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Executive Summary

Current Environment Assessment

Overview

The objective of the Current Environment Assessment is to document and assess the core business processes and related systems of the Financial Partners Channel. This assessment is the first step in evaluating and implementing process improvements which will lead to decreased unit costs and improved customer and employee satisfaction. While it is realized that the following is not an all inclusive list of all FPC processes, these were considered to be the most critical to examine for reengineering possibilities to ensure operational effectiveness and efficiency for the Financial Partner Channels:

- Lender and Guaranty Agency Payments
- Oversight and Technical Assistance
- Contract Management
- Program Development (formerly Policy and Analysis)

These documents will serve as the background tool required to assist the teams in identifying reengineering options and solutions and in developing the supporting business case to implement those solutions.

The primary steps to document and assess the current environment included:

- Conducting workshops with process owner teams to gather process and systems information
- Gathering and reviewing existing process and systems documentation
- Comparing current environment to “best-in-business” processes and practices

Lender and Guaranty Agency Payments

General Description:

The core Payment functions involve processing receivables and payables from 799 Forms, 1207 Forms, and loan consolidation rebate fees and SallieMae special assessment fees from lenders. Guaranty agency payments are processed from 1189 Forms, 1189 Addendums, and 1130 Forms. Payment certification and accounting information is submitted to OCFO for both lenders and guaranty agencies. Key stakeholders include FP Financial Transactions, lenders, servicers, guaranty agencies, SFA, OCFO, and Treasury. Additional functions include participation in system maintenance and modification as well as customer service activities with the Financial Partners.

Initial Findings:

Opportunities focus on electronic reporting and payment processing to and from lenders and guaranty agencies with automated tracking and reconciliation processes. These efforts will significantly reduce redundant data entry, thereby reducing costs and risk of errors. Additional opportunities include reducing turnaround time for accounts payable and receivable for all types of fees and payments to better manage cash accounts, and providing up-to-date web-based fee and payment reports to improve communications and ongoing relations with financial partners. Efforts in the area of electronic payment processing include enhanced security, such as encryption and digital signatures, standardizing electronic financial transactions, and reengineering efforts to streamline the data flows across systems. Finally, an automated customer inquiry tracking system should assist in identifying the causes and possible solutions for the current amount of staff time and effort spent on inquiry responses.

The recommendation is to continue the reengineering effort to define options and select the optimum solutions to realize process and system improvements.

Oversight and Technical Assistance

General Description:

The Oversight process includes the planning and execution of program reviews of lenders, guaranty agencies, secondary markets, and servicers. Technical Assistance is provided on an as-needed basis to these same entities as it relates to the review process. The main components of a program review include targeting and scheduling entities, conducting pre-planning activities, performing the actual review, and following-up and closing the process. The key stakeholders include FP Oversight and Technical Assistance regional staff, lenders, guaranty agencies, secondary markets, and servicers.

Initial Findings:

Opportunities exist in the area of developing and implementing standardized performance monitoring plans that provide a consistent and valid basis for on-site and desk reviews and that can be used as the basis for contractual performance (agreement compliance) criteria (as part of the quality assurance plan). Additional opportunities exist to establish systems to track review results to identify trends in performance and identify areas for training or clarification on a coordinated basis to customers, e.g., lenders, guaranty agencies, regional specialists.

The recommendation is to continue the reengineering effort to define options and select the optimum solutions to realize process and system improvements.

Contract Management

General Description:

Contract Management involves development and analysis of task orders, development and review of statements of work, and contract acceptance/rejection decision-making. These processes occur at both the enterprise and channel levels. The Contract Management group supports new contract set-ups, contract recompetes, sole source extensions, and GSA schedule buys. Key stakeholders include Financial Partners Channel Contract Administration, ED Contracts, the contracts panel, internal users, offerors, and selected vendors.

Initial Findings:

Opportunities exist within the Contract Management process to encompass an organization wide, performance based contracting system which includes standards, measures, and incentives to promote contractor efficiency and accountability. Also, processes for contract administration and conflict resolution should be defined on a coordinated and consistent basis throughout the organization.

These processes are currently under review at the enterprise level. The enterprise team is exploring reengineering options and are scheduled to roll-out the conceptual design by late July. The recommendation is to include representative team members from the channels at the enterprise level to provide input and suggestions in the development of the new process. As this process will likely have a top-down effect, i.e., enterprise => channels, this approach will ensure a consistent and accepted process across the SFA organization.

Program Development

General Description:

The main functions of Program Development are to research and respond to formal and informal inquiries and to disseminate policy information. These processes are conducted at both the enterprise and channel levels. Inquiries are received from guaranty agencies, lenders, regional SFA staff, and the public (congressional offices, etc). Policy information is forwarded to regional SFA staff as well as other SFA customers. The key stakeholders include Program Development (Financial Partners Channel and SFA) SFA regional staff, and all requestors.

Initial Findings:

A key opportunity exists to establish a knowledge management plan which can provide consistent information across the organization. Additional opportunities exist to establish systems to track inquiries as well as disseminate information on a coordinated basis to customers, e.g., lenders, guaranty agencies, regional specialists.

This process is primarily conducted at the enterprise level with very few requests being directly received at the FPC level. The viewpoint is that this trend will continue until all inquiries are being received at the enterprise level⁽¹⁾. This is the most desirable structure as it allows for a central contact point which in turn provides for consistent and timely responses. For this reason, the recommendation is that the reengineering efforts be conducted at the enterprise level with channel participation. Channel level team members should include representation from the regions, i.e., reviewers. In addition, the level of funding required for desired system implementations and enhancements may be more accessible at the enterprise level than at the channel level.

(1) In the past this process was conducted entirely at the enterprise level, however, in past months some inquiries have been directed to the Financial Partners Channel.