

**GUARANTY AGENCY REPORTING**

[A = Atlanta; B = Boston; C = Chicago; D = Dallas; N = New York; S = San Francisco]

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Q (S): Previously, GAs had to report by reinsurance and by loan type. There's no such reporting in Forms 2000?

A (S): (Frank Ramos, ED) Not doing it by loan type at this point in time. Still in discussion.

GA Comment (S): GAs would keep the supporting documentation.

Comment (Frank Ramos, ED) (S): GAs would do the calculations internally. Will populate NSLDS information in the spring. There will probably be some type of reasonability. Probably have detail in NSLDS. If reasonable, then ED pays.

Q (S): Are uninsured accounts reported only when permanently uninsured, or if uninsured at the time of reporting knowing that the account could be cured in the future?

A (S): (Frank Ramos, ED) I don't know. Will check with Sandra Simmons (ED).

Q (S): If borrowed funds from the Federal Fund have been paid back, where is the line item on Forms 2000 to show the amount paid back to the Federal Fund? There is no line item on the form (page 6 of 8). There is a line item in the Operating Fund section.

A (S): (Frank Ramos, ED) Do we want the amount netted out? Probably not. Would want to track transfers. Part of oversight.

Q (S): Is this cash or accrual basis?

A (S): (Frank Ramos, ED) Accrual basis. We'll try to get away from using cash basis.

Comment on cap (Frank Ramos, ED): Transfers of funds from the Federal to the Operating Fund when cap is reached at \$177 million. This is internally tracked at ED.

Q (S): Is this \$177 million per agency or total?

A (S): (Frank Ramos, ED) Total.

Q (S): Will the account maintenance fee come from the Federal Fund or from ED?

GA Comment (S): The wording on line item AR-37 is "transfers" not "payment."

A (S): (Frank Ramos, ED) Once GAs hit the cap, the GA is allowed to dip into the Federal Fund to pull the money in.

Q (S): To clarify: line item AR-36 = get money back from ED (like cash payment in 1189); line item AR-37 = if cap is reached, transfer money from the Federal Fund?

A (S): (Frank Ramos, ED) Yes. We'll have a process of notification. GLOS will get involved during reviews to examine supporting documentation. Need to capture information on transfers.

Comment (Frank Ramos, ED): Cross out line item AR-38.

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Q (S): Just out of curiosity, why is ED interested in investment earnings for the Operating Fund if nothing was transferred from the Federal Fund? We're already reporting the total balance.

A (S): (Frank Ramos, ED) If money is borrowed from the Federal Fund, will need to track.

GA Comment (S): Probably report as a balancing feature.

Q (S): Similar question: Why is there a need to report "Other Revenues and Expenses Non-FFEL?" Why show an amount in line item AR-43?

A (S): (Frank Ramos, ED) Probably as a balancing feature.

Q (S): If money was borrowed, GAs owe an accounting to ED. If GAs did not borrow, what information is owed to ED and how will you use the information?

A (S): (Frank Ramos, ED) Information has to be there if GA borrowed money. If GA did not borrow, maybe leave blank or just not complete.

Q (S): Chances are we (the GAs) track this information. How will ED use this information?

A (S): (Frank Ramos, ED) Probably for GLOS oversight, audit issues.

Q (S): If we're not borrowing, is the Operating Fund auditable by GLOS? If no money was borrowed, why would the Operating Fund be subject to GLOS reviews? Why report other activities other than collection activities? There are enough audits already.

A (S): The statute does restrict expenditures to other student financial assistance areas for the benefit of borrowers. And while the Operating Fund as a whole is not subject to GLOS audit, I would imagine this might evolve. But just making sure that the expenditures were related to other SFA activities as required by the statute could be an area.

Q (S): What are the disclosure requirements if GA has not borrowed? Why report?

A (S): The statute authorizes the Secretary to require whatever reports are necessary regarding the Operating Fund.

Q (S): We transfer money into a segregated account on an annual basis to be paid back in 2002. Is line item AR-47 a transfer into restricted account or actual payment to ED?

There are no two line items.

A (S): (Frank Ramos, ED) Looks like money is going out. Will need two pieces. Will look into it.

Q (S): For balance sheet section, are we combining the Federal and Operating Fund Assets since there is only one balance? Is the restricted account a portion of the Federal Fund or other?

