

Direct Loan Job Aid - GAPS

Scope

This Job Aid covers how to perform functional procedures for the Direct Loan program to include Loan Origination, Consolidation, and Servicing.

The Origination and Disbursement function begins with the receipt of the Origination Record. Once the origination record is received for each type of loan the student is eligible for (Subsidized, Unsubsidized, Parent Loans to Undergraduate Student (PLUS), etc.). Once the origination record is received, the following processes occur:

- Process origination record(s)
- Print and mail documents/correspondence
- Process promissory notes
- Perform credit checks (for PLUS Loans)
- Generate disclosure statement
- Process disbursement records
- Request funds (for levels 2 and 3 schools)
- Book the loan and
- Transfer the Loan

The Consolidation function begins with the completion and submission of a Direct Consolidation Loan (DCL) Application/Promissory Note by the borrower. The Loan Consolidation Center (LCC) receives and begins processing the application. The LCC perform the following steps in processing the application:

- Process the DCL Application

- Contact Internal Revenue Service (IRS) for Income Contingent Repayment (ICR)
- Process credit history
- Process verification certificates
- Process promissory note (P-Note)
- Process loan statement
- Satisfy loan
- Process overpayments
- Book consolidated loan and
- Transfer loan

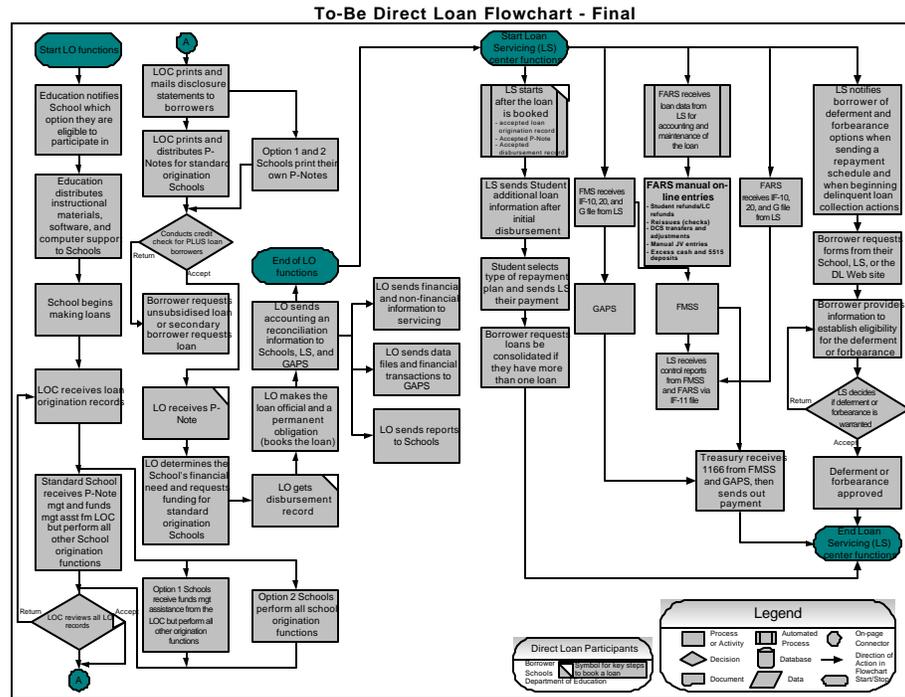
The Servicing function begins with the notification of a loan booking from either Loan Origination or the Loan Consolidation. Upon receipt of a booking notification, the loan is added to a portfolio, loan data is forwarded to FARS for accounting purposes and, maintenance of the loan begins. To support the loan servicing function, the following ongoing processes occur:

- Assess / Establish Loan Status,
- Process debt related correspondence,
- Receive/Accept loan Payments,
- Update/adjust loan balances,
- Determine/Transfer defaulted loans to Debt Collection Service (DCS),
- Receive rehabilitated loans,
- Transfer out Consolidated Loans and

- Transfer data to FARS.

Direct Loan High Level Flowchart

The following Direct Loan Flowchart depicts the high-level flow of the Direct Loan process:



Program Reports

The following table lists the Programs and Reports that SFA CFO uses to monitor the Direct Loan FMS processes:

Report Name	Description	Prerequisites	Time
Direct Loan Interface Control Report	This report reflects the processing results of an interface. It is to support system balancing and problem identification.	This report is generated as a result of the Inbound interface of the LO records into the staging area for the Oracle GL and AP modules.	Daily
Direct Loans System Balancing Report	This report reflects the daily import to the AP and GL modules from the open Application Program Interface (API) tables. This report will display the daily total for accepted and rejected LO transactions. This report will be compared to the daily Schedule "A" report generated by LO.		

