-02.02J	<p>The General Ledger Management subprocess must perform the Accruals, Closing and Consolidation process. This process creates accrual transactions and closing entries needed at the end of a period (month or year) for reporting purposes. It also controls and executes period-end system processes necessary to open a new reporting period, such as rolling forward account balances or reversing certain year-end entries. This process supports the preparation of consolidated financial statements by identifying information needed in that process.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
5220	<p>The General Ledger Management subprocess must perform the General Ledger Analysis and Reconciliation process. This process provides information which is used to determine that amounts posted to general ledger control accounts agree with more detailed subsidiary accounts and that system balances reconcile with financial information contained in reports from Treasury and other agencies.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>

Business Requirement ID	Business Requirement Definition
5040	<p>The General Ledger Management subprocess sends summarized repayment information to ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5060	<p>The General Ledger Management subprocess receives Treasury trace numbers and payments rejects from ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5110	<p>The General Ledger Management subprocess maintains a record of interface transactions sent to and received from SFA.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5120	<p>The General Ledger Management subprocess maintains a record of interface transactions sent to and received from ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5130	<p>The General Ledger Management subprocess maintains a record of interface transactions sent to and received from ED Budget.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5270	<p>The General Ledger Management subprocess receives transaction and balance information from ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-02.03	<p>The General Ledger Management subprocess tracks debits and credits for Direct Loans, loans assigned to ED for debt collection, Pell Grants, Campus Based programs, and the guaranty agency and lender level for FFELP.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-02.04	<p>General Ledger Management collects and compiles performance measurement data.</p>
<p>Funds Management FS-03</p>	<p>The Funds Management subprocess is SFA's primary tool for ensuring it does not obligate or disburse funds in excess of those appropriated and/or authorized. This subprocess receives funding information from ED/CFO and manages fund appropriations, allotment, and balance for each aid program. This subprocess supports both government-wide funds management policies and SFA's internal funds allocation methods and controls.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>

Business Requirement ID	Business Requirement Definition
FS-03.01J	<p>The Funds Management subprocess must perform the Budget Execution process. The Budget Execution tracks SFA's budget authority and manages prior year's funds in the current year.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-03.02J	<p>The Funds Management subprocess must perform the Funds Allocation process. This process records SFA's budgetary resources and supports the establishment of budgetary limitations at each of the levels required within SFA.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-03.03J	<p>The Funds Management subprocess must perform the Funds Control process. This process records transactions affecting the resource usage accounts in the budgetary section of the U.S. Government Standard General Ledger (e.g., commitments, undelivered orders, expenditures, reimbursements earned). It also provides appropriate warnings and controls to ensure that budgetary limitations are not exceeded.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
1300	<p>The Funds Management subprocess maintains school disbursement ledgers to show a complete record of all disbursements to, and collections from, a school.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
1618	<p>The Funds Management subprocess verifies the availability of aid program funds when approving a payment request. Once the payment request has been approved, the available fund balance for that aid program will be reduced by the amount of the payment.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5000	<p>The Funds Management subprocess receives allotment information from ED/CFO/Budget.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-03.06	<p>The Funds Management subprocess allows budget to directly enter SFA appropriations, apportionments, allotments, and operating plans.</p> <p><u>Source:</u> SFA FISR Group</p>
5010	<p>The Funds Management subprocess maintains aid program allotment information.</p> <p><u>Source:</u> Project EASI Business Requirements</p>

Business Requirement ID	Business Requirement Definition
5080	<p>The Funds Management subprocess maintains budgetary account balances at the level of detail required to meet program-reporting requirements.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-03.04J	<p>The Funds Management subprocess must be sufficiently flexible to support changes in the way SFA is funded. Currently, the Access America project is evaluating process changes that may change the way funds are delivered to SFA.</p> <p><u>Source:</u> SFA Management Input</p>
FS-03.05	<p>Funds Management collects and compiles performance measurement data.</p>
Payment Management FS-04	<p>The Payment Management subprocess provides appropriate control over all payments made by or on behalf of SFA. SFA may make payments to vendors in accordance with contracts; to employees for salaries and expense reimbursements; to other Federal agencies for reimbursable work performed; to individual citizens receiving Federal benefits; to recipients of Federal loans; and for many other reasons. This subprocess maintains accounts payable records, such as loan repayment transactions and interest payments.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
FS-04.01J	<p>The Payment Management subprocess must perform the Payee Information Maintenance process. This process coordinates payee information needed to make payments with information needed for other purposes and in other systems.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-04.02J	<p>The Payment Management subprocess must perform the Payment Warehousing process. This process recognizes and records payments due to another entity in the near term. This process applies disbursements, adjustments, and cancellations to achieve an accurate daily net settlement.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
5030	<p>The Payment Management subprocess must perform the Payment Execution process. This process supports activities required to make a payment that was warehoused or to record a payment made by another system. This process also makes adjustments to existing payable transactions.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>

Business Requirement ID	Business Requirement Definition
FS-04.03J	<p>The Payment Management subprocess must perform the Payment Confirmation and Follow Up process. This process confirms that disbursements were made as anticipated and supports inquiries from vendors regarding payments and reporting requirements relating to the Payment Management subprocess.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
1300	<p>The Payment Management subprocess maintains school disbursement ledgers to show a complete record of all disbursements to, and collections from, a school.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5050	<p>The Payment Management subprocess requires the ability to send drawdown information to ED/CFO for all aid programs.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5052	<p>The Payment Management subprocess transmits payment requests to ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5070.03	<p>The Payment Management subprocess processes payments for any costs incurred by schools, lenders, and guaranty agencies for which SFA will be reimbursed through a charge-back process.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5190	<p>The Payment Management subprocess ensures the clerical accuracy of schedules of accounts payable. This subprocess performs an edit check of each payable transaction. In the event an "unreasonable" transaction is encountered, a report is printed to bring the transaction to the attention of SFA management.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5270	<p>The Payment Management subprocess receives transactions and balance information from ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5290	<p>The Payment Management subprocess reconciles transactions with the appropriate program level detail or general ledger at the appropriate level of detail for the respective program.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5300	<p>The Payment Management allows expenditures to move between award years and programs.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-04.04	<p>Payment Management collects and compiles performance measurement data.</p>

Business Requirement ID	Business Requirement Definition
Receipt Management FS-05	<p>The Receipt Management subprocess supports activities associated with recording SFA cash receipts, including servicing and collecting receivables. The Receipt Management subprocess maintains accounts receivable records by recording, billing, monitoring, and collecting amounts due the government whether previously established as a receivable or not. These activities must be supported by aging schedules, exception reports, and reports used to monitor due diligence efforts. This subprocess also receives and manages school drawdown information and sends this information to ED/CFO.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
1300.02	<p>The Receipt Management subprocess maintains collection records from a school.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
1310	<p>The Receipt Management subprocess must perform the Receivable Establishment process. This process supports activities to record receivables in as they are recognized and produce bills for amounts due to SFA from students, schools, financial partners and other organizations. This process also makes any necessary adjustments to receivable transactions.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
1220	<p>The Receipt Management subprocess must perform the Receivable Management process. This process supports activities to maintain information on entities owing the government (name, address, etc.); age receivables; make efforts to collect amounts due including related interest, penalties, and administrative charges; liquidate receivables; record adjustments to receivables; maintain a proper allowance for uncollectible amounts; and record write-offs. This process is performed daily to achieve an accurate daily net settlement.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
5070.02	<p>The Receipt Management subprocess generates a bill for any costs incurred by schools, lenders, and guaranty agencies for which SFA will be reimbursed through a charge-back process.</p> <p><u>Source:</u> Project EASI Business Requirements</p>

Business Requirement ID	Business Requirement Definition
5200	<p>The Receipt Management subprocess must perform the Collections process. This process supports activities to record the receipt of funds either by currency (e.g., cash, electronic funds transfer) or check and the deposit of such funds in accordance with Treasury and SFA regulations.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements</p>
5140	<p>The Receipt Management subprocess ensures the clerical accuracy of records and supporting schedules of receivables and records of events giving rise to receivables. This subprocess performs an edit check of each receivable transaction. In the event an “unreasonable” transaction is encountered, a report is printed to bring the transaction to the attention of SFA management.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5160	<p>The Receipt Management subprocess prepares bills for any costs incurred by schools, lenders, and guaranty agencies for which SFA will be reimbursed through a charge-back process.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5230	<p>The Receipt Management subprocess receives and posts returned funds.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5240	<p>The Receipt Management subprocess sends returned fund information to ED/CFO.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-05.01J	<p>The Receipt Management subprocess should be able to process and track offsets from the Department of Treasury. (IRS link)</p> <p><u>Source:</u> SFA management input</p>

Business Requirement ID	Business Requirement Definition
Cost Management FS-06	<p>The Cost Management subprocess measures SFA costs at many different levels. This subprocess enables SFA to monitor and manage costs by object class, contract, service provider (vendor), activity, process, SFA organization unit, aid program, loan type, school, cohort, and financial partner. This subprocess is essential for providing accurate program management information, performance measures, and financial statements with verifiable disclosure of the cost of activities. In some cases, SFA is reimbursed by another organization that incurs costs that are paid by SFA. In these cases, this subprocess generates the bill that is sent to the organization, which reimburses SFA.</p> <p><u>Sources:</u> JFMIP Core Financial System Requirements – February 1999 Project EASI Business Requirements SFA Management Input</p>
FS-06.01J	<p>The Cost Management subprocess must perform the Cost Recognition process. This process determines when the results of an event are to be included in financial statements and ensures that the effects of similar events and transactions are accounted for consistently within the Federal government.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-06.02J	<p>The Cost Management subprocess must perform the Cost Accumulation process. This process provides for the collection of cost data at various levels. Costs may be accumulated by cost object, activity, process, SFA organization unit, aid program, loan type, school, and financial partner.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-06.03J	<p>The Cost Management subprocess must perform the Cost Distribution process. This process assigns accumulated costs to reporting periods and cost objects in accordance with SFFAS No. 4. A cost object is a function, organizational subdivision, contract, or other work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of activities, products, jobs, capitalized projects, etc.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-06.04J	<p>The Cost Management subprocess must perform the Working Capital and Revolving Fund process. This process manages SFA use of revolving funds. These funds require separate legislation and have specific charters, which focus on specific purposes.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-06.05	<p>Cost Management collects and compiles performance measurement data.</p>

