**G5 Drawdowns**

**Procedure Type:** District

**Procedure Name:** G5 Drawdowns

**Procedure Owner:** Associate Vice Chancellor of Finance and Administration

**Secondary Owner:** Executive Director of Business & Administrative Operations

**Cross-Functional Divisions:**

Finance and Administration Division – Accounting, Budget, Student Financial Aid

Colleges – Financial Aid Office, Student Services, Business Services Office

**Category:** Cash Management

**Procedure Purpose:**

The goal of this procedure is to provide the governance framework for a standard and consistent process across District Finance and Student Financial Aid Offices at the colleges.

This procedure should be used in conjunction with the Department of Education (DOE) – [34 CFR Part 668 Subpart K -- Cash Management](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-K) and the [Federal Student Aid Handbook](https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2020-2021/vol4/ch1-requesting-and-managing-fsa-funds) to manage federal student aid funds.

**Procedure Summary:**

A drawdown occurs when District Finance Accounting Team initiates a request for funds through G5, and the funds are transmitted from the U.S. Department of the Treasury to the Wells Fargo Bank (Financial Aid). Drawdowns are recorded to object code 9128.

**Districtwide fiscal staff will manage drawdown to Title IV from the G5 system and comply with cash management regulations** outlined in [34 CFR Part 668 Subpart K.](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-K)

* The **District Accounting Technician** processes the drawdown according to the Drawdown Schedule and Requirements – see Table A below.
* **The District Director of Financial Aid monitors the cash available at each college.**
* **The Associate Vice Chancellor (AVC) of Finance and Administration reviews and approves all drawdowns.**
* **Each colleges’ Vice President (VP) of Administrative Services monitors and ensures all variances noted for each drawdown is timely resolved.**
* **The District Accounting Technician is responsible for performing weekly and monthly bank reconciliation for Wells Fargo [SFA bank account]. Refer to the Standard Operating Procedures for Bank Reconciliations.**

**Financial Aid offered by each college, state, federal, or private entities are awarded and administered by staff from the Financial Aid Office. The Financial Aid Office is responsible for the maintenance and disbursement of financial aid awards to student records. This includes (at a minimum):**

* Calculating the award amounts created daily.
* Ensuring adequate supporting documents are collected from students to demonstrate qualification of awards.
* Providing supporting information to demonstrate aid qualification to the Department of Education.
* Timely updating students records in PeopleSoft Campus Solutions to accurately reflect the DOE approved financial aid amounts and funds received by students.

Federal Student Aid is specific to each college, award year, and program; funds may not be used for another college, award year, or program. The colleges may not request more funds than awarded to make disbursements to eligible students and parents. **Each college must make the disbursements to a students’ accounts no later than three business days following the receipt of funds.**

**PeopleSoft: *Campus Solutions (CS)* and *Finance & Supply Chain Management (FM)* Job Runs**

**Campus Solutions: [Financial Aid] and [Student Financial] Modules**

**Financial Aid module and Student Financial module automatically refreshes and populates student award information in [Student Financial] daily. Accounting entries to record transactions occurs nightly at 11:45 PM. The COD files are uploaded to [Financial Aid] on Mondays.**

**Award approved amounts will first be recorded to credit outstanding student’s fees and tuition, then a credit will be applied to the student's account.**

**[Debit] Record to: Fund 89 |Object Code 7000 expenses |Project Code = Funding Source (Pell/FWS/Grants)**

**[Credit] Record to:**  **Fund 1 | Project code = Fees Health 9163| Funding Source (Pell/FWS/Grants)**

 **Fund 1 | Project code = Fees 9163 |Specific to Funding Source (Pell/FWS/Grants)**

 **Fund 1 | Student Receivable 9163 |Project Code = 1040**

**PeopleSoft Campus Solutions [Student Financial] and GL (FM module)**

**CS [Student Financial] interfaces nightly with FM [General Ledger]. Student Financial transactions are batched based on ITEM TYPE and journals are posted to FM [General Ledger] daily at 2:00 AM. Accounting transactions are recorded in the General Ledger.**

