

Appendix K: GLOSSARY

This appendix lists and defines selected terms.

Access America - In 1997, the National Partnership for Reinventing (NPR) Government outlined a plan, entitled Access America, to provide Americans with better access to Federal Services and benefits.

Accounting and Auditing Policy Committee (AAPC) - The AAPC is a permanent FASAB committee established to improve Federal financial reporting by assisting in providing timely guidance to preparers and auditors of Federal financial statements. It recommends guidance on issues received from numerous sources and references three topical areas: Statement of Federal Financial Accounting Standards (SFFAS), OMB's Form and Content, and audit issues. The AAPC has established a credit reform task force composed of members of Treasury, GAO, OBM and representatives from all the credit agencies to address all accounting, auditing, budgeting, and reporting issues encountered by agencies subject to the FCRA of 1990.

Ad Hoc Reports - A report generated from an ad hoc query. An ad hoc query cannot be determined prior to the moment the query is issued. A query consists of dynamically constructed SQL, which is usually constructed by desktop-resident query tools.

Allotment - Funds within an apportionment designated for specific programs or projects in an agency.

Application - A group of interrelated components of financial or mixed systems which supports one or more functions and has the following characteristics: a common database, common data element definitions, standardized processing of similar types of transactions, and common version control over software.

Apportionment - An agency request to the Office of Management and Budget to acquire funds to be used in designated quarters of the fiscal year. Agencies divide apportionments into allotments, which are converted into commitments, obligations, and expended authority.

Appropriation - Funds provided to federal agencies through legislation. An appropriation is designated as multi-year, which can be used for a specified period of time in excess of one year; no-year, which can be used indefinitely; and single-year, which can only be used in the current year.

Architecture Services/Components - The major classes (and sub-classes) of functionality provided by a computer system.

Asynchronous Transfer Mode (ATM) - A method of designing data packets that's particularly suited to sending video and audio information as well as text. Besides offering very high speed, ATM is attracting attention because it is favored by phone companies, cable operators and corporate computer users alike, which may make for easier networking between offices and homes.

Balanced Scorecard - A methodology that translates a company's vision and strategy into a balanced set of coherent internal and external key performance indicators that articulate an enterprise strategic goals.

Batch - A group of records assembled into one file for processing.

Benchmark - A point of reference from which measurements may be made.

Best in Business (Best Practice)- A method of using proven Industry techniques to solve Business Processes.

Borrower - The student or parent responsible for loan repayment and signing of the promissory note.

Browser client - A client that can access static pages, CGI scripts, and cartridges via a URL over HTTP, HTTPS, or ILOP.

Budget authority - Total allotment amount available for spending by an agency.

Business Application - An operation that fulfills some specific business function.

Business Case - Outlines the cost and benefits associated with an initiative and presents supporting recommendations on its execution.

Channel - SFA organization defined as Students, Schools, and Financial Partners

Client - A client is usually a PC that communicates over a network both with its peers, other clients, and with a larger computer, called a server, which typically stores data that many workers need to use. The client has just one user, the server many.

Client-Server - The use of combinations of large and small computers to satisfy large system requirements using smaller components.

Commitment - The reservation of funds in anticipation of legal obligations.

Communications Server - A hardware and software device that allows devices such as terminals, host computers, or printers to access a network without having to implement the communications protocol in the device itself. The communications server communicates with the device using standard protocols built into the device.

Connection - A communications path between two devices that allows the exchange of information. Other terms used to refer to a connection are session or circuit.

Core Financial System - The Core financial system is an integral part of an agency's single, integrated financial management system. It controls and supports the key functions of an agency's financial management, including general ledger management, funds management, payment management, receipt management, cost management, and reporting. The Core financial system receives data from all other financial and mixed systems and from direct user input, and it provides data and supports processing for those systems that need it.

COTS - Commercial Off-the-Shelf (Software)

Customer Information Control System (CICS) - An IBM software used by NSLDS for online transactions

Database - A structured collection of data.

Data Mart - A Data Mart is a data warehouse that is restricted to dealing with a single subject or topic. The operational data that feeds a data mart generally comes from a single source of operational data.

Data Warehouse - A repository for data organized in a format that is suitable for ad hoc query processing, data mining, OLAP and/or other analytical applications. Data Warehouses are built from operational databases. The operational data is 'cleaned' and transformed in such a way that it is amenable to fast retrieval and efficient analysis.