Business Requirement ID	Business Requirement Definition
Financial Management Reporting FS-07	<p>This subprocess provides financial information in a timely and useful fashion to support management's fiduciary role; supports budget information and extension subprocesses; supports fiscal management of program delivery and program decision making; and supports internal and external reporting requirements. Reporting information is provided in a variety of formats to users according to their needs. Methods of providing information include online inquiries, extract data files, and hard-copy reports.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-07.01J	<p>The Financial Management Reporting subprocess must perform the Access to Information process. This process provides ready access to the information contained in the core financial management system. That information must be easily available and understandable to personnel with varying levels of technical knowledge of systems and financial data. Personnel with relatively limited knowledge of the system or of financial accounting concepts and principles should be able to perform access subprocesses with minimal training on the system, and save access requirements for later use if needed.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-07.02J	<p>The Financial Management Reporting subprocess must perform the Financial Reporting process. This process must provide complete, reliable, consistent, timely, and useful financial management information on operations. This will enable central management agencies, individual operating agencies, divisions, bureaus, and other sub-units to carry out their fiduciary responsibilities; deter fraud, waste, and abuse of resources; and facilitate efficient and effective delivery of programs by relating financial consequences to program performance.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-07.03J	<p>The Financial Management Reporting subprocess must perform the System Monitoring process. This process ensures the efficient operation of the financial management system, the safeguarding of the data contained within the system, and the integrity of the data within the system.</p> <p><u>Source:</u> JFMIP Core Financial System Requirements – February 1999</p>
FS-07.04J	<p>The Financial Management Reporting subprocess must be capable of producing a complete transaction history of each loan in the SFA loan portfolio.</p> <p><u>Source:</u> JFMIP Direct Loan System Requirements – June 1999</p>
FS-07.05J	<p>The Financial Management Reporting subprocess must be capable of supporting the external reporting requirements of OMB and Treasury, including those associated with the FCRA of 1990 and the CFO Act of 1990.</p> <p><u>Source:</u> JFMIP Direct Loan System Requirements – June 1999</p>

Business Requirement ID	Business Requirement Definition
FS-07.06J	<p>The Financial Management Reporting subprocess must produce, but is not limited to, the following reports:</p> <ul style="list-style-type: none"> • Interest calculation reports • Subsidy estimates • Budget reports • SF224 • SF132/133 • SF2208 • Reports summarizing performance against select finance performance metrics • Other <p><u>Source:</u> SFA management input</p>
FS-07.07J	<p>The Financial Management Reporting subprocess must produce financial statements for the SFA PBO.</p> <p><u>Source:</u> SFA management input</p>
FS-07.08J	<p>The Financial Management Reporting subprocess must enable SFA employees to print financial reports remotely.</p> <p><u>Source:</u> SFA management input</p>
FS-07.09J	<p>The Financial Management Reporting subprocess must provide analysis tools to enable the development of customized reports.</p> <p><u>Source:</u> SFA management input</p>
1370	<p>The Financial Management Reporting subprocess produces specified reports that meet Federal account requirements and Federally mandated school-reporting requirements from data in the transaction histories.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
5250	<p>The General Ledger Management subprocess aggregates student transaction information to the school and program award year level.</p> <p><u>Source:</u> Project EASI Business Requirements</p>
FS-07.10	<p>Financial Management Reporting collects and compiles performance measurement data.</p>
Loan Portfolio Management FS-08	<p>The Portfolio Management subprocess supports the management and performance evaluation of the SFA guaranteed and direct loan portfolios. It also supports program financing and management of portfolio sales.</p> <p><u>Sources:</u> JFMIP Direct Loan System Requirements – June 1999 JFMIP Guaranteed Loan System Requirements – October 1999 Perkins Loan Program</p>

Business Requirement ID	Business Requirement Definition
FS-08.01J	<p>The Loan Portfolio Management subprocess must perform the Portfolio Performance process. This process maintains adequate and up-to-date information on the status of the SFA loan portfolio to evaluate management and program effectiveness. The Portfolio Performance process consists of the following major activities:</p> <ul style="list-style-type: none"> • Identify Loans for Evaluation • Process Guaranteed Loan Status Reports from Lenders • Compute Portfolio Performance Measures activities <p><u>Sources:</u> JFMIP Direct Loan System Requirements – June 1999 JFMIP Guaranteed Loan System Requirements – October 1999</p>
FS-08.02J	<p>The Loan Portfolio Management subprocess must perform the Program Financing process. This process supports analysis, which is performed to determine how the SFA credit programs will be financed. The Program Financing process consists of the following major activities:</p> <ul style="list-style-type: none"> • Support Treasury Borrowing Calculations • Support Subsidy Estimate • Support Subsidy Re-estimates • Analyze Working Capital Needs <p><u>Sources:</u> JFMIP Direct Loan System Requirements – June 1999 JFMIP Guaranteed Loan System Requirements – October 1999</p>
FS-08.03J	<p>The Loan Portfolio Management subprocess must perform the Portfolio Sales process. This process facilitates the sale of loans within the SFA loan portfolio to non-federal entities with or without recourse. the Portfolio Sales process consists of the following major activities:</p> <ul style="list-style-type: none"> • Prepare Portfolio for Sale or Prepayment • Conduct Prepayment Program • Execute Portfolio Sales <p><u>Source:</u> JFMIP Direct Loan System Requirements – June 1999</p>
FS-08.04J	<p>The Loan Portfolio Management subprocess must manage a portfolio that will include Direct loans, Perkins loans (held by school), FFEL loans (held by lender) and defaulted loans (held by either guarantor or ED). For each of these loans, this subprocess must track borrower, school, lender, guarantor and servicer information.</p> <p><u>Source:</u> SFA management input</p>
FS-08.05J	<p>The Loan Portfolio Management subprocess should provide SFA management with a daily view of the total loan portfolio.</p> <p><u>Source:</u> SFA management input</p>

Business Requirement ID	Business Requirement Definition
FS-08.06J	<p>The Loan Portfolio Management subprocess supports the ongoing analysis of the loan portfolio's risk profile. SFA must be able to compute and maintain program performance information such as number and dollar value of loans made, average loan size, loans made by geographical region, number and amount of defaulted loans, number and amount of claims paid, and amount of loan write-offs. SFA must also be able to compute and maintain financial measures such as overall portfolio risk rate, average loan-to-value ratio, write-offs as a percentage of seriously delinquent acquired loans, loan loss rates, and recovery rates.</p> <p><u>Source:</u> JFMIP Guaranteed Loan System Requirements – October 1999</p>
FS-08.07	<p>Loan Portfolio Management collects and compiles performance measurement data.</p>
<p>Budget Analysis and Development FS-09</p>	<p>The Budget Analysis and Development subprocess supports SFA preparation of budget information during the budget formulation and execution process. This subprocess establishes the baseline from which to build the budget, tracks initial submissions and modifications to the budget, provides budget data for inclusion in the President's Budget and tracks the status of the budget request as it moves through the process until enactment of appropriations.</p> <p><u>Source:</u> JFMIP Framework for Federal Financial Management Systems – January 1995</p>
FS-09.01	<p>The Budget Analysis and Development subprocess needs to support the development of several different operating budgets. The subprocess must draw historical data from many different systems (payroll system, travel system, ED CAPS, etc.) and forecast future operating cost requirements based on trends in selected cost drivers, such as the size of the loan portfolio, number of defaulted loans and application volume.</p> <p><u>Source:</u> SFA management input</p>
FS-09.02	<p>The Budget Analysis and Development subprocess must be sufficiently flexible to support frequent changes in budget format and development methodology.</p> <p><u>Source:</u> SFA management input</p>
FS-09.03	<p>The Budget Analysis and Development subprocess must provide preliminary budgets, which will be reviewed by SFA's Technical Investment Review Board.</p> <p><u>Source:</u> SFA management input</p>
FS-09.04	<p>Budget Development collects and compiles performance measurement data.</p>

Enterprise Services – Human Resources Management

Process Description

SFA is committed to building a strategic, best-in-business Human Resources capability that focuses on SFA's most important asset, its people. As a business enabler and strategic partner, Human Resources management will address SFA's critical people challenges:

- ◆ Aligning the organization and workforce with defined performance objectives
- ◆ Developing a workforce with the composition and competence required to perform
- ◆ Supporting the workforce's ongoing performance efforts
- ◆ Reinforcing the workforce's efforts and performance results

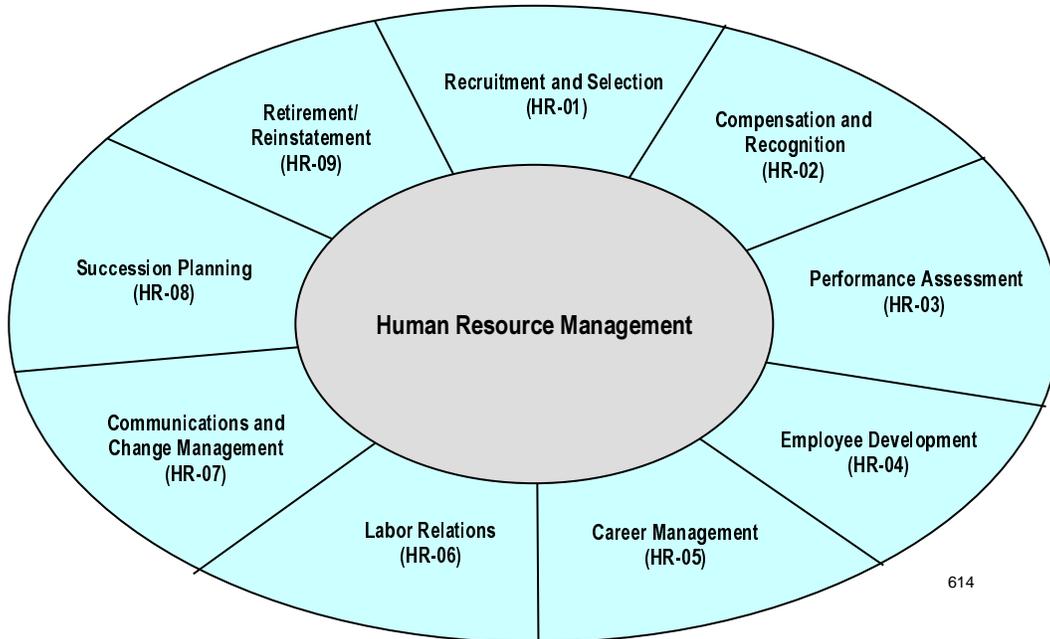
Technology will help enable Human Resources to address these challenges and allow results to be captured and shared rapidly and reliably, with such innovative systems as employee databases and performance evaluation systems.

Ultimately, SFA Human Resources seeks to address its people challenges to improve the welfare and morale of SFA employees, thereby contributing to a positive culture that promotes success and delivers results.

