California
Student Aid Commission

Reconciliation and Compliance Reviews
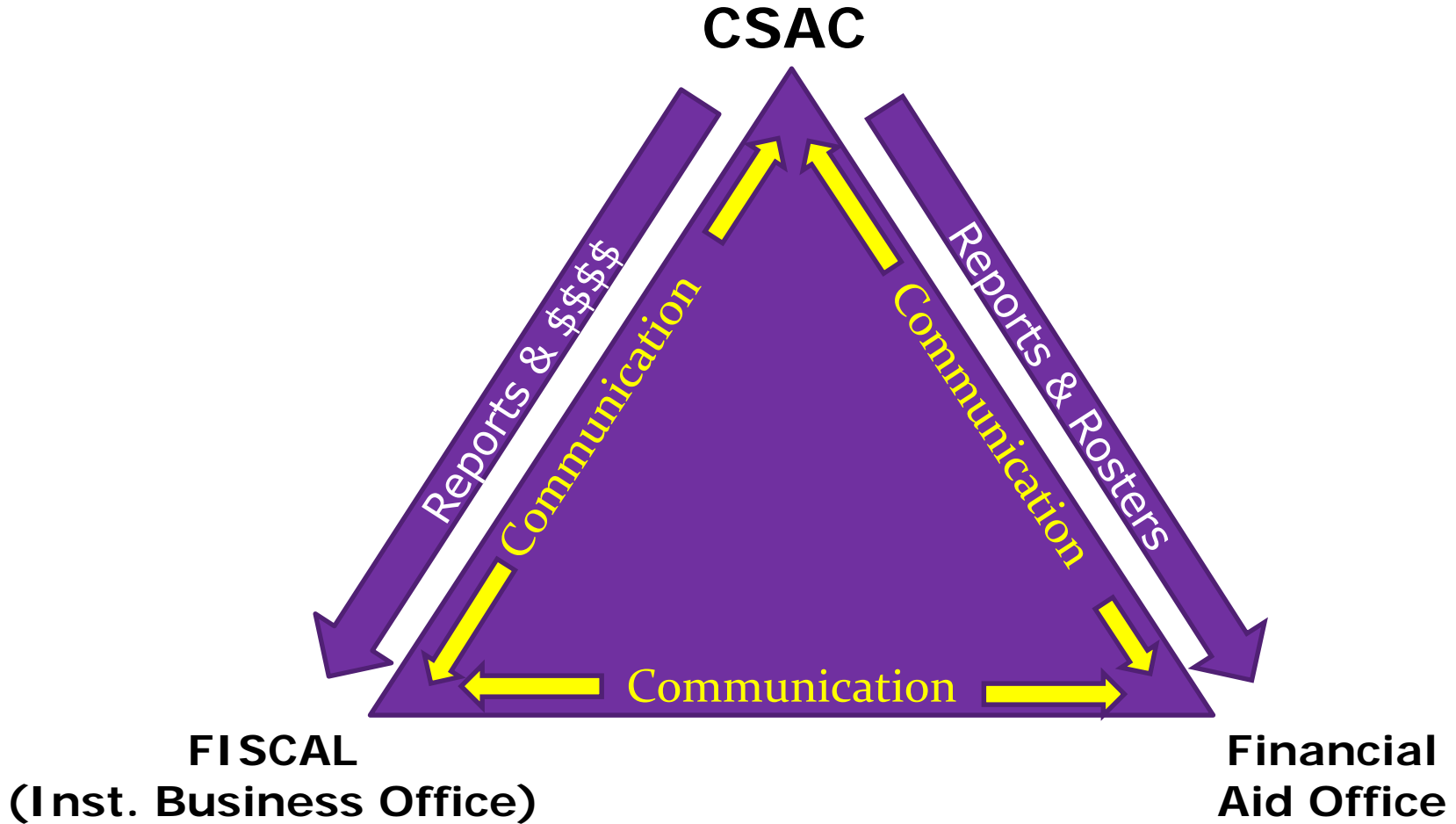
Reconciliation

What is Reconciliation?

