Financial Aid System

Understanding the FAM to FMS Interface

FAM/FMS Interface, Part I
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Introduction

The Financial Aid System (FAS) is a combination of:

- Third party software, called FAM, originally provided by Regent Education; now supported by SBCTC-IT and
- Programs developed by SBCTC-IT

The Financial Aid System must communicate with other SBCTC-IT applications in order to successfully perform the financial aid evaluation, disbursement, and reporting process. In computing terminology, “interface” is used to describe the communication between two differing applications, for example, between FAM and the Financial Management System (FMS).

FAM must “interface” with FMS to pay tuition charges and generate checks. In addition, these two systems must interface to ensure proper reconciliation of aid that has been disbursed, including reconciling work-study payroll funds that have been paid to student workers. This document covers the basic setup required in both FAM and FMS in order for aid to be disbursed. The companion document Automatic Application of Financial Aid describes the two primary batch processes that allow FAM to disburse aid through tuition payment and check calculation. The two primary disbursement processes are:

- Job group FG095R (Automatic Application of Financial Aid) also known as Auto-App
- Job group AG906R (Financial Aid Check Calculation)

These interface processes pay open charges in the FMS Customer Accounts (CA) database and post pending check data in the FMS Accounts Payable (AP) database.

The interface programs also allow all expenditure data to be stored in the Financial Aid Expenditure (FAEXP) database. SBCTC-IT also provides additional programs to aid in the reconciliation process by comparing expenditure data in the FAEXP database to award data in the FAM database.

The Business Office reconciles the FMS General Ledger (GL) database (which stores all financial transactions) with the FAEXP database, using a series of four DataExpress procedures (FM0001 through FM0004) to ensure that all expenditures balance.

Refer to the illustration on the following page for a graphical representation of the various databases involved in the financial aid disbursement process.
Databases Required for Financial Aid Disbursement

**Financial Aid System (FAS)**

- **FAM Software Provided by Regent Ed; now supported by SBCTC-IT.**
  - FAM database stores all financial aid data except expenditure data.

**Software Provided by SBCTC-IT**

- Financial Aid Expenditure (FAEXP) database stores all expenditure data.

**Financial Management System (FMS)**

- **Customer Accounts (CA)**
  - Database stores open charges and paid tuition data

- **Accounts Payable (AP)**
  - Database stores pending check data

- **General Ledger (GL)**
  - Database stores all financial transactions.
Relationship of Award Codes and Financial Aid Pay Codes

In order for the Financial Management System (FMS) to accurately track expenditure transactions in the college’s General Ledger, a relationship must be established between the award code or sub code used in FAM to the Financial Aid Program Code (FAPC) used in FMS. A two-digit award code created in FAM will automatically have a zero added at the beginning to convert it to a three-digit FAPC in FMS. Alternatively a three-digit, numeric sub code can be used in FAM to directly match a FAPC in FMS; however, in order for FAM to store the three-digit sub code, it must be used in conjunction with a two-digit award code on the Award Tab (FAM502).

- To create an award code, use two steps described in more detail on page #4:
  1. In FAM, create an award code on the Award Code Create page.
  2. Assign a session budget (quarterly allocation) to each award code.

- To create an award sub code in FAM go to Application Setup → New Year → Award Sub Codes to display the Award Code Master Search page and click the Insert icon. Once the award code or award sub code is created in FAM, you must create a corresponding FAPC in FMS.

- To create a FAPC in FMS to correspond with each FAM award code, use the Financial Aid Program Code Table (BM1002).

The Business Office usually maintains the FAPC Table, with direction from the Financial Aid Office as to how the award code should function (for example, identifying disbursement restrictions or fee class exclusions).

Remember that the names of the first 50 award codes, FAPC 001-050, cannot be modified by the Business Office. These awards are maintained by the SBCTC-IT and can only be changed by SBCTC-IT based on a system-wide request.

Award codes can be numeric or alpha-numeric, allowing for over 600 award codes to be established. However, any award code that you create that starts with a digit of 0 to 4 and an alpha character (for example, 1G or 4B) is considered to be in the range of the first 50 award codes. Your Business Office will not be able to add a FAPC to correspond with an award code that starts with a digit of 0 to 4 and an alpha character.

Creating award codes, sub codes, and FAPCs are described in detail on the following pages.
Setting Up and Viewing Award Codes in FAM

This section describes setting up and viewing award codes in the Financial Aid Management System.

Defining Award Codes on the Award Code Search page

The first step in setting up an award code is to navigate to the Award Code Search page to add or change award codes. When creating an award code, there are several things to define:

- The Short Name that will appear on award letters.
- The maximum amount allowable to award for a specific year/session.
- The minimum amount allowable to award for a specific year/session.
- The award code “type” to use for grouping awards. Award codes types of GS, LN, and WK are considered equivalent to cash payments in Cashiering and are therefore automatically reported on the Hope scholarship 1098T.
- The match status. The Match status controls whether a student Financial Tab (FAM503) is required or not and whether the award will impact a student's budget only or both a student's budget and need amount. For more information refer to the Award Year Setup document on the FAS Home page.

