

# **Southern University and Agricultural & Mechanical College**

## **Direct Loan Quality Assurance Policy and Procedures Summary**

All policies and procedures concerning Title IV funding are designed with these Quality Assurance principles in mind, these include but are not limited to all financial aid policies in the student handbook, all policies in the internal Financial Aid Policy and Procedures manual. From the Department of Education:

### **Direct Loan Quality Assurance Requirement Overview**

The Direct Loan Program regulations at 34 CFR 685.300(b) (9) require schools to implement and document a quality assurance process to ensure that they are complying with program requirements and meeting program objectives.

A school should have a quality assurance process in place that documents that the school is:

- Reporting loan records, disbursements, and adjustments to disbursements correctly to the Common Origination and Disbursement (COD) System
- Disbursing and returning loan funds in accordance with regulatory requirements
- Disbursing the correct loan amount to the correct student
- Completing monthly reconciliation and Program Year Closeout

The steps for implementing a Direct Loan quality assurance process will be unique to each school and need to take into account the characteristics of a school's academic policies and programs and its borrower population. Schools are encouraged to use self-assessments to examine their procedures and take action on an ongoing basis to strengthen areas of risk.

The Department of Education (the Department) does not mandate the method by which schools meet the quality assurance requirement. Schools may have institutional-designed assessments and quality assurance processes in place to ensure that the Direct Loan quality assurance requirement is met.

Reporting loan records, disbursements, and adjustments to disbursements correctly to the Common Origination and Disbursement (COD) System.

## **Reporting loan records, disbursements and adjustments to disbursements correctly to the Common Origination and Disbursement (COD)**

### **Description of Process**

The Office of Student Financial Aid utilizes Banner SIS system to originate all Federal Direct Loans. The SIS system and the Registrar verifies attendance and enrollment of students prior to loan disbursements. The SIS generates a disbursement roster on the disbursement process in completed. The Controller draws down the funds based on COD Cash > Net Accepted & Posted Disbursements which is authorized by the Financial Aid Director. Refunds are processed within 14 days.

### **Measurable Assessment**

- Ensuring all loan records maintain “Acceptable” status within our SIS until the end of the year closeout.
- Responding in timely manner to COD School Monitoring Reports, COD 30 Day Warning Reports.
- Comparing the COD Pending Disbursement Reports and Actual Disbursement Reports with the Banner SIS records.

## **Disbursing and returning loan fund in accordance with regulatory requirements**

### **Description of Process**

For any student requesting FSA, before any loan is initiated, Southern University and Agricultural & Mechanical College requires an ISIR (from the FAFSA), Entrance Counseling, and a signed Master Promissory Note. Any comment codes on the ISIR must be resolved. The FAA independently verifies the aggregate loan limit in NSLDS for each student. If any of these items are not received or if any of these items are flagged by either our SIS or COD, we do not initiate loans or disburse funds to the student.

The Office of Student Financial Aid utilizes Banner SIS system to originate all Federal Direct Loans. The SIS generates a disbursement roster available to the Office of Student Financial Aid and disbursement records are sent to COD. Once disbursement reports are accepted and recorded in COD, the Controller initiates the drawdown of funds in G5 at the request of the Financial Aid Director.

The Financial Aid Director notifies the Controller if there is a need to return funds to the cash control account or to reduce a subsequent cash draw.

The Financial Aid Director and Controller, using the Banner SIS system, accumulate this data.

All faculty and staff are required to use the Banner SIS system to document student information including information regarding a student's FSA eligibility. The FAA reviews student accounts on a routine basis. Additionally, the Banner SIS system alerts the Office of Student Financial Aid any urgent issues regarding a student's FSA eligibility.

#### Measurable Assessments

- Ensuring all loan records maintain "Accepted" status within our Banner SIS system until the end of the year closeout
- Monitoring the enrollment, SAP, and eligibility alerts within the SIS and responding appropriately
- Responding in a timely manner to COD School Monitoring Reports, COD 30 Day Warning Reports
- Comparing the COD Pending Disbursement Reports and Actual Disbursement Reports with the Banner SIS records

### **Disbursing the correct loan amount to the correct student**

#### Description of Process

The Office of Student Financial Aid schedules disbursement dates for approved funds.

Direct Loan funds are drawn down based on COD Cash > Net Accepted & Posted Disbursements. The Controller draws down the approved funds authorized by the Financial Aid Director.

#### Measurable Assessments

- Ensuring all loan records maintain "Accepted" status within our SIS until the end of the year closeout
- Monitoring the enrollment, SAP, and eligibility alerts within the SIS and responding appropriately
- Responding in a timely manner to COD School Monitoring Reports, COD 30 Day Warning Reports
- Comparing the COD Pending Disbursement Reports and Actual Disbursement Reports with the Banner SIS records

## **Completing monthly reconciliation and Program Year Closeout**

### Description of the process

The Office of Student Financial Aid receives the SAS through our Banner SIS monthly and works with the Controller to create a monthly reconciliation document that shows a balance between our SIS, COD, and G5.

### Measurable Assessments

- Maintaining timely and accurate monthly reconciliation records
- Maintaining timely and accurate year-end closeout documentation.