A (S): (Frank Ramos, ED) It's a subset of the Federal Fund.

**GLOS TECHNICAL ASSISTANCE SESSIONS**  
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GA Comment (S): As a follow-up, for clarity, should have separate balance sheet for two funds.

A (S): (Frank Ramos, ED) OK, I'll take the suggestion back.

Q (S): If NSLDS is determining the administrative allowance to be received, since GA won't know, how is this coordinated?

A (S): (Frank Ramos, ED) Do extract from NSLDS. Try to pay within 45 days after the end of the quarter for the account maintenance fee. Pam Eliadis will explain this issue later in detail (during the NSLDS presentation). Try to automate process. Right now, NSLDS providing spreadsheet.

Q (D): When will we start using Forms 2000?

A (D): October 1, 1999. Annual report starts next year.

Comment: MR16 & 17 is GA computation of what it is owed based on its figures. AFMS calculation may be different.

Q (S): The timing issue? Is the Forms 2000 effective 10/1/99 going forward or as of close of 9/30/99?

A (S): (Frank Ramos, ED) Will implement 10/1/99. Need to work out with the guaranty agencies on how to report the opening balance. As we get closer to the date, will send instructions.

Q (S): What are the due dates for monthly and annual reports?

A (S): (Frank Ramos, ED) Haven't determined yet. Probably follow along the same lines.

Q (S): As a follow-up, for the 1189, there is no set date right now for submission, just a matter of when GAs want to get paid. For the 1130, there is a timeframe.

A (S): (Frank Ramos, ED) Will need a new system. Will not have everything tied to the old 1189 so much where ED had to wait for each 1189.

Q (C): Will Form 2000 be changed before implementation?

A (C): No!

Q (C): Is it safe to program computer to implement Forms 2000?

A (C): Recommend that GAs contact Frank Ramos or Sandra Simmons about programming changes.

Q (B): At some point on the annual reporting data here, are you anticipating that this form will be used in any way during this federal fiscal year?

A (B): I'm going to say no. I'm thinking of the transition process that we may have to have some beginning numbers to plug in for example for the opening balance because obviously you don't have this calculation going on right now. So, you may do an ending calculation to have something to put in the opening balance for 2000 right?

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ED Comment (B): We have information that's accounting information or let's say payment information, and non-payment information. We kind of tried to break the form out for ourselves. If you look to the title for that piece for non-payment activity it's all switching hands back and forth, nothing is really coming to and from I guess.

Comment (B): In the workgroup meeting they tried to set this form up so that the first several line items were amounts to the Agency and then they broke it out so the second half was from the Agency and then the back was these non-payment items that the Department needs for accounting purposes. That may be why some of the things seem like they're off.

ED Comment (B): In any event, it's anticipated that 10/1 we'll be going to the monthly reports. We're juggling a lot of things as we speak. Again this is not the only thing we go to systems meetings twice a week. . . The workgroup will take comments back to the contractor, say, these are the changes we made. We're trying to finalize the data elements on this form. So if you're all comfortable with what we're collecting here then we're going to move forward with the data elements on here.

Q (B): Regarding looking at disbursements and tying them to guarantees, how can you make all the pieces fit together within the fiscal year?

A (B): They do pretty much wash out but there is that big lag and it can be up to six to nine months even depending on the frequency of the cycle of the report. How about getting the data from the lenders more frequently than quarterly? It's very important that we get accurate disbursement dates. There are differences between cancelled loans and cancelled amounts. .... Something that's come up in one of the other sessions was there were a number of loans in error you can't get in and it's not your fault. And there's been no decision made on what to do about those. There's no programming done. So we have no good news for that unless Pam Eliadis has an update.

A (B): (Pam Eliadis, ED) We're trying to load something into the system so that we can catch more information that comes in on the error file so payments can be made on the SSN conflicts. The way I understand it, Linda Hall and Larry Oxendine feel that the Guarantee Agencies should get paid on those loans that they have no control over not being able to get into the system. You'll all be happy to know that Pell conflicts will soon be a thing of the past and I don't know if any of you know this but, if you're conflicting with a Pell grant and you come in with a loan we will take the loan and get rid of the Pell. That is one of the first things that I think will help a lot with the SSN conflicts because we have a lot of complaints of conflicting Pell data. So that will help there. I believe it goes into effect the beginning of the summer.