Over the next several months, SFA will further validate the core business processes of Human Resources, and map such processes to a best-in-business Human Resources organization structure. Updates to the Human Resources Management processes will be incorporated in future versions of the Modernization Blueprint as the creation of the best practices organization evolves.

Process Depiction

As a strategic business partner, SFA Human Resources focuses on the entire human resources lifecycle, including: recruitment and selection, compensation and recognition, performance assessment, employee development, career management, labor relations, employee communications and change management, and succession planning.



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Human Resources Management Subprocess Descriptions

Subprocess Name	Definition
Recruitment and Selection HR-01	This subprocess will identify recruiting strategies and channels, and manage the end-to-end recruiting and selection process.
Compensation and Recognition HR-02	This subprocess will develop employee compensation packages, calculate and pay salaries and other remuneration (e.g., contingent pay), continuously benchmark compensation/benefit packages to market conditions and process time reporting and develop a strategic recognition program that focuses on rewarding employees for efforts contributing to organization performance objectives.
Performance Assessment HR-03	This subprocess aligns with the objectives of the performance-based organization to establish performance measures, perform the reviews, and document the outcomes. It also ensures a robust review process based on the performance measurements.
Employee Development HR-04	This subprocess provides career and personal guidance to support professional/personal shared learning and developmental objectives. The subprocess also identifies performance gaps and strategic means for addressing such gaps through training programs and other professional development opportunities.
Career Management HR-05	This subprocess defines SFA's career model and outlines expected competencies behaviors for each role to ensure development plans support strategic employee career progression and growth.
Labor Relations HR-06	This subprocess develops and implements a collaborative labor/management vision throughout SFA.
Communications and Change Management HR-07	This subprocess defines the strategic approach to enterprise-wide change initiatives that support the performance-based goals of SFA. This subprocess defines interventions and changes to organization structure, culture, etc. to ensure organizational performance. In partnership with SFA Communications, this subprocess manages the messaging and dissemination of critical communications that impact the employees at large.
Succession Planning HR-08	This subprocess assesses and projects turnover rates and trends, and develops strategies for addressing gaps that have great impact on achieving organization objectives.
Retirement/Reinstatement HR-09	This subprocess is responsible for managing the entire post-employment process including: administering exit interviews, retrieving security badges, and transferring/processing benefits.

Human Resources Management Business Requirements

This section contains the subprocesses for Human Resources Management and the supporting business requirements. NOTE: SFA is currently in the process of validating the core business processes. Updates to the Human Resources Management processes will be incorporated in future versions of the Modernization Blueprint as the creation and implementation of a strategic, best-in-business Human Resources organization evolves.

Business Requirement ID	Business Requirement Definition
Recruitment and Selection HR-01	This subprocess will identify recruiting strategies and channels, and manage the end-to-end recruiting and selection process.
HR-01.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to recruiting and selection.
HR-01.01	Recruitment and Selection conducts campus/corporate awareness lectures and workshops and develops advertisements/communications related to job opportunities with SFA.
HR-01.02	Recruitment and Selection consults and advises on requirements for job roles and descriptions.
HR-01.03	Recruitment and Selection creates, designs and describes job positions and functions.
HR-01.04	Recruitment and Selection provides links to available positions through relevant on-line sources (on-line job postings) and governmental agencies.
HR-01.05	Recruitment and Selection accepts and processes electronic resumes/applications and compiles them in an SFA HR database.
HR-01.06	Recruitment and Selection conducts prescreening of candidates for hiring managers.
HR-01.07	Recruitment and Selection interviews prospective candidates.
HR-01.08	Recruitment and Selection constructs offer packages based on hiring strategies, market factors and government policies/procedures.
HR-01.09	Recruitment and Selection tracks and provides access to candidates interested in positions with SFA.
HR-01.10	Recruitment and Selection extends offers to desired candidate, notifies and coordinates with security for access codes to new employees. Coordinates set up of space, technology, equipment, and communication resources for new employees with support from IT Management and Facilities Management. Retrieves ID cards and cancels access codes for terminated employees.
HR-01.11	Recruitment and Selection produces all necessary personnel documents and ensures these documents interface with legal counsel, union and other organizations.
HR-01.12	Recruitment and Selection generates candidate rejection letters.
HR-01.13	Recruitment and Selection interfaces with payroll, training and other employee systems and databases.

Business Requirement ID	Business Requirement Definition
HR-01.14	Recruitment and Selection accesses key employment data such as start date, W-R forms, and other administrative items/documents.
HR-01.15	Recruitment and Selection fills out/processes standard/legal administrative forms electronically both locally and remotely.
HR-01.16	Recruitment and Selection conducts exit interviews with retiring/terminated employees.
HR-01.17	Recruitment and Selection performs internal moves, hiring, and promotions.
HR-01.18	Recruitment and Selection establishes promotion criteria and schedules.
HR-01.19	Recruitment and Selection ensures anonymity of mental and physical employee welfare concerns and maintains confidential files with restricted access.
HR-01.20	Recruitment and Selection outlines minimum skills/training requirements for merit promotion by job level or department/organization within SFA.
HR-01.21	Recruitment and Selection determines/co-determines minimum passing scores on equivalency tests to establish eligibility or qualifications.
HR-01.22	Recruitment and Selection generates simple and complex personnel reports.
HR-01.23	Recruitment and Selection collects and compiles performance measurement data.
Compensation and Recognition HR-02	This subprocess will develop employee compensation packages, calculate and pay salaries and other remuneration (e.g., contingent pay), continuously benchmark compensation/benefit packages to market conditions and process time reporting and develop a strategic recognition program which focuses on rewarding employees for efforts contributing to organization performance objectives.
HR-02.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to compensation and recognition.
HR-02.01	Compensation and Recognition conducts periodic reviews of job and salary levels to align pay and job responsibilities.
HR-02.02	Compensation and Recognition develops performance-based rewards and incentive strategies in alignment with PBO objectives.
HR-02.03	Compensation and Recognition calculates and develops employees' compensation and benefits.
HR-02.04	Compensation and Recognition computes federal, state and local deductions.
HR-02.05	Compensation and Recognition calculates and develops different compensation schemes (e.g., contingency pay).
HR-02.06	Compensation and Recognition offers on-line selection and registration for providers.
HR-02.07	Compensation and Recognition provides an on-line description of plans, enrollment instructions, etc.

Business Requirement ID	Business Requirement Definition
HR-02.08	Compensation and Recognition allows changes to plans for major life-events or periodic transfers based on the specific plan.
HR-02.09	Compensation and Recognition offers a user-tailored, flexible, cafeteria-style benefits program.
HR-02.10	Compensation and Recognition disburses employees' compensation and benefits.
HR-02.11	Compensation and Recognition tracks employee payroll deductions for benefits programs, including voluntary 401k contributions, healthcare premiums, etc.
HR-02.12	Compensation and Recognition processes employees for participation in, changes to or discontinuance of benefits.
HR-02.13	Compensation and Recognition provides EDI transaction capability for deposits and payments from government bank to employee accounts.
HR-02.14	Compensation and Recognition offers on-line, automated 24/7 access to benefits balances.
HR-02.15	Compensation and Recognition offers 24/7 access to payroll and benefits support/information via telephone and email.
HR-02.16	Compensation and Recognition interfaces to the cost management system to accurately calculate SFA's fixed and variable costs of human resources.
HR-02.17	Compensation and Recognition generates compensation and benefits cost reports by employee, by department, by region, by project and by activity.
HR-02.18	Compensation and Recognition supplements government benefits.
HR-02.19	Compensation and Recognition processes employee time reporting.
HR-02.20	Compensation and Recognition ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-02.21	Compensation and Recognition provides an overview of compensation benefits package and its associated value that is made available to employees (annually, biannually).
HR-02.22	Compensation and Recognition informs and counsels employees on the benefits program.
HR-02.23	Compensation and Recognition interfaces with employee systems and databases.
HR-02.24	Compensation and Recognition generates simple and complex personnel reports.
HR-02.25	Compensation and Recognition collects and compiles performance measurement data.
HR-02.26	The Compensation and Recognition records obligation for payroll.
Employee Performance Assessment HR-03	This subprocess aligns with the objectives of the performance-based organization to establish performance measures, perform the reviews, and document the outcomes. It also ensures a robust review process based on the performance measurements.
HR-03.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to Performance Assessment.

Business Requirement ID	Business Requirement Definition
HR-03.01	Performance Assessment maintains a skills and qualifications database.
HR-03.02	Performance Assessment develops performance-based rewards and incentives strategy in alignment with PBO objectives.
HR-03.03	Performance Assessment establishes, with managers, performance targets in line with PBO objectives.
HR-03.04	Performance Assessment establishes performance review criteria and schedules.
HR-03.05	Performance Assessment documents results of performance reviews.
HR-03.06	Performance Assessment ensures managers and employees have agreed to outcomes of performance reviews.
HR-03.07	Performance Assessment ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-03.08	Performance Assessment interfaces with time and expense reporting, employee systems and databases.
HR-03.09	Performance Assessment establishes and maintains career ladder promotion criteria.
HR-03.10	Performance Assessment offers a 360-degree performance review process.
HR-03.11	Performance Assessment generates simple and complex personnel reports.
HR-07.12	Performance Assessment collects and compiles performance measurement data.
Employee Development HR-04	This subprocess provides career and personal guidance to support professional/personal shared learning and developmental objectives. The subprocess also identifies performance gaps and strategic means for addressing such gaps through training programs and other professional development opportunities.
HR-04.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to employee development.
HR-04.01	Employee Development works with managers/employees to ensure every employee has a near-term development plan in place based on performance needs and employee developmental desires.
HR-04.02	Employee Development provides personal and professional counseling to employees regarding their developmental needs and opportunities to meet these needs.
HR-04.03	Employee Development ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-04.04	Employee Development interfaces with employee systems and databases.
HR-04.05	Employee Development assesses SFA training/education needs at all levels of the organization and establishes programmatic training for SFA employees.