**Accounting Entry**

**[Debit] Record to: Fund 89 |Object Code 7000 expenses |Project Code = Funding Source (Pell/FWS/Grants)**

**[Credit] Record to:**  **Fund 1 | Project code = Fees Health 9163| Funding Source (Pell/FWS/Grants)**

 **Fund 1 | Project code = Fees 9163 |Specific to Funding Source (Pell/FWS/Grants)**

 **Fund 1 | Student Receivable 9163 |Project Code = 1040**

**Refer to the *Title IV Disbursement Processing Policies and Procedures* | Appendix A –** Disbursement Processing Schedule.

[https://peralta4.sharepoint.com/:w:/r/sites/PCCDDOEProgramReviewDataCollection/\_layouts/15/Doc.aspx?sourcedoc=%7B5ED8B616-D206-4956-9AA8-D736DBCAF380%7D&file=Title%20IV%20Disbursement%20Processing%20Policies%20and%20Procedures%20Revised%205-17-23.docx&action=default&mobileredirect=true](https://peralta4.sharepoint.com/%3Aw%3A/r/sites/PCCDDOEProgramReviewDataCollection/_layouts/15/Doc.aspx?sourcedoc=%7B5ED8B616-D206-4956-9AA8-D736DBCAF380%7D&file=Title%20IV%20Disbursement%20Processing%20Policies%20and%20Procedures%20Revised%205-17-23.docx&action=default&mobileredirect=true)

**Table A**

**Drawdown Schedule and Requirements**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Award**  | **Frequency** | **Source Document** | **Supporting Documents** | **Amount to Drawdown**  |
| **Pell** | **Weekly on Tuesdays – before 12:00 PM** | **College FA Director** | **Screen Print: US Department of Education – Common Origination & Disbursement (School Funding Information)** | Based on G5 – Awarded Amount |
| **Direct Loan** | **Amount as indicated on the supporting document.** |
| **SEOG****Grants (HERRF and NIH)** | **Monthly – before the 10th of each month.** | **Finance Grant Analyst / Senior Accountant** | **PS FSCM – Journal by Object Code Query (PCC\_GL\_RECONCILE\_BY\_DATE)****- Cumulative analysis for all expenditures since inception of project. [Run report by Proj No.]** |
| **Federal Work Study**  |
| **Grants (HSI)** | **Project Manager** | **To be performed by project manager.** |

**Procedures**

***Drawing Down Federal Student Aid from G5***

1. **For Pell and Direct Loans – each college financial aid director provides the designated accounting staff with the supporting documents *one* business day before the drawdown date.**
2. **For SEOG, HERRF, FWS, and NIH awards the district finance grant analyst provides the designated accounting staff with the supporting documents *one* business day before the drawdown date. The district finance grant analyst:**
	1. **runs a cumulative basis expenditure report in PeopleSoft. Report Name: Journal by Object Code.**
		* **SEOG Awards – Criteria:** Fund 89, Object Codes 7512 and 8152.
		* Grants [HERRF and NIH] – Criteria: Project No. HERRF = 1932
		* FWS – Criteria: Project No. 1004
	2. **export report to excel and analyze expenditure.**
	3. **maintains a master expenditure and revenue tracking schedule to calculate award period expenditure to date.**
	4. **Provides the master expenditure and revenue schedule to the district budget director for approval.**
3. **For Grants and all other awards, the district finance grant analyst provides the designated accounting staff with the supporting documents *one* business day before the drawdown date.**
4. **District Accounting Technician A gathers the supporting documents required for each drawdown and verifies that the supporting documents are approved and complete.**
5. **District Accounting Technician A logs onto the Department of Education –** [G5 website](https://g5.gov/WebBanner.html), reviews the supporting documents, and processes the drawdown according to the Drawdown Schedule and Requirements (Table A).
	1. The difference identified for each drawdown is immediately communicated with the District Director of Financial Aid, College Financial Aid Director, and the VP of Administrative Services.
6. **District Accounting Technician A provides supporting documents to District Accounting Technician B. Supporting documents includes:**
	* + **G5 screen print**
		+ **COD screen print**
		+ **PS Report Query Manager**
		+ **Master Expenditure and Revenue Tracking Schedule**