Report Name	Description	Prerequisites	Time
FMS Monthly Control Report LO to FMS	This report reflects the processing results of the monthly inbound unbooked loan interfaces. This report is used to support system balancing and problem identification.	This report is generated automatically after the processing of the monthly unbooked loan file from LO.	Monthly
Direct Loan Weekly System Balancing Report for the GAPS file	This report reflects the system balancing between LO and FMS. This would be the result of processing GAPS files from LO to FMS and from GAPS to FMS.	This report is generated as a result of the Inbound interface of the LO (GAPS related) records into the staging area for the Oracle GL and AP modules.	As Needed
Direct Loan Dishonored Payment Listing	This report reflects the summary of daily dishonored payments. The subtotals are by month, quarter, and fiscal year.	This report is generated on a daily basis.	Daily
Direct Loan Daily List of Deposits	The report reflects the summary of daily deposits.	This report is generated on a daily basis.	Daily
Direct Loan SF1166 Support Detail Report	This report contains summary detailed information associated with the SF1166 file for Online/manual payments to Treasury via FMSS.	This report is generated monthly or as needed as result of the SF1166 creation process.	Monthly /As Needed
Federal Direct Student Loan Program	This report displays the FMS equivalent (ACCS) to the EDPAS account codes. The ACCS will be sorted by item number.	This report is generated as needed.	As Needed
Direct Loan SLSS-FMS Crosswalk Report	This report contains LS transaction codes and the FMS equivalent.	This report is generated as needed.	As Needed
Direct Loan Transaction Generator Listing Report	This report contains the FMS direct loans transaction codes and associated debit/credit pairs.	This report is generated as needed.	As Needed
Direct Loan Activity Report	This report contains the loan activity for a given month.	This report is generated daily.	Daily
Direct Loan Booking (Gross Amount) – By Name of Institution Report	This report contains loan booking activity summaries by a posting period. This report can be summarized (for all institutions) or presented in detail (per each institution). A flag is provided to allow for either presentation.	This report is generated monthly.	Monthly
Direct Loan Booking Loan Activity Report	This report contains loan activity summaries by cohort and loan type for a given period.	This report is generated as needed.	As Needed
Direct Loan Transaction Summary Report	This report contains monthly transaction activity. This report is presented by beginning balances, current month activity, and ending balances.	This report is generated monthly.	Monthly
Direct Loan Trial Balance Report	This report contains account activity by debits and credits against an opening balance. It presents the closing balance and net changes.	This report is generated monthly.	Monthly

Report Name	Description	Prerequisites	Time
SF 224 Statement of Transaction Report	This report displays summary agency disbursements and collections grouped by appropriation fund or receipt symbol. This report also contains a control section that displays details relating to the summary totals for disbursements and collections as well as status of collections.	This report is generated as needed.	As Needed
Direct Loan Non-Federal Collection by Type and Cohort Year report	This report contains object code activity by cohort year for Origination and fees, Interest collected, Other Fees, and Principal repayment of loans.	This report is generated as needed.	As Needed
Direct Loan Aging of Unapplied Payments report	This report contains unapplied payments by resolution date and code. It also displays the age of each unapplied payment.	This report is generated monthly.	Monthly
Direct Loan Overpayment Unapplied Refunds Report by Approval Date	This report contains misdirected and overpayment refund payments by approval date and code. It also displays the age of each unapplied payment.	This report is generated monthly.	Monthly
Direct Loan Obligation/ Disbursement Report	This report contains current and life to date loan disbursement totals by the CRC code (without risk).	This report is generated monthly.	Monthly
Gross Loan Disbursement By Actual Disbursement Month Report	This report contains non-consolidated loan disbursements by month and fiscal year.	This report is generated monthly.	Monthly
Loan Origination DLSAS and XE Records to Oracle GL Concurrent Program	DLSAS and XE GL Loan concurrent program is needed to capture unbooked loan data from Loan Origination output file into Oracle GL on a monthly basis.	Will be run automatically (time TBD by LO representatives)	TBD
Loan Origination Financial Event from Oracle General Ledger Concurrent Program	Financial Event from Oracle General Ledger Concurrent Program is needed to provide GAPS data from Oracle GL to Loan Origination.	Can be run manually or, at a predetermined time daily to create an output file from the Oracle application.	Daily/As Needed
Loan Origination Funding Requests and Excess Cash (Oracle AP and GL) Concurrent Program	Funding Requests and Excess Cash (Oracle AP and GL) Concurrent Program is needed to: <ul style="list-style-type: none"> Capture Funding Requests data from Loan Origination daily output file into Oracle AP Capture Excess cash records from Loan Origination daily output file into Oracle GL. 	Can be run manually or automatically (at a predetermined time) to import an input file received from LO.	As Needed