- Verification that all Cal Grant funds have been disbursed to each student in the correct amounts

- Confirmation that all payments have been properly reported to the Commission

What is Reconciliation?

CSAC

Reports & $$$$

Communication

Reports & Rosters

Communication

Communication

**FISCAL
(Inst. Business Office)**

**Financial
Aid Office**

Payment Period Reconciliation

Per the 2017-21 Cal Grant Institutional Participation Agreement:

"Institutions are required to reconcile payments no later than 60 calendar days after the end of the payment period."

"Reconciliation does not preclude adjustments or payments after that date."

2018-19 Reconciliation Timeline

Month	Description
August 2018– June 2019	Payment Period
July 2019 – September 2019	Correction period
September 5, 2019	Final Reconciliation
Late September 2019	Invoicing for excess funds
October 2019	Beginning of penalty letters

4 Steps for Accurate Reconciliation

4 Steps to Accurate Reconciliation

1. Ensure that payment and student statuses are reported to the Commission correctly

2. Account for funds received from CSAC

3. Verify accuracy of disbursement amounts for each student

4. Ensure that any remaining funds are returned to the Commission after Final Reconciliation

Step 1
Ensure Payment and Student Statuses were Reported Correctly

Ensure Payments are Reported

- Report payments in WebGrants
  - Adjust payments for attendance status
    - Full Time (FT)
    - Half Time (HT)
    - Three Quarter Time (TT)

- Adjust tuition awards for students who withdraw from the institution

- Watch for limited eligibility situations

Step 2

Account for funds received from CSAC

Account for Funds Received

- Check with Business Office

- Check Monthly Payment Activity Report

- If any questions about Electronic Funds Transfer (EFT), contact
  the Commission

  EFT@csac.ca.gov

Supplemental Payments

- When all Cal Grant funds are exhausted:
  - Supplemental Funds sent automatically via EFT or warrant to institution
  - Supplemental payments appears on the Monthly Payment Activity Report

Step 3

Verify Accuracy of Disbursement Amounts for Each Student

Verify Disbursements

- Ensure that payments reported to the Commission accurately reflect the amount disbursed to each student
  - Check for reconciled payments or adjustments (RP/RA) on a weekly basis (**Accept/Reject Report**)

- Utilize the **Reconciliation Summary Report** and **Detailed Data Report** to compare against your accounting ledger reports

Step 4

Ensure That Remaining Funds are Returned to Commission

Final Reconciliation

- September following the award year

- All roster payment adjustments and corrections should be done prior to September 6th

- Excess funds must be returned to the Commission
  - May not be applied to any other student
  - May not be carried over to next award year

- Invoices sent to institutions in late September and are due within 30 days

- Any dispute regarding invoice will not be reviewed until invoice is paid in full

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Returning funds for a Closed Academic Year

- Submit check payable to 'California Student Aid Commission'
- Include a letter of explanation that contains:
  - Student Name
  - CSAC ID Number
  - Term for which funds are bring returned
  - Amount
  - Contact information

- Mail to:
  California Student Aid Commission
  Fiscal and Administrative Services Division
  P.O. Box 419026
  Rancho Cordova, CA 95741-9026

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Do's and Do Nots

DO

- ✓ Make adjustments in WebGrants
- ✓ Check reports (i.e. Monthly Payment Activity, Accept / Reject)
- ✓ Send check upon receipt of invoice at close of academic year
- ✓ Attach proper documentation with refunds
- ✓ Train new staff

Do Not

- ✗ DO NOT send refund checks during open academic year
- ✗ DO NOT forget to reconcile timely
- ✗ DO NOT pay all students at FT at the beginning of the term