Deferment - A temporary period established by law that exempts a student from loan repayment. The most common deferment is for students who are enrolled in an eligible program of study on at least a half-time basis.

Department of the Treasury - The Department of the Treasury, through its Financial Management System, is responsible for monitoring and facilitating implementation of credit management and debt collection policy. The Treasury Financial Management System develops and disseminates as a supplement to the TFM operational guidelines for agency compliance with Government-wide credit management and debt collection policy. The Treasury Financial Management System assists agencies in improving credit management activities and evaluates innovative credit management practices.

Detail Record - A record that contains user data (rather than file control data).

Disbursement - Transfer from the school to the borrower.

Drawdown - Transfer of money from ED to institutions or schools.

Drill down - A method of exploring detailed data that was used in creating a summary level of data. Drill down levels depend on the granularity of the stored data.

EDConnect - Software provided by ED that lets one use the Title IV WAN Store-and-Forward Facility from a PC.

EDExpress - A PC software product provided by ED that allows schools to manage Title IV student financial aid application data and SSCR files.

Enterprise Architecture - A high-level description and drawing representing an information system design for an organization or enterprise.

Expended authority - The portion of an agency's budget authority that has been expended.

Expenditure - An expenditure occurs at the point of actual disbursement of funds.

Expenditure transaction - A withdrawal from one account and a credit to another account when the withdrawal and credit are recorded in the central accounts of the Financial Management System (FMS) as an expenditure and repayment.

Federal Accounting Standards Advisory Board (FASAB) - The FASAB was established in October 1990, by the Comptroller General, the Director of OMB and Budget, and the Secretary of the Treasury. The Board exists through a memorandum of understanding among these three principal Federal executives. The FASAB recommends accounting standards to the JFMIP principals after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and other users of financial data.

Federal Credit Policy Working Group - The Federal Credit Policy Working Group is an interagency forum that provides advice and assistance to OMB and Treasury in the formulation and implementation of

f credit policy. In addition to OMB and the Department of Treasury, membership includes the Departments of Agriculture, Commerce, Education, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Veterans Affairs, the Agency for International Development, the Export-Import Bank, and the Small Business Administration.

Federal Direct Loan Program (FDLP) - The William D. Ford Federal Direct Loan Program. This program provides direct financing and direct delivery of loan funds to eligible borrowers to cover the costs of postsecondary education. Direct Loans include the Federal Direct Stafford Loan, the Federal Direct Unsubsidized Stafford Loan Program, the Federal Direct PLUS Loan Program, and the Federal Direct Consolidation Loan Program.

Federal Family Education Loan (FFEL) - Loans that are part of FFEL include Federal Stafford Loans (subsidized and unsubsidized), PLUS, and loans made under the predecessor Guaranteed Student Loan Program.

Financial Event - any occurrence having financial consequences to the Federal government related to the receipt of appropriations or other financial resources; the acquisition of goods or services; payments or collections; recognition of guarantees, benefits, to be provided, or other potential liabilities; or other reportable financial activities.

Financial Management System - The system responsible for processing and reporting on all OSFA financial management related activities. The following are the major functional areas of the FMS: Funds Management, Payment Management, Receipt Management, General Ledger Management, Financial Management Reporting, Cost Management, Loan Portfolio Management and Budget Analysis and Development.

Financial Planning - Uses historical data to make accurate financial and operational predictions in the future.

Fiscal Operations Report and Application to Participate (FISAP) - A report submitted annually by schools participating in the campus-based programs to show how disbursements were used.

FMS Form 224 Statement of Transactions Report - A report used to provide information to the Treasury about the financial condition and operations of federal agencies.

Forbearance - Forbearance, the temporary repayment suspension or reduction, may occur for reasons of financial hardship due to personal problems or poor health based on program rules and regulations. Forbearance may be requested for principal, interest, or both. Interest continues to accrue during the forbearance period and is added (capitalized) to the principal amount. In most cases, forbearance is granted at the lender's discretion.

Funds - Accounting for the commitment, obligation, and expenditure of budgeted funds (see also Disbursements).

Gateway - How a user or another system can get access to a network. One of the most common usage's for the term is an on-line service company that gives customers access to the Internet. Inside a company, the term usually refers to specialized hardware that connects two different types of systems, such as a mainframe to a local-area network.