LO, LC, and LS Feeder System Personnel Contact Information

The following table lists the names and phone numbers for each program in case anyone needs to contact them to resolve a FTP file or any other error:

LO, LC, & LS Feeder System Personnel Contact Information		
LO: TBD	LC: TDB	LS: TBD

Direct Loan User Processes and Responsibilities Table

KEY: * - Procedures exist from Phase II X - Cross Program A - Automated M - Manual

			Accounts Payable	Responsibility
1		M	System Access/Sign-on	N/A
2		A	Load Raytheon accounting file onto FMS	SFA FFEL LE DCS CFO Manager
3	X	A	Approving an invoice	SFA DCS CFO Payables SuperUser
4	X	A	Create payment batch	SFA DCS CFO Payments Manager
5	X	A	Build payment batch	SFA DCS CFO Payments Manager
6	X	A	Format payment batch	SFA DCS CFO Payments Manager
7	X	A	Confirm payment batch	SFA DCS CFO Payments Manager
8		M	Treasury confirmation	SFA DCS CFO Federal Administrator
9		A	Accounts payable journal transactions posted to GL	SFA DCS CFO Payments Manager
10		A	AP transfer to GL	SFA DCS CFO Payables Inquiry
			General Ledger	Responsibility
11		A	Monitor IF-10/20/G Files into FMS (LS)	
12		A	Monitor Unbooked Loan File into FMS (LO & LC)	
13	X	A	Create journals	
14	X	A	Post journals	
15	X	M	Correct/Update transaction journals	
16	X	M	View and print trial balance	
17	X	M	View Requests	
18	X	M	Inquiries (Query)	
			Account Mapping	Responsibility
16		M	Set up segment information (ACCS)	.. SFA Account Mapping/CAN Code
17		M	Set up transaction codes	.. SFA Account Mapping/CAN Code
18		M	Update/Correct/Modify	.. SFA Account Mapping/CAN Code
			Crosswalk Staging Table	Responsibility
19		M	FTP Raytheon payment file to ED CFO	N/A
20		M	FTP Raytheon accounting file to SFA FMS	N/A
21		A	Monitor import table from Raytheon - Load Raytheon file to table & monitor	SFA FFEL LE DCS CFO Manager
22		M	Table updates	.. SFA Account Mapping/CAN Code
23		M	File error handling	.. SFA Account Mapping/CAN Code

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Direct Loan Servicing Calendar of Events

The Direct Loan Servicing calendar of events displays what and when each event will be accomplished:

Direct Loan Servicing Calendar of Events					
Event	LS sends FMS & FARS the IF-10 file. (booked loans accounting events data). This file represents LS system's previous days processing	FMS sends LS 1166 confirmation reports. Reports provide LS & FARS the data required to perform reconciliation and verification for refund requests that came through the IF-10/20 feed.	LS sends FMS IF-20 file. (misdirected payments & refunds). A new copy of the file will overlay the previous copy in the holding area upon receipt.	LS sends FMS G file. (additional LO & LC accounting events not contained in the IF-10/20 file).	FMS sends LS Interface Control Report. The report reflects the processing results of an interface.
Time Of Event	Daily	Daily	Daily	Daily	Daily

Direct Loan Servicing Calendar of Events (continued)					
Event	LS sends FMS Control Report. Report reflects the processing results of the IF-10 interface from Treasury.				
Time of Event	Daily/Monthly				

Direct Loan Consolidation Calendar of Events

The Direct Loan Consolidation calendar of events displays what and when each event will be accomplished:

Direct Loan Consolidation Calendar of Events				
Event	LC sends	LC sends	FMS	FMS

	FMS the Unbooked Loan File.	Payment Adjustment Data to FMS GL Module. Data is, but not limited to payments, refunds, obligations, and negative obligations.	Generated System Balancing Reports to & from LC. This report displays transaction type, daily total for accepted & rejected LC transactions.	Generated Interface Control Reports to & from LC. Reports show records read, records written, records in error, date & user.
Time Of Event	Monthly	Daily	Daily	Daily

Direct Loan Origination Calendar of Events

The Direct Loan Origination calendar of events displays what and when each event will be accomplished:

Direct Loan Origination Calendar of Events	
Event	LO sends FMS the Unbooked Loan File.
Time Of Event	Monthly

Definitions Table

The following are common accounting definition terms:

Accounting Term	Accounting Definition
Account Code Classification Structure (ACCS)	The accounting segments and values assigned to transactions within the Oracle Federal Financials system (SFA Chart of Account).
Accounting Event	The detailed financial transactions (debts and credits) that occur as a result of business events.
Accounts Payable (AP)	The Oracle Financials Account Payable module. This is where invoices and payment batches are created.
Application Program Interface (API)	API is used to import data into Oracle Financials (FMS) from another software package.
Booked Loan	An approved loan where 3 things must happen. 1) accepted loan origination record, 2) accepted P-Note, and 3) accepted disbursement record.
Common Account Number (CAN)	This is a component of the account code structure and identifies DCS/FFEL Lender transactions within Raytheon interface files.
File Transfer Protocol (FTP)	A method of transferring data file/s from one server to another.
Debt Management Collection System (DMCS)	A thirty-year-old mainframe system written in COBOL. Financial transactions are generated from the DCS sub ledger that is maintained in an IDMS database structure. This system

	in maintained and operated by Raytheon.
Financial Accounting and Reconciliation Services (FARS)	An Affiliated Computer Systems (ACS) system utilized by the LS group to assist in the accounting and reporting functionality associated with loan servicing.
Financial Management System Software (FMSS)	Department of Education's financial processing system.
General Ledger (GL)	Oracle Financials General module.
Transaction Code	Identifies the types of accounting events that occur within the Raytheon interface files. Transaction in Oracle identifies the debts and credits that will be applied to the transaction when a particular transaction code is used.
Unbooked Loan	A disbursement to a school that does not have documents that is required to classify the disbursement as a loan.
XE Record	A standard error record generated by LS. The record is used by LO and LC to identify discrepant transactions identified by LS

Activity Preface

[Create Journals \[PROA0002\]](#)

[Post Journals \[PROA0010\]](#)

[Treasury Confirmation \[PROA0013\]](#)

[View and Print Trial Balance \[PROA0014\]](#)

[View Requests\[PROX0007\]](#)

[Inquiries \(Query\) \[PROA0011\]](#)

[System Asscess/Sign-on \[PROX0003\]](#)

General Ledger (GL)

1. Monitor IF-10/20/G Files Processing into FMS.
2. Monitor Unbooked Loan File Processing into FMS.
3. **Create Journals.** Click the “Create Journals” Link in the Activity Preface section.
4. **Post Journals.** Click the “Post Transaction Journals” in the Activity Preface section.
5. **Treasury Confirmation.** Click the “Treasury Confirmation” Link in the Activity Preface section.
6. **View and Print Trial Balance.** Click the “View and Print Trial Balance” Link in the Activity Preface section.
7. **View Requests.** Click the “View Requests” Link in the Activity Preface section.
8. **Inquiries (Query).** Click the “Inquiries” Link in the Activity Preface section.

End of activity.

Start

GL (GL)

- Monitor IF-10/20/G File Processing into FMS. (1)
- Monitor Unbooked Loan File Processing into FMS. (2)
- Create Journals. Click "Create Journals" Link in Activity Preface section. (3)
- Post Journals. Click "Post Transaction Journals" in Activity Preface section. (4)
- Treasury Confirmation. Click "Treasury Confirmation" Link in Activity Preface section. (5)
- View & Print Trial Balance. Click "View & Print Trial Balance" Link in Activity Preface section. (6)
- View Requests. Click "View Requests" Link in Activity Preface section. (7)
- Inquiries (Query). Click "Inquiries" Link in Activity Preface section. (8)

End