***Recording the Drawdown in PeopleSoft Financial & Supply Chain Management (FSCM) System***

1. **District Accounting Technician B creates a journal in FSCM System and attaches the supporting documentation. The journal is routed to the AVC of Finance and Administration for approval.**
	1. **FSCM Accounting Entry – Record to Fund 89 (Object Code – Award)**

**\*CASH XXX**

 **Revenue XXX**

**\*Recording the journal would be based on award year. During June/July debit RECEIVABLES to record drawdown based on award year.**

1. **The AVC of Finance and Administration reviews the attached supporting documentations (COD screen print or master tracking schedule), proper recording of accounting string (object code), timing (date range) and either rejects or approves the transaction for posting.**

***Correcting Variances Identified for Each Drawdown***

1. **Upon notification of the drawdown difference, the College Financial Aid Director reviews and examines the variance. Steps should be immediately taken to correct each student’s records in PeopleSoft Campus Solutions (CS) System. Actions include updating students’ records to accurately reflect the DOE approved financial aid amount and funds received by students.**
2. **The VP of Administrative Services monitors the drawdown differences reported. Work with the VP of Student Services to ensure the drawdown variances are timely adjusted and students’ records are updated and accurate in CS.**
3. **The District Director of Financial Aid tracks the drawdown differences reported and follows-up with each College Financial Aid Director.**
	1. If actions are not timely taken to resolve the variances, escalate status to the AVC of Finance and Administration, the VP of Administrative Services, and AP of Student Services.

**Glossary**

1. **Bank Reconciliations – A bank reconciliation is a process performed by a company to ensure that its records (check register, general**[**ledger**](https://www.bing.com/ck/a?!&&p=e7c1d7725e24ebdaJmltdHM9MTY4MzY3NjgwMCZpZ3VpZD0wNWIzYjgyNi00OTI0LTY1MjgtMDU0MC1hOTMyNDhjMDY0YTYmaW5zaWQ9NTU0MQ&ptn=3&hsh=3&fclid=05b3b826-4924-6528-0540-a93248c064a6&u=a1L3NlYXJjaD9xPVRoZStMZWRnZXImZmlsdGVycz1zaWQlM2E0NDJjNmUyNi00ZjYwLTQ4MmItZTk4MC01ZDNjYzAzODZhM2QmZm9ybT1FTlRMTks&ntb=1)**account, balance sheet, etc.) are correct.**
2. **Drawdown (Cash Receipt) – Request for and subsequent transmission of funds via G5.**
3. **COD / Disbursements – ED database that includes the process of origination and disbursement reporting for Federal Pell Grant Education, as well as student-level reporting for Federal Campus-Based awards.**
4. **G5 – A central repository for payment transactions of institutions that receive full financial management support to facilitate and support activities (i.e., award authorizations, disbursing and refunding and final grant close out) from the ED's Office of the Chief Financial Officer (OCFO).**
5. **Title IV – Financial aid programs for postsecondary students, authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA) and administered by the U.S. Department of Education.**
6. **PeopleSoft Financial & Supply Management System is a database application that Peralta uses as its primary accounting and finance system.**
7. **PeopleSoft Campus Solutions System is a database application that Peralta uses to maintain and manage student information.**

**Related Policies:**

* Standard Operating Procedures for Bank Reconciliations.
* **Title IV Disbursement Processing Policies and Procedures | Appendix A –** Disbursement Processing Schedule.
* Department of Education
* [34 CFR Part 668 Subpart K -- Cash Management](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-K)
* [Federal Student Aid Handbook](https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2020-2021/vol4/ch1-requesting-and-managing-fsa-funds)

**History:**

New Procedure