



Student Financial Services

Direct Loan Quality Assurance Policy

Effective Date	September 2023
Office Responsible	Foreign Loans Unit, Student Financial Services
Approved By	Odette Collard-Woolmer, Head of Student Financial Services
Where Information is Located	Electronically within the Foreign Loans Unit, Student Financial Services, University of Kent.
Data Policy and Procedure was last reviewed:	November 2023 (K.Newman, Foreign Loans Officer/Primary-DPA)
Data Policy and Procedure was last revised:	November 2023 (K.Newman, Foreign Loans Officer/Primary-DPA)

Purpose:

As a Direct Loan School, the University of Kent is required to implement a quality assurance system within our Financial Aid Office operations as outlined in [685.300\(b\)\(9\)](#) (Appendix A).

Definitions:

COD – Common Origination and Disbursement System
Primary DPA – Primary Destination Point Administrator
R2T4 – Return to Title Four

Quality Assurance Policy

The Direct Loan Program Regulations at [34 CFR 685.300\(b\)\(9\)](#) require the University of Kent to implement and document a quality assurance process to ensure compliance with program requirements and meeting program objectives.

The University of Kent is required to demonstrate that it 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

Procedures:

1. The Primary-DPA will process all loan applications & loan originations via COD, and all origination requests and origination processing will be logged and filed in students' loan records, in accordance with the following procedure documents: 'Processing Direct & PLUS Loan.doc' and 'Processing Parent PLUS Loan.doc'.
2. Disbursement reporting will be conducted monthly in COD by the Primary-DPA utilizing the procedure document 'Disbursement Reporting.doc'.
3. All errors and adjustments will be verified and corrected in COD by the Primary-DPA.
4. Disbursement of funds will be initiated by the Primary-DPA via COD utilizing the procedure document 'Disbursing Loans from COD.doc'. Funds received by the University of Kent will be handled by the University's Income Reporting and Collections Accountant (Income Office).
5. All adjustments to a student's COD record as a result of a R2T4 will be calculated, documented and submitted by the Primary-DPA utilizing the procedure document 'Withdrawal and R2T4.doc'.
6. Any return of funds to the U.S. Department of Education will be processed via the University's Income Reporting and Accountant (Income Office).
7. Monthly Federal Direct Loan reconciliation will be undertaken by the Primary-DPA, utilizing the procedure document 'Monthly Reconciliation @ April 2021.doc', to include the reconciliation of COD report totals and adjustments versus actual funds drawn down and returned via G5, and the investigation and resolution of any discrepancies.
8. Year-End Program Closeout will be undertaken by the Primary-DPA in accordance with the procedure document 'End of Year Closeout.doc'

All procedure documents will be made available to our auditor as part of the annual Financial Statement Audit and Compliance Attestation Engagements of Foreign Schools process.

Heightened Cash Monitoring (HCM1)

The University of Kent is currently operating under Heightened Cash Monitoring (HCM1). The institution must credit a student's ledger account for the amount of title IV, HEA program funds that the student or parent is eligible to receive, and pay the amount of any credit balance due under [§ 668.164\(h\)](#), before the institution seeks reimbursement from the Secretary for those disbursements. (appendix B)

Action Plan:

Where processes are found to be deficient, improvements and changes will be documented via the Action Plan (Appendix B), procedures updated, and copies of both documents stored electronically at the University.

Appendix A.

§685.300 Agreements between an eligible school and the Secretary for participation in the Direct Loan Program.

(b) (9) Provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with the school, to ensure that the school is complying with program requirements and meeting program objectives.

Appendix B.

- (1) Under the reimbursement payment method, an institution must credit a student's ledger account for the amount of title IV, HEA program funds that the student or parent is eligible to receive, and pay the amount of any credit balance due under [§ 668.164\(h\)](#), before the institution seeks reimbursement from the Secretary for those disbursements.
 - (2) An institution seeks reimbursement by submitting to the Secretary a request for funds that does not exceed the amount of the disbursements the institution has made to students or parents included in that request.
 - (3) As part of its reimbursement request, the institution must
 - (i) Identify the students or parents for whom reimbursement is sought; and
 - (ii) Submit to the Secretary, or an entity approved by the Secretary, documentation that shows that each student or parent included in the request was—
 - (a) Eligible to receive and has received the title IV, HEA program funds for which reimbursement is sought; and
 - (b) Paid directly any credit balance due under [§ 668.164\(h\)](#).
 - (4) The Secretary will not approve the amount of the institution's reimbursement request for a student or parent and will not initiate an EFT of that amount to the depository account designated by the institution, if the Secretary determines with regard to that student or parent, and in the judgment of the Secretary, that the institution has not—
 - (i) Accurately determined the student's or parent's eligibility for title IV, HEA program funds;
 - (ii) Accurately determined the amount of title IV, HEA program funds disbursed, including the amount paid directly to the student or parent; and
 - (iii) Submitted the documentation required under [paragraph \(c\)\(3\)](#) of this section
- (d) **Heightened cash monitoring payment method.** Under the heightened cash monitoring payment method, an institution must credit a student's ledger account for the amount of title IV, HEA program funds that the student or parent is eligible to receive, and pay the amount of any credit balance due under [§ 668.164\(h\)](#), before the institution—
- (1) Submits a request for funds under the provisions of the advance payment method described in [paragraphs \(b\)\(1\)](#) and [\(2\)](#) of this section, except that the institution's request may not exceed the amount of the disbursements the institution has made to the students included in that request; or
 - (2) Seeks reimbursement for those disbursements under the provisions of the reimbursement payment method described in [paragraph \(c\)](#) of this section, except that the Secretary may modify the documentation requirements and review procedures used to approve the reimbursement request.

Appendix C

What assessment is this enhancement item related to?						
Action Item: (Provide a detailed description of the policy, procedure or system that needs to be improved)						
Action Plan: (Provide a detailed description of your plan of action to improve the above enhancement item)						
Offices that need to be involved:						
Lead Persons to Coordinate Action Plan: <table><tr><td>Name:</td><td>Name:</td></tr><tr><td>Title:</td><td>Title:</td></tr><tr><td>Phone Number</td><td>Phone Number:</td></tr></table>	Name:	Name:	Title:	Title:	Phone Number	Phone Number:
Name:	Name:					
Title:	Title:					
Phone Number	Phone Number:					
Near-Term Enhancement? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Long-Term Enhancement? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Start Date (mm/dd/yy):						
Anticipated Completion Date:						
Actual Completion Date:						
After implementation, explain the final results:						

Did you update your Policies and Procedures Manual to reflect changes made as a result of the action plan implemented?

1. ____ Yes ____ No
2. Section Updated:
3. Date Policies and Procedures Manual Updated (**mm/dd/yy**)?

Comments:

We recommend that your school annually review all action plans implemented by the school.