Business Requirement ID	Business Requirement Definition
HR-04.06	Employee Development partners with SFA "University" to determine both individual and department/group/project training needs in line with employee developmental plans and organizational needs.
HR-04.07	Employee Development partners with SFA "University" to provide access to internet or computer-based training and materials.
HR-04.08	Employee Development partners with SFA "University" to design and establish a curriculum of training courses.
HR-04.09	Employee Development partners with SFA "University" to create and update training plans and materials.
HR-04.10	Employee Development partners with SFA "University" to conduct evaluations of the effectiveness of training programs and utilize this information to refine future training efforts.
HR-04.11	Employee Development partners with SFA "University" to use multimedia to make learning more productive.
HR-04.12	Employee Development supports competency and capability requirements/gaps as identified by the HR organization.
HR-04.13	Employee Development can be done locally or remotely.
HR-04.14	Employee Development partners with SFA "University" to provide both self-taught and instructor-led programs.
HR-04.15	Employee Development partners with SFA "University" to track courses completed and requirements met as part of an employee's professional development profile.
HR-04.16	Employee Development generates simple and complex personnel reports.
HR-04.17	Employee Development collects and compiles performance measurement data.
Career Management HR-05	This subprocess defines SFA's career model and outlines expected competencies and behaviors for each role to ensure development plans support strategic employee career progression and growth.
HR-05.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to career management.
HR-05.1	Employee Development counsels employees on careers and facilitates internal/external transitions.
Labor Relations HR-06	This subprocess develops and implements a collaborative labor/management vision throughout SFA.
HR-06.01	Labor Relations tracks and processes performance and conduct based actions.
HR-06.02	Labor Relations processes workplace dispute resolution.
HR-06.03	Labor Relations processes and tracks appeals (link to the Office of General Counsel).
HR-06.04	Labor Relations provides an appeal process for employees who disagree with the outcome of their performance evaluations.
HR-06.05	Labor Relations ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-06.06	Labor Relations communicates and tracks the Diversity Awareness Program.

Business Requirement ID	Business Requirement Definition
HR-06.07	Labor Relations communicates and tracks the Workers Compensation Program.
HR-06.08	Labor Relations tracks cases in the Employee Assistance Program.
HR-06.09	Labor Relations generates simple and complex personnel reports.
HR-06.10	Labor Relations interfaces with employee systems and databases.
HR-06.11	Labor Relations communicates to employees using various mediums (e.g., video, manuals, meetings, and intranet).
HR-06.12	Labor Relations provides a feedback channel to vote on and discuss issues, where applicable.
HR-06.13	Labor Relations collects and compiles performance measurement data.
HR-06.14	Labor Relations facilitates and coordinates negotiations between management and the union.
HR-06.15	Labor Relations ensures the union is represented for key policy and procedure decision making.
HR-06.16	Labor Relations ensure an effective mechanism exists for grievances and complaints to be filed and processed.
HR-06.17	Labor Relations tracks employee grievances.
HR-06.18	Labor Relations conducts regular and ongoing interaction/meetings with unions to mitigate potential issues.
HR-06.19	Labor Relations requests, invites and submits to arbitration or mediation when necessary.
HR-06.20	Labor Relations proactively identifies and announces issues or actions that may impact Labor/Management Relations to avoid conflict.
HR-06.21	Labor Relations determines bargaining unit status.
HR-06.22	Labor Relations oversees management implementation of cost/benefit analysis.
HR-06.23	Labor Relations provides employee access to cost/benefit analysis.
HR-06.24	Labor Relations communicates policy to union members.
HR-06.25	Labor Relations interfaces with employee systems and databases.
HR-06.26	Labor Relations interfaces with payroll system and to other systems for bargaining unit status, which links to classification.
HR-06.27	Labor Relations ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-06.28	Labor Relations generates simple and complex personnel reports.
HR-06.29	Labor Relations collects and compiles performance measurement data.
Communications and Change Management HR-07	This subprocess defines the strategic approach to enterprise-wide change initiatives that support the performance-based goals of SFA. This subprocess defines interventions and changes to organization structure, culture, communications, etc. to ensure organizational performance. In partnership with SFA Communications, this subprocess manages the messaging and dissemination of critical communications that impact employees at large.

Business Requirement ID	Business Requirement Definition
HR-07.xx	Additional processes to be added in next version of Blueprint. These processes to include strategic approach to Communications and Change Management.
HR-07.01	Communications and Change Management evaluates and assesses the impact and effectiveness of change initiatives (on employees and organization as a whole).
HR-07.02	Communications and Change Management ensures the consistency of organizational structure.
HR-07.03	Communications and Change Management provides a strategic competency assessment to ensure the skills inventory supports the mission of the SFA.
HR-07.04	Communications and Change Management interfaces with time and expense reporting, employee systems and databases.
HR-07.05	Communications and Change Management maintains a database linkage to other government agency databases.
HR-07.06	Communications and Change Management generates simple and complex personnel reports.
HR-07.07	Communications and Change Management collects and compiles performance measurement data.
HR-07.08	Communications and Change Management develops HR policy for SFA.
HR-07.09	Communications and Change Management follows the missions, vision, and values of the organization as it applies to Human Resources.
HR-07.10	Communications and Change Management creates and maintains an online/electronic database of policies and procedures.
HR-07.11	Communications and Change Management interfaces with employee databases to collect, monitor and report on employee statistics and data to ensure compliance with government mandates.
HR-07.12	Communications and Change Management interprets Legislative changes and translates them into action plans.
HR-07.13	Communications and Change Management creates policies/procedures related to hiring and firing.
HR-07.14	Communications and Change Management plans for future needs such as automation, imaging, automated workflows, etc.
HR-07.15	Communications and Change Management adheres to the compliance mandate to evaluate, review, and audit the Merit Communication Programs.
HR-07.16	Communications and Change Management interfaces with time and expense reporting, employee systems and databases.
HR-07.17	Communications and Change Management ensures anonymity of mental and physical employee welfare concerns and confidential files with restricted access.
HR-07.18	Communications and Change Management communicates policy changes to employees.
HR-07.19	Communications and Change Management generates simple and complex personnel reports.

Business Requirement ID	Business Requirement Definition
HR-07.20	Communications and Change Management collects and compiles performance measurement data.
Succession Planning HR-08	This subprocess assesses and projects turnover rates and trends, and develops strategies for addressing gaps that have great impact on achieving organization objectives.
HR 08.xx	Processes to be added in next version of Blueprint. These processes to include strategic approach to Succession Planning.
Retirement/Reinstatement HR-09	This subprocess is responsible for managing the entire post-employment process including: administering exit interviews, retrieving security badges, and transferring/processing benefits.
HR 09.xx	Processes to be added in next version of Blueprint. These processes to include strategic approach to Retirement/Reinstatement.

Enterprise Services – Information Technology Management

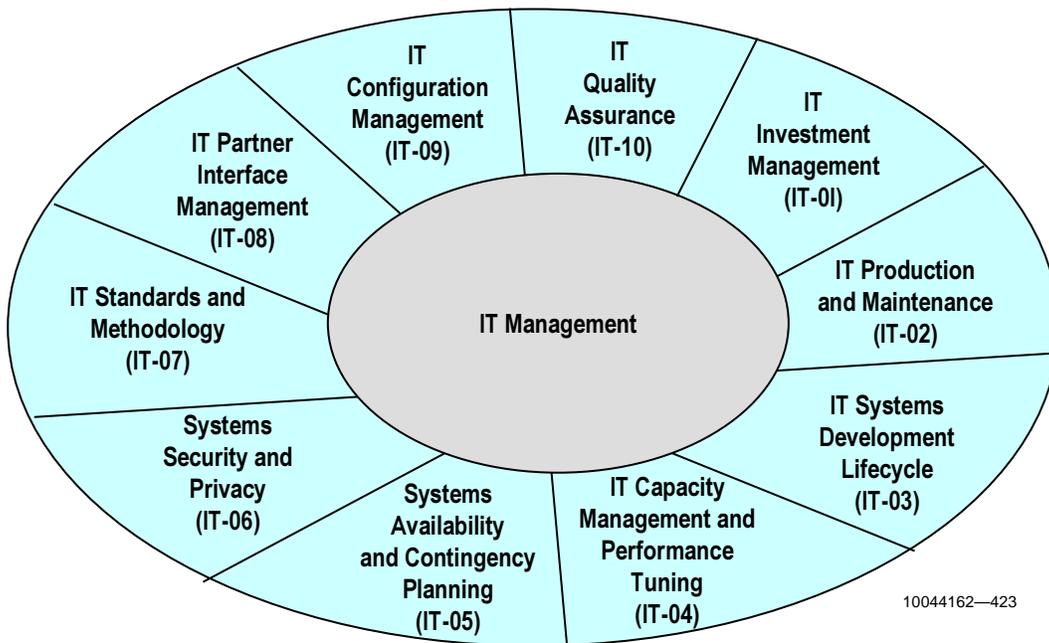
Process Description

Information Technology (IT) Management includes activities that SFA performs to maximize return on current and future investments in information technology. IT Management activities enable SFA to prioritize investments, purchase the correct technology and operate and maintain its systems. In addition, IT Management ensures that SFA's systems have common standards, are secure, readily integrate and interface with channel partners, and keep pace with new technologies and technology requirements.

Effective IT management will improve efficiencies, reduce costs, and facilitate the easy access of information for SFA internal and external customers.

Process Depiction

The subprocesses are illustrated by a circle to depict the ongoing and continuous nature of these activities.



Information Technology Management Subprocess Descriptions

Subprocess Name	Definition
IT Investment Management IT-01	Planning, forecasting, evaluating and budgeting of IT requirements to support the business processes. Identification and purchase advice on IT infrastructure and services to sustain SFA's internal and external integration/interface requirements.
IT Production and Maintenance IT-02	Production and maintenance of mainframe, midrange and PC system hardware, software and networks within the production and development environments.
IT Systems Development Lifecycle IT-03	Leveraging the benefit of new and mature technologies to design and rollout IT products and services to support business operations.
IT Capacity Management and Performance Tuning IT-04	Identification of necessary capacities and performance tuning for SFA IT infrastructure (hardware, software and networks) and services.
Systems Availability and Contingency Planning IT-05	Maximize system availability through risk mitigation and recovery planning.
Systems Security and Privacy IT-06	Administration of systems and physical security practices for IT infrastructure to ensure the privacy, integrity and availability of data.
IT Standards and Methodology IT-07	Assurance of a common operating environment across all elements of IT infrastructure and services.
IT Partner Interface Management IT-08	Negotiation of interface exchange requirements (e.g., formats, volumes, frequency, security, disaster recovery requirements, mutually acceptable standards, development and maintenance) to establish agreements and operational procedures. The establishment of common business rules will be in concert with the Partnership Forum and existing standards.
IT Configuration Management IT-09	Establishes and maintains the integrity of work products and provides management with appropriate visibility and control over project processes and work products throughout the system development lifecycle.
IT Quality Assurance IT-10	Provides an independent process to ensure the quality of IT products and services.

