

**William D. Ford Federal Direct Loan (DL), Federal Family Education Loan (FFEL)
Federally Insured Student Loan (FISL), Pell Grants, & Campus-Based Perkins
Loans Programs – Reconciling the Debt Collection System (DCS) to Financial
Management Servicing System (FMSS)**

How does reconciling the DCS sub-system to FMSS work?

The process involves 5 basic steps:

1. Download the DCS and FMSS data for one program (DL, FFEL, FISL, Pell, and Perkins) at a time
2. Identify the four transaction types in each data set for one program at a time
3. Reconcile each transaction type and document for one program at a time
4. Obtaining supervisory review and approval
5. Filing the documentation

What does this document do?

This document establishes the policy and procedures governing the reconciliation of DCS sub-system to FMSS. Reconciliations are prepared for the following transaction types: new debts, injured spouse claims, collections, and write-offs.

What is the policy on reconciling the DCS sub-system to FMSS?

The DCS sub-system should be reconciled to FMSS as verification that the transactions are being accurately posted. The Debt Collection System transactions derived from the following sources: Direct Loans (DL), Federal Family Education Loan (FFEL), Federally Insured Student Loans (FISL), Pell Grants and the Campus-Based Perkins Loans Programs. This reconciliation should be conducted on a *quarterly basis*.

Who must follow the procedures in this document?

All members of the Chief Financial Officer (CFO) – Accounting Division (AD), must comply with these procedures for the process to which it relates.

5 Basic steps for reconciling the DCS sub-system to FMSS:

1) Download the DCS sub-system and FMSS data for one program (DL, FFEL, FISL, Pell and Perkins) at a time

As an AD member you must

- a) Query the DCS sub-system and export to a MS Excel spreadsheet
- b) Query FMSS and export to a MS Excel spreadsheet

When?
Quarterly

2) Identify the four transaction types in each data set for one program at a time

As an AD member you must

- a) New Debts
- b) Injured Spouse Claims
- c) Collections, which includes SF215, SF1081, SF1098, SF1166, SF5515, and ACCADJ transactions
- d) Write-offs

When?
Quarterly

**3) Reconcile each transaction type for one program at a time
As an AD member you must**

When?
Quarterly

- a) Identify corresponding transactions from both data sets
- b) Identify the reconciling items (i.e. transactions that only occur in one data set)
- c) Label/explain the reconciling items
- d) Propose adjustments as needed
- e) Document the completion of this process

**4) Obtaining supervisory review and approval
As an AD member you must**

When?
After the reconciliation and
related adjustments are complete

- a) Deliver the reconciliation worksheet, trial balances, support for differences, journal vouchers and related support to the Team Lead for review and signature.
- b) Team lead reviews and signs the reconciliation worksheet and journal vouchers. The reconciliation worksheet review should include, mathematical accuracy, agreeing balances reported on the reconciliation to the trial balance, differences to supporting documentation and reasonableness. The journal voucher review should include mathematical accuracy, accuracy of entry, adequacy of explanation, supporting documentation and reasonableness.

**5) Filing the documentation
As an AD member you must**

When?
After supervisory
review and signature

- a) File copies of the reconciliation worksheets, trial balances, support for differences, journal vouchers and related support.