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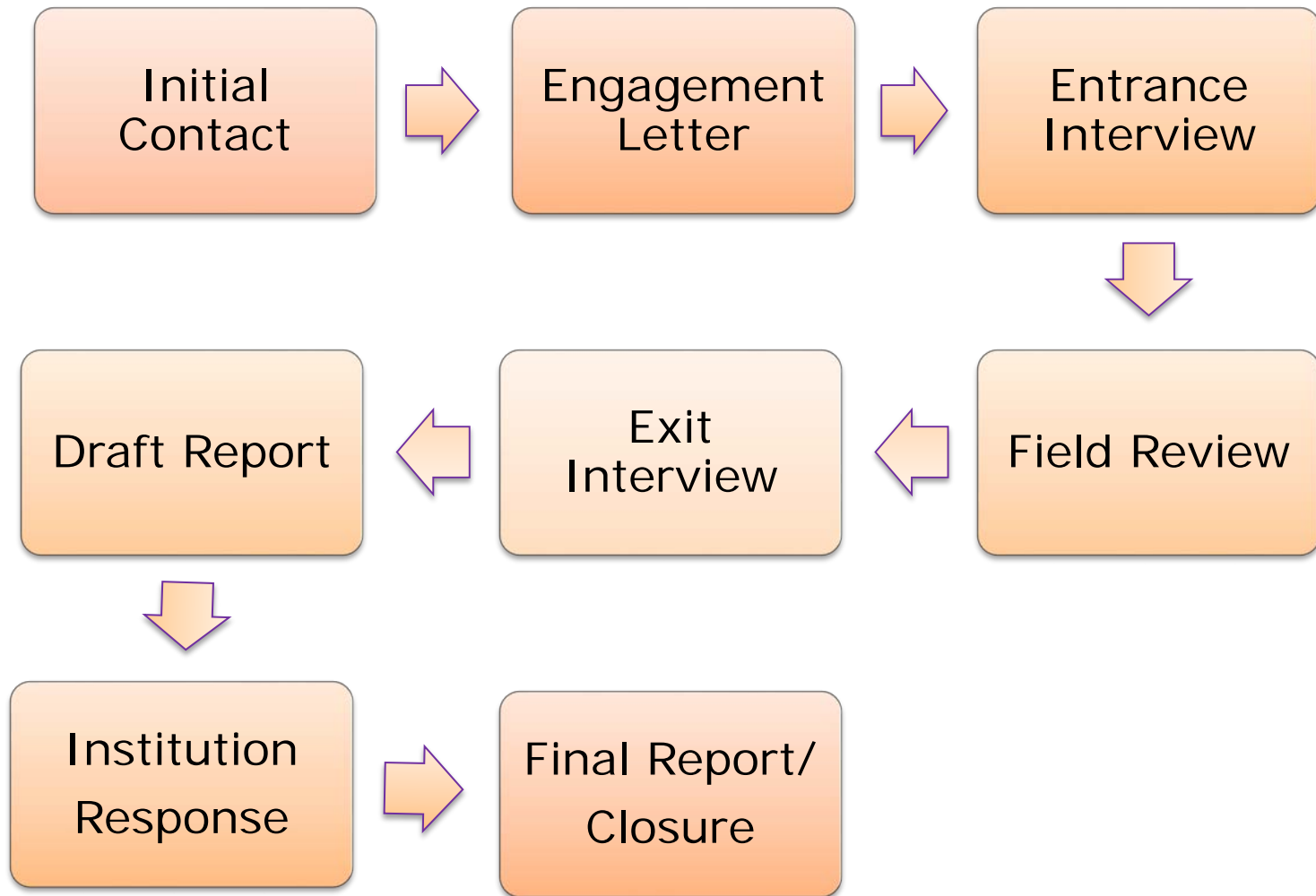
Compliance Review

The Review Process

Initial Contact → Engagement Letter → Entrance Interview

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Draft Report ← Exit Interview ← Field Review

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Institution Response → Final Report/ Closure

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Top 5 Audit Findings

1. Transfer Entitlement (E2) Eligibility (early transfer/E2 documentation)

2. AB 540 (Affidavit not collected/Citizenship status incorrect for CADAA)

3. Education Grade Level verified incorrectly (CCC Grade Level Policy)

4. SAP not in compliance with Title IV

5. Cal Grant reconciliation

Questions?