Information Technology Management Business Requirements

This section contains the subprocesses for IT Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
IT Investment Management IT-01	Planning, forecasting, evaluating and budgeting of IT requirements to support the business processes. Identification and purchase advice on IT infrastructure and services to sustain SFA's internal and external integration/interface requirements.
IT-01.01	IT Investment Management researches and analyzes IT trends, developments and enabling technology options for best value solutions.
IT-01.02	IT Investment Management provides expert advice, guidance, support and recommendations for investment in IT products and services.
IT-01.03	IT Investment Management works within the IT Investment Review Board organization and process to prioritize IT investments and budget IT allocations.
IT-01.04	IT Investment Management reviews new and proposed legislation and regulations related to operational requirements that affect federal aid to students.
IT-01.05	IT Investment Management assists Contract and Acquisition Management in the development of acquisition packages for systems and other IT contract needs. It also enforces standards through the acquisition package.
IT-01.06	IT Investment Management balances and prioritizes SFA IT demands and needs with business analysis.
IT-01.07	IT Investment Management evaluates the effectiveness of IT infrastructure and services to meet PBO objectives (metrics and measures).
IT-01.08	IT Investment Management recommends purchase of systems which support the common operating environment and business needs.
IT-01.09	IT Investment Management analyzes impact of costs associated with introduction of new standards and technology both SFA specific costs and system-wide costs.
IT-01.10	IT Investment Management identifies and locates desirable system and IT products with IT Investment Management.
IT-01.11	IT Investment Management develops performance criteria for IT purchases.
IT-01.12	IT Investment Management collects and compiles performance measurement data.
IT Production and Maintenance IT-02	Production and maintenance of mainframe, midrange and PC system hardware, software and networks within the production and development environments.
IT-02.01	IT Production and Maintenance performs functions associated with day to day operations of all production systems.

Business Requirement ID	Business Requirement Definition
IT-02.02	IT Production and Maintenance performs routine and non-routine maintenance for IT infrastructure and services.
IT-02.03	IT Production and Maintenance provides 24 hour/7 day a week maintenance of IT infrastructure and services.
IT-02.04	IT Production and Maintenance evaluates system effectiveness and efficiency against service level agreements (SLAs).
IT-02.05	IT Production and Maintenance determines service level requirements for IT Investment Management.
IT-02.06	IT Production and Maintenance supplies usage and/or other cost driver information from the production environment to the cost management system so that IT resource consumption costs can be calculated.
IT-02.07	IT Production and Maintenance collects and compiles performance measurement data.
IT Systems Development Lifecycle IT-03	Leveraging the benefit of new and mature technologies to design and rollout IT products and services to support business operations.
IT-03.01	IT Systems Development Lifecycle performs planning, analyzing, designing, building, testing, rolling-out and evolving of SFA enterprise-level activities, i.e., the 7 stages associated with the IT Lifecycle framework.
IT-03.02	IT Systems Development Lifecycle researches and explores new technology to adapt best in business solutions for SFA.
IT-03.03	IT Systems Development Lifecycle consults and provides expert advice and guidance to business managers about the application of technology on various aspects of the business.
IT-03.04	IT Systems Development Lifecycle collects and compiles performance measurement data.
IT Capacity Management and Performance Tuning IT-04	Identification of necessary capacities and performance tuning for SFA IT infrastructure (hardware, software and networks) and services.
IT-04.01	IT Capacity Management and Performance Tuning forecasts short and long term transmission (bandwidth) and storage capacity requirements.
IT-04.02	IT Capacity Management and Performance Tuning monitors, analyzes and reports on used/unused transmission and storage capacity.
IT-04.03	IT Capacity Management and Performance Tuning provides transmission and storage capacity requirements to IT Production and Maintenance to respond to peak demand flows.
IT-04.04	IT Capacity Management and Performance Tuning provides capacity requirements to IT Investment Management.
IT-04.05	IT Capacity Management and Performance Tuning monitors and analyses new sources of bandwidth, processing and storage capacity identified by IT Systems Development Lifecycle.

Business Requirement ID	Business Requirement Definition
IT-04.06	IT Capacity Management and Performance Tuning collects and compiles performance measurement data.
Systems Availability and Contingency Planning IT-05	Maximize system availability through risk mitigation and recovery planning.
IT-05.01	Systems Availability and Contingency Planning develops procedures to mitigate risk of possible failures or outages.
IT-05.02	Systems Availability and Contingency Planning develops and deploys contingency plans and backup systems for possible failures/outages.
IT-05.03	Systems Availability and Contingency Planning develops and deploys procedures and instructions for emergency breakdowns.
IT-05.04	Systems Availability and Contingency Planning coordinates recovery and conducts post-recovery reviews.
IT-05.05	Systems Availability and Contingency Planning collects and compiles performance measurement data.
Systems Security and Privacy IT-06	Administration of systems and physical security practices for IT infrastructure to ensure the privacy, integrity and availability of data.
IT-06.01	Systems Security and Privacy establishes security checkpoints for key systems.
IT-06.02	Systems Security and Privacy develops policies related to access and control over SFA financial and administrative transactions (e.g., who has security rights to initiate various transactions).
IT-06.03	Systems Security and Privacy maintains passwords and codewords for critical and confidential SFA databases.
IT-06.04	Systems Security and Privacy creates tamper-proof financial transaction security.
IT-06.05	Systems Security and Privacy enforces and prosecutes violations of security/clearance.
IT-06.06	Systems Security and Privacy monitors systems for viruses and other hazards.
IT-06.07	Systems Security and Privacy benchmarks security products and services with public/private sectors to identify necessary tools.
IT-06.08	Systems Security and Privacy conducts both regularly scheduled and ad hoc security audits.
IT-06.09	Systems Security and Privacy interfaces with IT Standards and Methodology and IT Partner Management to provide IT security policy and ensure compliance with Privacy Act stipulations.
IT-06.10	Systems Security and Privacy ensures that all employees and partners are informed of Privacy Act requirements.
IT-06.11	Systems Security and Privacy collects and compiles performance measurement data.
IT Standards and Methodology IT-07	Assurance of a common operating environment across all elements of IT infrastructure and services.

Business Requirement ID	Business Requirement Definition
IT-07.01	IT Standards and Methodology develops and maintains standards for IT infrastructure and services in consultation with it's partners.
IT-07.02	IT Standards and Methodology plans, develops, coordinates and maintains quality control plans and initiatives.
IT-07.03	IT Standards and Methodology designs, develops and maintains protocols.
IT-07.04	IT Standards and Methodology develops data definitions for SFA.
IT-07.05	IT Standards and Methodology ensure SFA common operating environment.
IT-07.06	IT Standards and Methodology collects and compiles performance measurement data.
IT Partner Interface Management IT-08	Negotiation of interface exchange requirements (e.g., formats, volumes, frequency, security, disaster recovery requirements, mutually acceptable standards, development and maintenance) to establish agreements and operational procedures. The establishment of common business rules will be in concert with the Partnership Forum and existing standards.
IT-08.01	IT Partner Interface Management establishes technical and non-technical requirements, standards and procedures and performance measures to manage contracts, subcontracts, and interfaces to SFA systems.
IT-08.02	IT Partner Interface Management ensures that changes to the interface requirements made with the involvement and agreement of each party.
IT-08.03	IT Partner Interface Management communicates with Contract and Acquisition Management on issues related to contract terms and conditions.
IT-08.04	IT Partner Interface Management maintains ongoing IT communications between SFA and its partners.
IT-08.05	IT Partner Interface Management tracks partners actual results and performance against its commitments.
IT-08.06	IT Partner Interface Management collects and compiles performance measurement data.
IT Configuration Management IT-09	Establishes and maintains the integrity of work products and provides management with appropriate visibility and control over project processes and work products throughout the system development lifecycle.
IT-09.01	IT Configuration Management will ensure that the Capability Maturity Model (CMM) as developed by the Software Engineering Institute (SEI) at Carnegie Mellon University is employed to support SFA.
IT-09.02	IT Configuration Management provides a centralized repository for information on the entire target architecture that supports and encourages re-uses of components for future IT initiatives.
IT-09.03	IT Configuration Management will ensure IT infrastructure and service integrity by including the ability to control changes to any component of the system.

Business Requirement ID	Business Requirement Definition
IT-09.04	IT Configuration Management will support configuration identification, configuration control, configuration status accounting and configuration auditing.
IT-09.05	IT Configuration Management creates and controls system libraries and their releases according to documented procedures.
IT-09.06	IT Configuration Management establishes plans, standards and procedures usable for performing reviews and audits throughout the system development lifecycle.
IT-09.07	IT Configuration Management collects and compiles performance measurement data.
IT Quality Assurance IT-10	Provides an independent process to ensure the quality of IT products and services.
IT-10.01	IT Quality Assurance will ensure that the Capability Maturity Model (CMM) as developed by the Software Engineering Institute (SEI) at Carnegie Mellon University is employed to support SFA.
IT-10.02	IT Quality Assurance reviews and audits work products and activities to verify compliance with standards and procedures.
IT-10.03	IT Quality Assurance measures work products and activities to determine cost and schedule status.
IT-10.04	IT Quality Assurance identifies deviations in activities and work products that need to be documented and handled according to established procedures.
IT-10.05	IT Quality Assurance provides management with results of reviews and audits.
IT-10.06	IT Quality Assurance collects and compiles performance measurement data.

Enterprise Services – Facilities Management

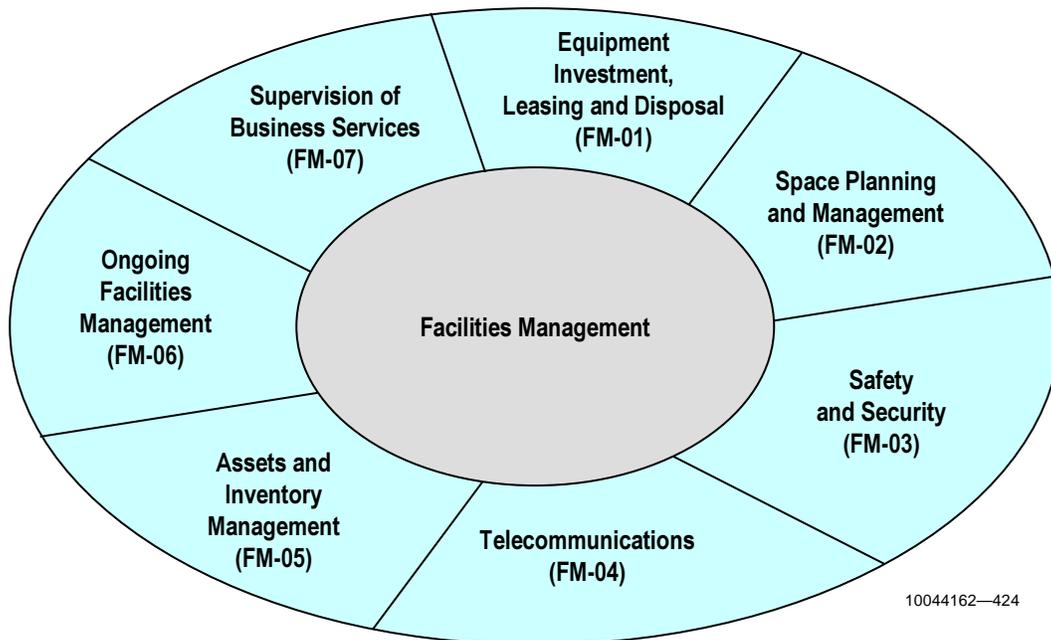
Process Description

Facilities management coordinates the physical workplace with the organization's people and work. SFA will use best practice principles in business administration, architecture, behavioral and engineering sciences to ensure that procedures are fixed and that mobile assets are inventoried, insured, and continually meet or exceed code. Also Facilities Management will ensure that SFA facilities are safe and secure and have the best, most up-to-date, comfortable and ergonomic equipment available.