Government On-line Accounting Link System (GOALS) - A government-wide telecommunications network established to reduce labor-intensive, paper-based processes by providing an efficient method for accounting and reporting functions.

Grace Period - The six-month period immediately following a student's enrollment during which interest continues to be paid by the federal government and the student does not have to begin repayment.

Guaranty Agency (GA) - An organization established by the Department of Education to administer key aspects of Title IV loan processing.

Institutional Student Information Report (ISIR) - An electronic transmission file which transmits applicant data from ED via TIV WAN to all the eligible schools indicated by a student on a FAFSA application.

Integrated Services Digital Network (ISDN) - An interim step to take phone companies into the digital age. ISDN is a technology that lets both voice and data flow over a standard phone line to a home or office. It runs six times faster than most PCs can communicate over a modem, though less than 1/100th the speed of Ethernet.

Integration - The combination and coordination of processing and data functions across applications to minimize redundancy and maximize efficiency.

Interagency transfers - Transfers between Treasury agencies that involve two or more different appropriation, fund, or receipt accounts and are classified as expenditure transactions.

Interest and Special Allowances - The payment by Ed to lenders for interest on subsidized loans and the payment of the market difference on loan interests offered by lenders.

Interface - A program or device (such as an electrical connector) which connects two separate entities. For example, a user interface is the part of a program that connects the computer with a human operator (user). Interfaces also connect programs, to connect devices, and to connect programs to devices.

International Standards Organization (ISO) Model - ISO developed Reference Model for Open Systems Interconnection, which divides a complex set of communications functions into self-contained modules.

Internet - The interconnection of thousands of separate networks using a common terminology. Developed by the Pentagon, the Internet first linked government agencies and colleges. Now the Internet also connects thousands of companies and millions of individuals who subscribe to on-line services; they can use it to exchange messages or data files.

Joint Financial Management Improvement Program (JFMIP) - A cooperative effort among major agencies of the U.S. Federal Government to arrive at a common set of financial management standards as mandated by the President of the United States. Representatives from major agencies serve on a committee charged with formulating these standards.

Lagging indicator - An indicator, usually economic, that changes directions after business conditions have turned around.

Leading indicator - An indicator, usually economic, that changes direction in advance of general business conditions.

Loan Consolidation Center (LCC) - The LCC reviews and distributes to applicable lenders a borrower's application for a Direct Consolidation Loan.

Loan Origination Center (LOC) - The LOC receives school origination records for Direct Loans, sends disclosure statements to borrowers, sends acknowledgment of origination records to schools, prints and distributes promissory notes to Standard Option schools, receives signed promissory notes from students of Standard Option schools, sends acknowledgments to schools of promissory note acceptance or rejection, initiates disbursement requests for Option 1 or Standard schools, accepts and acknowledges direct loan disbursement records from schools, transmits data booking loans to the Central Data Routing System (CDS) for transmission to the Direct Loan Servicing Center (DLSC), and initiates monthly cash reconciliation processes by sending Direct Loan School Account Statements (DLSAS) to schools.

Local Area Network (LAN) - A communications network that provides high-speed data transmission over a small geographic area. LAN also refers to a group of computers that are connected by cable and share data, software and storage devices. LANs are needed to practice client-server computing.

Mainframe - A large computer to which other computers and computer terminals may be connected.

Metric - A performance statistic.

Middleware - Middleware provides transaction, communication, and information (data access) services between disparate legacy applications and data.

National Student Loan Clearinghouse (Clearinghouse) - A student enrollment servicer which processes the majority of student enrollment transactions.

National Student Loan Data System (NSLDS) - As a Title IV automated system, NSLDS is a national database of information about loans and other financial aid awarded to students under Title IV.

NET*CONNECT - Software provided by ED that lets you connect directly to NSLDS from a PC for online processing.

Network - A system of computers and other hardware and software that is connected and allows users to transmit data and messages.

Network Management - The overseeing and maintaining of a network. The duties performed by a system or network manager using a network management system include installing and configuring the network, maintaining an operation log, monitoring network performance, and statistics.

Object Linking and Embedding (OLE) - A distributed object system and protocol which allows an editor to "farm out" part of a document to another editor and then reimport it. For example, a desk-top publishing system might send some text to a word processor or a picture to a bitmap editor using OLE.

