Reconciliation

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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 & $$

Reports & Rosters

Communication

FISCAL (Inst. Business Office)

Communication

Financial Aid Office

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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

<table>
<thead>
<tr>
<th>Month</th>
<th>Description</th>
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<tbody>
<tr>
<td>August 2018– June 2019</td>
<td>Payment Period</td>
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<tr>
<td>July 2019 – September 2019</td>
<td>Correction period</td>
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<tr>
<td>September 5, 2019</td>
<td>Final Reconciliation</td>
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<tr>
<td>Late September 2019</td>
<td>Invoicing for excess funds</td>
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<td>October 2019</td>
<td>Beginning of penalty letters</td>
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4 Steps for Accurate Reconciliation

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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

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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

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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

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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

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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 being returned
  • Amount
  • Contact information

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

Do:
✓ Report payments/adjustments in WebGrants
✓ Check reports (i.e. MPA, Accept/Reject, Recon reports )
✓ Send check upon receipt of invoice at close of academic year
✓ Attach letter of explanation with return of funds
✓ Train new staff
✓ Sign up for CSAC List-Serv
  http://www.csac.ca.gov/prosubscription.asp

Do Not:
✗ Return funds during open academic year
✗ Forget to reconcile in a timely manner
✗ Pay all students at FT at the beginning of the term

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The Review Process

Initial Contact ➔ Engagement Letter ➔ Entrance Interview

Draft Report ➔ Exit Interview ➔ Field Review

Institution Response ➔ Final Report/Closure
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

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