Effective Facilities Management will improve the comfort, welfare, and morale of SFA employees and reduce SFA costs through decreases in fraud and waste while promoting an environmentally friendly workplace. Inventory control systems, computer-aided design software, logistics planning and control programs are possible systems that could be implemented to achieve these goals.

Process Depiction

The subprocesses are illustrated by a circle to depict the ongoing and continuous nature of these activities.



Facilities Management Subprocess Descriptions

Subprocess Name	Definition
Equipment Investment, Leasing and Disposal FM-01	Identification, negotiation, purchase/payment, rent/lease and disposal of equipment to support business operations.
Space Planning and Management (Layout/Buildout Architecture and Engineering Design) FM-02	Review and monitoring of existing space allocations, development/coordination of move/layout plans, and coordination of asset movement.
Safety and Security FM-03	Assignment of security IDs, access cards and clearances.
Telecommunications FM-04	Submission of telecommunication hardware, software and capacity plans and requirements, coordination of telecommunication changes and new installations.
Asset and Inventory Management FM-05	Maintenance of equipment and property inventory compatible with department policy.
Ongoing Facilities Maintenance FM-06	The establishment and execution of periodic and ad-hoc maintenance and repair processes and procedures.
Supervision of Business Services (such as Reprographics, Mailroom, etc.) FM-07	Supervision and administration of key facility support services.

Facilities Management Business Requirements

This section contains the subprocesses for Facilities Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Equipment Investment, Leasing and Disposal FM-01	Identification, negotiation, purchase/payment, rent/lease and disposal of equipment to support business operations.
FM-01.01	Equipment Investment, Leasing and Disposal submit purchase requisitions to Contract and Acquisition Management.
FM-01.02	Equipment Investment, Leasing and Disposal negotiates purchase of equipment and property.
FM-01.03	Equipment Investment, Leasing and Disposal confers with Finance and Accounting functions to determine cost/benefit of lease versus buy.
FM-01.04	Equipment Investment, Leasing and Disposal maintains procurement records such as equipment warranties.
FM-01.05	Equipment Investment, Leasing and Disposal recommends disposal of obsolete or dated equipment.
FM-01.06	Equipment, Investment, Leasing and Disposal collects and compiles performance measurement data.
Space Planning and Management (Layout/Buildout Architecture and Engineering Design) FM-02	Review and monitoring of existing space allocations, development/coordination of move/layout plans, and coordination of asset movement.
FM-02-01	Space Planning and Management forecasts space needs.
FM-02-02	Space Planning and Management adjusts forecasts based on operational developments and government regulation (e.g., PBO).
FM-02-03	Space Planning and Management identifies space capacity issues.
FM-02-04	Space Planning and Management designs and develops plans for space layouts.
FM-02.05	Space Planning and Management adjusts plans to government code.
FM-02.06	Space Planning and Management communicates/interfaces with vendor management team to recommend purchase/acquisition of space.
FM-02.07	Space Planning and Management coordinates movement of employee and property assets within a space.
FM-02.08	Space Planning and Management maintains blueprints of space layout.

Business Requirement ID	Business Requirement Definition
FM-02.09	Space Planning and Management collects and compiles performance measurement data.
Safety and Security FM-03	Assignment of security IDs, access cards and clearances.
FM-03.01	Safety and Security interfaces with other SFA databases and systems.
FM-03.02	Safety and Security inspects space to ensure code compliance.
FM-03.03	Safety and Security coordinates issuance of security/access cards and clearances.
FM-03.04	Safety and Security maintains an up-to-date file/database of codes.
FM-03.05	Safety and Security ensures handicap and other requisite facilities exist.
FM-03.06	Safety and Security maintains and communicates evacuation plans, and facilitates actual evacuations.
FM-03.07	Safety and Security conducts training on safety procedures.
FM-03.08	Safety and Security operates and maintains an on-site medical facility.
FM-03.09	Safety and Security collects and compiles performance measurement data.
Telecommunications FM-04	Submission of telecommunication hardware, software and capacity plans and requirements, coordination of telecommunication changes and new installations.
FM-04.01	Telecommunications coordinates telecommunication hardware and software changes.
FM-04.02	Telecommunications establishes telecommunication protocols and procedures.
FM-04.03	Telecommunications coordinates new installations.
FM-04.04	Telecommunications issues usage and cost reports by site.
FM-04.05	Telecommunications maintains voice-response unit (VRU) capability.
FM-04.06	Telecommunications provides automated queuing capability.
FM-04.07	Telecommunications reroutes callers to available operators based on skill routers or other pre-established parameters.
FM-04.08	Telecommunications generates VRU reports based on call patterns (e.g., abandon rates, hold rates, CSR utilization).
FM-04.09	Telecommunications provides automatic identification of caller with tie to account information.
FM-04.10	Telecommunications collects and compiles performance measurement data.
Asset and Inventory Management FM-05	Maintenance of equipment and property inventory compatible with department policy.
FM-05.01	Asset and Inventory Management provides an accurate count of inventory.

Business Requirement ID	Business Requirement Definition
FM-05.02	Asset and Inventory Management tags each piece of SFA property and equipment (e.g., barcodes).
FM-05.03	Asset and Inventory Management automatically reorders product based on depletion levels, minimizing on-hand "stock".
FM-05.04	Asset and Inventory Management generates inventory and asset data.
FM-05.05	Asset and Inventory Management collects and compiles performance measurement data.
FM-05.06	Asset and Inventory Management tracks and maintains receivable information for inventory ordered.
Ongoing Facilities Maintenance FM-06	The establishment and execution of periodic and ad-hoc maintenance and repair processes and procedures.
FM-06.01	Ongoing Equipment Maintenance generates work orders to schedule repairs.
FM-06.02	Ongoing Equipment Maintenance prioritizes repairs based on urgency and severity.
FM-06.03	Ongoing Facilities Management collects and compiles performance measurement data.
Supervision of Business Services (such as Reprographics, Mailroom, etc.) FM-07	Supervision and administration of key facility support services.
FM-07.01	Supervision of Business Services administers and maintains mailroom facilities.
FM-07.02	Supervision of Business Services maintains shared service reprographic support.
FM-07.03	Supervision of Business Services works with Contract and Acquisition Management to determine in-house vs. outsourcing alternatives.
FM-07.04	Supervision of Business Services collects and compiles performance measurement data.

Enterprise Services – Contract and Acquisition Management

Process Description

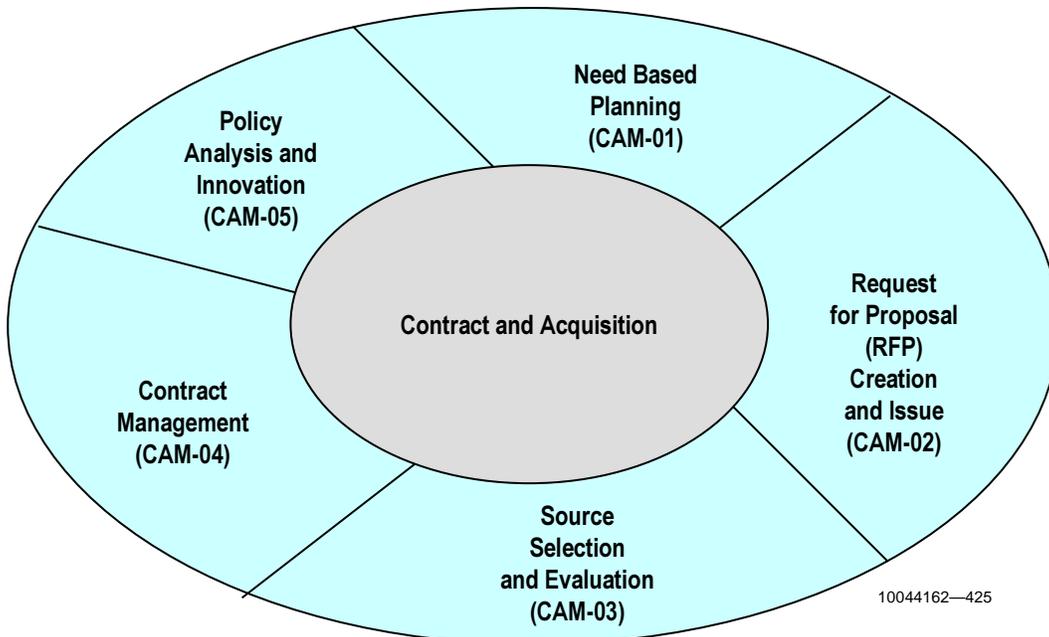
Contract and Acquisition Management consists of the identification, selection, and management of external contractors who supply goods and services to SFA.

SFA will partner with contractors and suppliers to provide high-value goods and services that can be used to supplement or substitute existing roles and capabilities critical to operating the business. These contractors will be integral to SFA's delivery of service to students, schools and financial partners. Thus, their involvement and integration with SFA decision planning efforts will be critical for effective Contract and Acquisition Management.

Effective Contract and Acquisition Management will provide SFA access to public and private best practice and subject matter expertise in cost reduction and improved service levels for both internal and external customers. IT Contract and Acquisition Management robust procurement and project management software that contains built-in tracking and performance measures.

Process Depiction

The subprocesses are illustrated by a circle to depict the ongoing and continuous nature of these activities.