Obligation - Allotment funds obligated for goods or services that have been ordered, but not yet received. Obligated funds are not available for spending by an agency.

Office of Management and Budget (OMB) - OMB is responsible for reviewing legislation to establish new credit programs or to expend or modify existing credit programs, reviewing and clearing testimony pertaining to credit programs and debt collection, reviewing agency budget submissions for credit programs and debt

collection activities, formulating and reviewing credit management and debt collection policy, and approving agency credit management and debt collection plans.

OMB Circular A-125, Prompt Payment - A publication issued by the Office of Management and Budget that documents the Prompt Payment Act.

OMB Circular A-34, Instructions on Budget Execution - A publication issued by the Office of Management and Budget that provides information on the SF133 Report on Budget Execution.

Online - Direct communication with a computer reached through telephone lines or another telecommunication line.

Online Payment and Collection (OPAC) - Refers to payment and collection transactions made online.

Obligation - A promise to pay a particular sum of money.

Operating Plan - The operating plan details the approximate spending dates and budget amounts for each office or department within an agency.

Operating System - The software (set of computer instructions) that controls the way a computer runs.

Organization - An organization may be a school, government agency, funding source, outsource, institution, standards committee, or ED itself.

Performance Management - Sophisticated capability to manage an organization's performance using both financial and non-financial data.

Prompt Payment Act - A set of laws applying to federal agencies mandating how and when to pay commercial obligations. The act requires agencies to pay interest on overdue invoices and to take discounts offered by suppliers unless doing so would not prove economically beneficial.

Protocol - A strictly defined procedure and message format that allows two or more systems to communicate over a physical transmission medium. Due to the complexity of communications between systems and the need for different communications requirements, protocols are divided into layers. Each layer of a protocol performs a specific function, such as routing, end-to-end reliability, and connection.

Rehabilitated Loans - Defaulted loans which show payment for 12 consecutive months are eligible for rehabilitation for continuing repayment to the original lender. This rehabilitation allows an update of loan status to the credit bureau.

Roster - A list of students that are on file with a guaranty agency as attending the school.

Service - A method for making systems resources available to users, electronic or human, in a consistent manner.

Servicer - An organization or company that services Direct Loans, including Collections.

SF 1081 Voucher and Schedule of Withdrawals and Credits - A document used by federal agencies to complete interagency expenditure transactions involving two or more appropriation, fund, or receipts accounts.

SF 133 Report on Budget Execution - An Office of Management and Budget report used to list the sources of budget authority and the current status of budgetary resources by individual fund.

Source System - The system that originates a transaction.

Standards - A standard is a well-defined, and typically published, definition for the method of satisfying some aspect of a computer system. Standards may be endorsed and/or published by one or more accredited standards committees, or they may be so widely used that they have become de facto industry standards.

Store-and-Forward Facility - Temporary storage of data for later transmission to the destination computer.

Stovepipe - Independent, standalone, non-integrated software systems implemented to resolve a specific operational task.

Telecommunication - The transmission of data between computer systems or between computer systems and remote devices over a data transmission line, such as a telephone line.

Title IV - A part of the Higher Education Act of 1965 that authorized various student financial aid programs.

Title IV Wide Area Network (TIV WAN) - The Title IV WAN links thousands of network nodes, or destination points, across the U.S., its territories, and certain ED-designated foreign countries to the Title IV student aid processing and delivery system. Destination points communicate with the Title IV WAN using a PC or mainframe computer to transmit and receive data.

U.S. Standard General Ledger (USSGL) - A uniform set of accounting definitions and a description of individual accounting transactions developed by an interagency task force for adoption by federal agencies. The U.S. Standard General Ledger provides both a uniform set of accounts, budgetary and proprietary, and standard accounting transactions.

Virtual - Used to refer to the artificial objects (like addressable virtual memory larger than physical memory) created by a computer system to help the system control access to shared resources.

Wide Area Network (WAN) - A WAN is a set of widely separated computers that are electronically connected.

Workstation - A terminal or PC at which a user works; usually connected to a mainframe or a network.

Year-end closing - The process required by the Office of Management and Budget (OMB) in which agencies liquidate unobligated commitments, generate closing entries to be posted to the General Ledger, and carry forward obligated balances to the next fiscal year.