

The Massachusetts Office of Student Financial Assistance



ACTION LETTER

Action Letter #1
May 2017

2016-2017 PROGRAMS UPDATES – SAR Code 399

Dear Colleague:

This Action Letter provides guidance to institutions, vis-à-vis their processing of 2016-2017 eligibility for Massachusetts state financial aid programs for students that have a SAR Code 399. Specifically, this Action Letter provides step by step measures that the Massachusetts Office of Student Financial Assistance (OSFA) has put in place in order to collect data and process possible changes in eligibility for those affected students. Please note that the above effort will have the MASSGrant program as its primary focus.

This Action Letter will be immediately followed by an e-mail to Financial Aid Directors at each school that the affected students have attended during award year 2016-2017. The report may not be all inclusive as it only represents students whose 2017-2018 FAFSA transactions have become available to OSFA, as of May 2, 2017. The students that are displayed on the report have a SAR Code 399, received 2016-2017 MASSGrant disbursements and are categorized in the following manner:

Increase (2017-2018 EFC is greater than that of 2016-2017)

Decrease (2017-2018 EFC is less than that of 2016-2017)

Equal (2017-2018 and 2016-2017 EFC are the same)

Financial aid offices are subsequently required to submit the new 2016-2017 Estimated Family Contribution (EFC) to OSFA as well as any corresponding data element changes. As those changes in 2016-2017 eligibility are reported, OSFA will look to pay any additional amount a student may have become eligible for when there is decrease in EFC. Similarly, OSFA expects institutions to refund, as appropriate, any amount a student may be ineligible for, as a result of an increase in EFC.

In light of the fact that the fiscal year ends on June 30 and MASSAid will automatically default to award year 2017-2018 on July 1, OSFA has instituted two (2) reporting periods for institutions to submit their data. They are as follows:

Up to and Including June 30, 2017

1. Institution reports new 2016-2017 EFC and corresponding data element changes in MASSAid. MASSAid will not accept a new EFC without the corresponding data element changes.
2. When schools report a lower EFC and corresponding data element changes, MASSAid will automatically recalculate eligibility and package any possible additional award amount.
3. Institution will need to certify the additional award amount.
4. Once the additional award is certified and goes to a **“Ready to Pay”** status, OSFA will create a payment batch to disburse the additional award amount to the institution.
5. Disbursements will be subject to standard payment reconciliation requirements.
6. When schools report a higher EFC and corresponding data element changes, MASSAid will automatically recalculate eligibility, determine any new award amount and create a refund for any excess funds that were previously disbursed.
7. As per usual, any amount to be refunded to a financial aid program in MASSAid will be netted out of the next payment batch for that program, unless OSFA receives a refund check to satisfy the amount owed prior to the next batch.
8. Additional 2016-2017 award amounts that are associated with SAR Code 399 and that are to be disbursed by June 30, 2017, **must be certified** in MASSAid no later than the close of business day on June 29, 2017.

From July 1, 2017 to and Including September 29, 2017

1. As of July 1, 2017, MASSAid automatically defaults to award year 2017-2018 and all 2016-2017 reporting and/or updates in MASSAid cease.
2. As of July 1, 2017, institutions will report new 2016-2017 EFC and corresponding data element changes via a dedicated, secured-access page that OSFA will create on its website. The link for such a page will be communicated to schools at a later date, prior to July 1, 2017. Financial Aid Directors who are the recipients of the report that is mentioned at the beginning of this Action Letter will be able to request user access to the on-line site for their staff.
3. When schools report a lower EFC and corresponding data element changes via OSFA’s webpage, OSFA will coordinate the updating of the MASSAid database with the new information.
4. Once the database has been updated with the new EFC and data element changes, OSFA will automatically create a disbursement for any possible additional award to be paid and create a payment batch for the institution.
5. Additional awards that are part of payment batches created after June 30 will automatically self-reconcile. Institutions, however, will retain responsibility for performing **year-end** reconciliation for all 2016-2017 awards.
6. All reporting of 2016-2017 EFC and corresponding data element changes to OSFA that are associated with SAR Code 399 and that occur after June 30, 2017, must take place by

09/25/2017, **IF**, the new EFC is going to result in additional award to be disbursed for the 2016-2017 award year.

7. If the new EFC results in a lesser award, OSFA will reduce the student's 2016-2017 disbursement(s) accordingly in MASSAid and create/ track a refund for that student for award year 2016-2017.
8. Institutions that are reporting an increase in EFC and are expecting an award reduction should plan to submit the appropriate refund to OSFA as part of their 2016-2017 program year-end reconciliation.
9. Any prior year refund that is not submitted to OSFA will automatically carry over to the next award year 2017-2018.

It is going to be extremely helpful for institutions to complete as much of their data reporting as possible to OSFA within the period that extends to June 30, to better facilitate updates on MASSAid as well as disbursement of additional awards. Although OSFA is quite prepared to work with institutions on this data reporting well into September, we are very mindful of possible impacts on other related initiatives such as year-end data reporting for our Massachusetts schools and year-end reconciliation by all campuses.

Please do not hesitate to contact our office at 617.391.6070 if you have any questions.

Thank you,

Massachusetts Office of Student Financial Assistance