Contract and Acquisition Management Subprocess Descriptions

Subprocess Name	Definition
Need Based Planning CAM-01	The identification and determination of in-house vs. external goods and services.
Request For Proposal (RFP) Creation and Issue CAM-02	Clarification of project scope and the RFP bidding process. The SFA Acquisition Strategy will be used to ensure SFA contracts with "best-in-business" vendors to meet all of its core operation and support functions.
Source Selection and Evaluation CAM-03	The award/selection of candidate vendors/suppliers with whom the SFA will do business. Contracts will generally be "Performance-Based-Service-Contracts (PBSC)"; any other award will be an exception.
Contract Management CAM-04	Negotiation of scope/price changes, payment of invoices, resolution of disputes and meeting with departments to forecast over-runs or excess funds. A formal process to define service level agreements and periodically review schedules, track/evaluate performance against those agreements, and re-negotiate contract terms and conditions at performance review junctures. Audit and monitoring of status and quality of vendor/supplier deadlines and deliverables. Development of closeout process with contractors, suppliers and vendors, including exit interviewing, retrieval of assets, and documentation of recommendations.
Policy Analysis and Innovation CAM-05	Adherence to and creation of specific policy decisions and rules governing the contract and acquisition process.

Contract and Acquisition Management Business Requirements

This section contains the subprocesses for Contract and Acquisition Management and the supporting business requirements.

Business Requirement ID	Business Requirement Definition
Need Based Planning CAM-01	The identification and determination of in-house vs. external goods and services.
CAM-01.01	Need Based Planning recognizes that a need exists and defines the related high level requirements.
CAM-01.02	Need Based Planning develops the Statement of Work (SOW) and includes performance measures to be used.
CAM-01.03	Need Based Planning analyzes the proposed investments required for the Statement of Work and validates the budget that will be required for their procurement.
CAM-01.04	Need Based Planning develops alternatives to the Statement of Work and performs a cost/benefit analysis on each of the alternatives.
CAM-01.05	Need Based Planning incorporates IT Investment Review Board guidelines, manual prescriptions and Capability Maturity Model requirements.
CAM-01.06	Need Based Planning communicates to the industry regarding need (solicitation for information) forecasts.
CAM-01.07	Need Based Planning ensures the Statement of Work, performance measures, and cost/benefit analyses are aligned with the Performance-Based Organization's objectives.
CAM-01.08	Need Based Planning collects and compiles performance measurement data.
RFP Creation and Issue CAM-02	Clarification of project scope and the RFP bidding process. The SFA RFP Creation and Issue will be used to ensure SFA contracts with "best-in-business" vendors to meet all of its core operation and support functions.
CAM-02.01	RFP Creation and Issue performs market research and best practices research to align requirements of SFA with the leading suppliers of required goods and services.
CAM-02.02	RFP Creation and Issue defines the acquisition strategy using performance based contract management techniques. This will help guarantee improved service quality, lower cost for services, leverage with contractors, flexible contracts, and improved contractor accountability.
CAM-02.03	RFP Creation and Issue drafts and finalizes the RFP utilizing Capability Maturity Model requirements.
CAM-02.04	RFP Creation and Issue distributes the RFP for internal review.
CAM-02.05	RFP Creation and Issue releases the RFP to industry.
CAM-02.06	RFP Creation and Issue tracks and incorporates comments, retracts or extends the response date, and puts out a revised RFP.

Business Requirement ID	Business Requirement Definition
CAM-02.07	RFP Creation and Issue collects and compiles performance measurement data.
Source Selection and Evaluation CAM-03	The award/selection of candidate vendors/suppliers with whom the SFA will do business. Contracts will generally be "Performance-Based-Service-Contracts (PBSC)"; and any other award will be an exception.
CAM-03.01	Source Selection and Evaluation receives the proposals and performs the initial evaluation.
CAM-03.02	Source Selection and Evaluation checks the proposals against the RFP and determines the range of competitive bids. This subprocess also incorporates Capability Maturity Model requirements into the proposal review.
CAM-03.03	Source Selection and Evaluation eliminates bidders that don't meet RFP or Capability Maturity Model requirements and notifies them of their elimination. Requirements include past performance of similar work, geographic location, and/or staff/resources availability.
CAM-03.04	Source Selection and Evaluation sends classification reports to the remaining bidders and receives and analyzes the bidders' responses.
CAM-03.05	Source Selection and Evaluation discusses and negotiates contract terms and performance objectives.
CAM-03.06	Source Selection and Evaluation receives, requests, and analyzes final proposals.
CAM-03.07	Source Selection and Evaluation completes the selection process and selects the preferred contractor. The contractor is selected according to a documented procedure, based on an evaluation of the contractor's ability to perform the work. Clearance on the preferred contractor is received.
CAM-03.08	Source Selection and Evaluation collaboratively develops and awards the final contract.
CAM-03.09	Source Selection and Evaluation tracks and manages the contract.
CAM-03.10	Source Selection and Evaluation electronically distributes updates and contract amendments.
CAM-03.11	Source Selection and Evaluation collects and compiles performance measurement data.
Contract Management CAM-04	Negotiation of scope/price changes, payment of invoices, resolution of disputes and meeting with departments to forecast over-runs or excess funds. A formal process to define service level agreements and periodically review schedules, track/evaluate performance against those agreements, and re-negotiate contract terms and conditions at performance review junctures. Audit and monitoring of status and quality of vendor/supplier deadlines and deliverables. Development of closeout process with contractors, suppliers and vendors, including exit interviewing, retrieval of assets, and documentation of recommendations.
CAM-04.01	Contract Management administers the contract and monitors the contract deliverables with a results orientated approach that has performance as its primary emphasis. It also incorporates Capability Maturity Model requirements into administration of the contract.

Business Requirement ID	Business Requirement Definition
CAM-04.02	Contract Management chooses an Independent Verification and Validation (IV&V) contractor to provide services and management support across the contract architecture.
CAM-04.03	Contract Management ensures proper security clearances and manages government furnished property.
CAM-04.04	Contract Management performs continuous management of expectations in the contract. This includes periodic status/coordination reviews and tracking of the contractor's performance against its commitments.
CAM-04.05	Contract Management receives contractor invoices and processes payments.
CAM-04.06	Contract Management processes changes to the Statement of Work, and contract terms and conditions. It also ensures commitments are resolved according to a documented procedure.
CAM-04.07	Contract Management provides technical direction – guidance that doesn't affect cost and delivery.
CAM-04.08	Contract Management uses a team-based approach to performance evaluation.
CAM-04.09	Contract Management performs regular investment/value reviews and performance reporting (i.e., continuous improvement). This includes objective, deliverable, and scope reviews. This subprocess also involves an investment review and a review of output to verify if the contractor is meeting/exceeding objectives and overall business requirements.
CAM-04.10	Contract Management closes out the contract and does the final review. Contractor success will be assessed according to whether customer service has been improved at a reduced cost.
CAM-04.11	Contract Management performs a Post-Implementation Review (PIR) to evaluate the overall effectiveness of the agency's capital planning and acquisition process.
CAM-04.12	Contract Management collects and compiles performance measurement data.
CAM-04.13	Contract Management maintains receipt information for goods and services ordered.
Policy Analysis and Innovation CAM-05	Adherence to and creation of specific policy decisions and rules governing the contract and acquisition process.
CAM-05.01	Policy Analysis and Innovation ensures compliance with Federal regulations and guidelines governing procurement and acquisitions.
CAM-05.02	Policy Analysis and Innovation researches public and private best practices to apply toward government regulations and guidelines.
CAM-05.03	Policy Analysis and Innovation captures learning and supports knowledge management.
CAM-05.05	Policy Analysis and Innovation incorporates guidelines and standards such as those found in the Capability Maturity Model.
CAM-05.06	Policy Analysis and Innovation collects and compiles performance measurement data.

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E. SFA Release 1.0 Project Implementation Requirements Statements

This section contains Level III—Requirements Statements and Specifications—for five initiatives/projects that SFA is planning to implement within fiscal year 2000. The five projects are:

- ◆ Ombudsman Call Tracking System
- ◆ Links to Financial Planning Sites
- ◆ FAFSA Web Changes
- ◆ SFA Financial Management System
- ◆ Digital ID Registration

Level III—Design Statements and Specifications—for these same five initiatives/projects appear in Chapter IV. Together, these documents will serve as a high-level guide and project plan to facilitate rapid and successful implementation of these projects.

E.1 Ombudsman Call Tracking System

E.1.1 Overview

The Ombudsman's Office receives, reviews, and attempts to resolve complaints from borrowers of student financial assistance loans, compiles and analyzes data on the borrower complaints, makes recommendations for improvements, and reports on the activities and effectiveness of the Ombudsman office. To support the Ombudsman's Office and meet the stated requirements of incoming calls, a call tracking and decision support product will be required. This product will also allow for appropriate customization, support and track the life cycle of activities that will be required to process cases, and will be capable of supporting and integrating seamlessly with modules that support customer service, data center, call center, and service level agreement management functions. The borrower interface to the Ombudsman's Office will be by the Internet, e-mail, telephone, fax, and the U.S. mail with emphasis placed upon the Internet.

E.1.2 Level II Business Requirements

The following Subprocesses and Business Requirements are supported by the development and implementation of the Ombudsman's Office:

- ◆ CS-01.12
- ◆ CS-02 (all requirements)
- ◆ CS-03 (all requirements)
- ◆ CS-04 (all requirements)
- ◆ CS-06.07

E.1.3 Functional Description

Informational Inputs

The Office of the Ombudsman will receive inquiries through all channels, including telephone, facsimile, mail, and electronic. These inquiries, submitted by student loan borrowers and entities in the student financial aid community, will be stored in a central database. The office will store customer information, specific information about inquiries, and contact information. Contact information will track the number times the Department has been in contact with a person who has submitted an inquiry and of the status of that inquiry.

Process Description

1. Inquiry is received through Call, email, mail or fax
2. Segment inquiry by type (general assistance, inquiry, problems, and complaints)
3. Route the inquiry to appropriate party
4. Solve and log standard inquiries/assistance/complaints
5. Escalate serious problems to appropriate authority
6. Track status of escalations
7. Evaluate and analyze historical call patterns/needs
8. Make appropriate process changes/information changes

Informational Outputs

Reporting—The office of the Ombudsman has outlined the following reporting requirements to be used with the data captured in the case tracking system.

- ❖ Should be flexible and robust to allow for a variety of inquiries into the database in a timely manner with “real-time” data
- ❖ Able to be presented in both text and graphics
- ❖ Should have all data elements on all screens accessible for report inquiries
- ❖ Should be able to generate all reports on demand (in cases where reports do not generate automatically)

The office has produced definitions for the following reports:

- ❖ Summary Report of Pending/Open Cases
- ❖ Detail Report of Pending/Open Cases
- ❖ Summary Report of All Inquiries Received
- ❖ Detail Report of All Inquiries Received
- ❖ Performance Report

E.2 Links to Financial Planning Sites

The Department of Education will partake in Aid Awareness activities. Capitalizing on the explosive growth of Internet usage among youth, the Department feels the need to provide Financial Aid information over the Internet. Given the complexity of maintaining the most up-to-date information and because excellent sites already exist, rather than re-invent the wheel and create a new Web site, the Department will maintain a list of the most informative sites and link these sites off of its own homepage. The Department will encourage students to visit these sites when inquiring about Financial Aid.

E.2.1 Level II Business Requirements

The following Subprocesses and Business Requirements are supported by the development and implementation of the Links to Financial Planning Sites:

- ◆ AW-01.04
- ◆ AW-01.05
- ◆ AW-01.06
- ◆ AW-01.07
- ◆ AW-03 (all requirements)
- ◆ AW-04 (all requirements)
- ◆ AW-05 (all requirements)

E.2.2 Functional Description

Informational Inputs

In order for the student to link to Financial Planning Web sites, the student needs to click on the link to the sites from the Department homepage. Research must be conducted on URL addresses of reputable Web sites, and a continuous ranking algorithm must be developed, to keep potential customers informed on the quality of information available.

Process Description

1. Student logs on to Department of Education homepage
2. Student goes to Financial Planning Section
3. Student hyperlinks to top-ranked sites (as ranked periodically by SFA)

Informational Outputs

Feedback—Applicants provide feedback to the Department on the usefulness of sites visited and new sites that are not on the list. This feedback feeds into the continuous review and ranking process of the different sites. A tracking mechanism records the number of hits that each Web site receives and how effective they each are in relaying financial aid information.

E.3 FAFSA Web Changes

FAFSA on the Web is designed to mirror in appearance the paper form of the FAFSA and to provide (on the Internet) a user-friendly, speedy alternative to the paper process. FAFSA application form receives inputs from applicants in either paper form or electronically. Paper FAFSAs are entered into the application system once received. Application data is then matched and validated against various external Government databases. Once this is finished, an expected family contribution (EFC) is calculated, based on the applicant's family's financial status. As SFA moves to automate the Aid Application process for all students, a number of change initiatives are currently underway. Web functionality is being improved to allow for corrections to be made to submitted FAFSA forms. Electronic signatures are being developed and tested to reduce the dependency on the paper FAFSA and increase security. A Web version of the FAFSA is being designed for Spanish speaking applicants. Lastly, SFA will redesign the entire online application process to decrease turnaround time and increase user-friendliness.

E.3.1 Level II Business Requirements

The following Subprocesses and Business Requirements are supported by the development and implementation of the FAFSA on the Web:

- ◆ AA-01 (all requirements)
- ◆ AA-02 (all requirements)
- ◆ AA-03 (all requirements)
- ◆ AA-04 (all requirements)
- ◆ AA-05 (all requirements)

E.3.2 Functional Description

Informational Inputs

The Web FAFSA initiative will require detailed customer information including customer name, address, marital status, financial information, educational goals, and tax/credit history. The applicant will directly enter this information into the Web FAFSA. The information will be routed to a central database that will maintain all of this data. The information will then be used to calculate the EFC and this calculation will be routed back to the applicant and specified schools.

Process Description

1. Applications received via School or Student
2. Background check and match on information

3. Incorrect Application Information triggers response to Applicant or School and informs Department
4. Automatically calculate EFC for correct applications
5. EFC amount is sent back to school
6. For repeat applications, data needed for empty fields is automatically pulled from Government databases
7. Once this data is pulled on repeat applications, the EFC is calculated
8. For repeat applications, the EFC is sent to schools

Informational Outputs

Expected Family Contribution—The primary output of the FAFSA on the Web project will be the calculation of the EFC that will be sent to schools and students. Once a student submits his/her FAFSA over the Web and the information is verified as being complete, the information is recorded in a database, and a calculation is made. This calculation is then sent back to the student and the schools to which he/she is applying.

Reporting and Tracking—

- ◆ The Department will use the information from filed FAFSA's to track demographic trends within the student population. Also, the FAFSAs will be used to track where students are applying, which communities have the highest/lowest application rates and which have the highest calculated need, and other such trends. A case tracking system should:
 - Be flexible and robust to allow for a variety of inquiries into the database in a timely manner with “real-time” data
 - Be able to be presented in both text and graphics
 - Have all data elements on all screens accessible for report inquiries
 - Be able to generate all reports on demand (in cases where reports do not generate automatically)

E.4 SFA Financial Management System

E.4.1 General Ledger Management—Overview

SFA is in the process of implementing a new Financial Management System (FMS) to modernize financial management processes. The SFA FMS will consist of Oracle Federal Financials as the core FMS, supplemented by interfaces with SFA legacy systems, external systems, and other integrated COTS packages. The FMS must comply with JFMIP.

The scope of this requirements specification is the general ledger. General Ledger Management is the central function of the core FMS. The general ledger is the highest level of summarization and must maintain account balances by the fund structure and individual general ledger accounts established in the core FMS. Depending on reporting requirements, some or all general ledger accounts may have balances broken out by additional elements of the accounting classification structure.

The general ledger is supported by subsidiary ledgers at various levels of detail. These subsidiary ledgers may be maintained within the core FMS or in other systems. For example, detailed property records supporting the equipment account in the general ledger might be maintained in the Enterprise Services facilities system. All transactions to record financial events must post to the general ledger regardless of the transaction origin. Posting of transactions in SFA legacy or external systems may occur either for individual transactions or for summarized transactions as long as an adequate audit trail is maintained.

E.4.2 Level II Business Requirement Specifications

The following subprocesses and business requirements are supported by the development and implementation of the General Ledger Management subfunction:

- ◆ FS-02 – General Ledger Management (all requirements)

E.4.3 Functional Description

Informational Inputs

The general ledger will be used as a direct mechanism for data entry of financial data. In addition, it will receive financial data from other FMS modules, SFA legacy systems and modernized SFA information systems. Financial data will be received from financial transactions originating in systems supporting each channel (Student Services, School Services, and Financial Partner Services); Enterprise Services (Facilities, Human Resources, IT services, Contracts and Acquisition); and external organizations such as the U.S. Treasury Department.

Process Description

There are three subprocesses: general ledger posting; accruals, closing and consolidation; and general ledger analysis and reconciliation. Each process is summarized below.

General Ledger Posting

This process records financial transactions in the general ledger using double-entry accounting. The posting rules that specify which accounts to debit and credit for each transaction are defined in the Standard General Ledger (SGL) process of the core FMS function.

1. Receive transaction through on-line data entry or interface to another system
2. Identify the debit and credit account
3. Post transaction to the debit account
4. Post transaction to the credit account

Accruals, Closing and Consolidation

This process creates accrual transactions and closing entries needed at the end of a period (month or year) for reporting purposes. It also controls and executes period-end system processes needed by the system to open a new reporting period, such as rolling forward account balances or reversing certain year-end entries. This process supports the preparation of consolidated financial statements by identifying information needed in that process.

1. At period end on a trial and permanent basis
2. Close SGL accounts in current period
3. Roll over SGL accounts to next period
4. Generate recurring accrual entries
5. Generate reversals
6. Perform intra-agency and interagency consolidations
7. At year-end, roll over/copy system tables to the new fiscal year

General Ledger Analysis and Reconciliation

This process supports the control functions of the general ledger. The core FMS provides information for accountants to use in determining that amounts posted to general ledger control accounts agree with more detailed subsidiary accounts and in reconciling system balances with financial information contained in reports from Treasury and other agencies.

1. Run a comparison report between amounts in other components of the core FMS and the related accounts in the SGL
2. Annotate out-of-balance accounts
3. Record balancing transaction using SGL control accounts

Informational Outputs

Outputs to Other Systems/Modules

- ❖ Updates to the Cost Accounting module
- ❖ Updates to Performance modules
- ❖ Payment requests

Reporting and Query Capabilities

- ❖ Trial Balances
- ❖ Out of Balance Reports
- ❖ Reconciliation Reports and Queries
- ❖ Balance Sheets
- ❖ Income Statements
- ❖ Consolidation Statements
- ❖ Prior Year Adjustments
- ❖ Audit Trail Reports
- ❖ Summary Repayments
- ❖ Drawdowns On Aid Programs
- ❖ MIS Reports

E.5 High-Level Requirements Specifications – Digital IDs Registration

E.5.1 Overview

Authentication is the verification of students claimed identity. Authentication tools using digital ids provide the ability for SFA to determine the identity of a party to an interaction and to ensure that a message came from whom it claims to have come from.

This is important both when a student accesses SFAM systems as well as when two people are exchanging information. Authentication services ensure system entities (i.e., processes, hardware, and customers) are uniquely identified. Thus, when a student accesses SFAM systems, or a message is received from a student they both have to be identified as being bona-fide entities.

Identification is the presentation of an identifier (Digital ID) by the student requesting access. Next, the student identification is authenticated. Authentication is the mechanism by which SFAM systems binds that identifies to a real world entity and establishes the validity of this claim.

The authentication methods used for Digital IDs by SFAM that validate this claim are the following:

- ◆ **Digital IDs**—Digital IDs allow the receiver of a digitally signed electronic message to authenticate the sender (student) and verify the integrity of the message. The sender electronically “signs” or scrambles the message using encryption. The message is decrypted or unscrambled by the recipient, thereby verifying that the stated sender sent the message.

E.5.1 Level II Requirement Specifications

The following business requirements are supported by this task:

- ◆ AA.02

E.5.2 Functional Description

Informational Inputs

1. Digital IDs shall be used to verify student identification of all electronic transactions prior to granting access to SFAM resources
2. Digital IDs shall be used to sign electronic transactions prior to granting access to SFAM resources

Process Description

1. Digital IDs shall support e-mail applications.
2. SFAM systems shall compare the Digital ID to a previously stored Digital ID for the student to validate user identification before allowing student access to SFA resources.
3. Implementation of Digital ID shall conform to ED security guidelines.
4. The Digital ID shall serve as a unique identifier to let all students access their personal information in various ED systems over the Internet.
5. All communications between students and SFAM resources over the Internet shall be encrypted use public key encryption.
6. Each student of the SFAM systems shall be uniquely identified, unless the system specifically permits anonymous users in certain situations.
7. Digital ID must be stored in encrypted form.
8. Security sensitive electronic mail messages must use a commonly accepted e-mail security standard such as S/MIME or PGP/MIME.

Informational Outputs

1. All invalid digital IDs are logged.