To add or change an award code:

1. Navigate to the Award Code Search page. (Application Setup→ New Year→ Awards ) To add an award code click the Insert icon. To change an award code click on the Edit icon for that award.

2. To add an award code, enter data in the following fields.

<table>
<thead>
<tr>
<th>Award Code</th>
<th>Type (for example, GS, LN, WK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Name</td>
<td>Match Stat (for example, NA, NB, NF, BA)</td>
</tr>
<tr>
<td>Award Name</td>
<td>Issue Opt (for example, ON, OF, DT)</td>
</tr>
<tr>
<td>Minimum $ Amount</td>
<td>Maximum $ Amount</td>
</tr>
</tbody>
</table>

3. To change an award code, update any of the above fields except the Award Code.
Defining Institution Budgets by Award Code

The second step in creating an award code is to define an institution budget for each session you intend to award. To specify the maximum budget for a specific award code and session, you must define institutional budgets by award codes. The system will not allow you to post an award code without a session budget first being defined. If you setup an Award Code without the budget data you will receive the following error message when you attempt to enter and save it on the Award Tab of a student’s record.

To add an institution budget for an award code:

On the Award Code Search page click the Edit icon for the award code you are adding the budget data to. This will display the Award Code Edit page that displays all of the sessions that have been setup for that award code.

Now click on the Edit icon for the session you want. This displays the Session Budget Edit page where you can enter/update the budget data.
Award Code Listing Report

Use the Award Code Listing report to view the award codes you created. This is located at Reports → Application Config → Awards Rpt. Remember that the existence of the award code is only the first step and that these awards must have a corresponding budget defined for each session you intend to award in order for the code to be used in FAM.

The Award Type Code sorts award code budget information into specific groups on the Award Totals Report. The Hope Scholarship process uses Type Codes to determine who received aid and who can be considered as having paid their own tuition for tax purposes.
The Award Issuance Code relates to the FAM disbursement module called RECON (Reconciliation). This program is used to report Pell and ACG Payments to COD.

### Setting Up and Viewing Award Sub Codes in FAM

You have the option to use either an award code to disburse aid or an award code with a sub code (expenditures will post to FAEXP under the sub code). Since award codes can be alphanumeric, you may find you have sufficient award codes to disburse aid; however, some Business Offices may prefer to have the Financial Aid Office use sub codes. If so, the sub codes must be established in FAM first.

**Note:** An award sub code must function as a direct match to an FAPC and needs to be a three-digit, numeric code.

**Remember:** Any award granted through the use of the sub code will require reporting on the Unit Record Report under the 2-digit award code.

**To set up an award sub code:**

Navigate to Application Setup ➔ New Year ➔ Award Sub Codes this will display the Award Sub Code Master Search page shown below.

Click the Insert icon to display the Award Sub Code Master Create page. Add the three-digit numeric Award Sub Code and an Agency Name in the designated data fields.

Use the Type field to define categories of sub codes.

Using type codes enables the sub codes to be sorted and listed by type on the Sub Code Listing Report.
To view a list of award sub codes:

1. Use the FAM Sub Code Report (Reports → Application Config → Sub Codes).

   **Sub Code Report**
   
   - Select Report Format: Short
   - Sort On: Award Sub Code

   **Type Code Selection**
   
   - Type Code
   - Add
   - Remove
   
   **Get Report**

2. You can select the long or short format of the report as well as how the report is sorted.

3. To view all sub codes, do not enter anything in the Type Code. Press Get Report button to produce the report.

4. To view sub codes by a type code only, enter in a Type Code in the Type Code field or select a Type Code from the lookup. Click the Add button to add the selected Type Code to the list. Press the Get Report button to produce the report.

Once you have created a sub code, it is still important to work with your Business Office to create the FAPC Table (BM1002) in FMS in order to use the sub code to disburse aid. Remember that, although sub codes can be used as a direct match to financial aid program codes, sub codes still require the use of an award code to be entered on the award screen. When using a sub code, the award code is not charged against; it serves only as a “place holder” for the three-digit FAPC on the award screen.
Converting Award Codes and Sub Codes to FAPCs

When FMS attempts to spend money from a financial aid program, it does so by using a financial aid program code (FAPC). Since the FAPC is a three-digit number, it is important to understand how FAM award codes and sub codes are converted to FMS financial aid program codes. The Financial Aid System can accommodate either the two-digit award code or a three-digit sub code on the Award Tab (FAM502). Below is a copy of the Award Tab and the FMS view of the same data using the Financial Aid Inquiry Screen (BM1614).

When only the award code exists on the Award Tab, a leading zero is added to convert the award code to an FAPC code in FMS. When a three-digit numeric sub code exists in the sub code field, then the award code is ignored and the sub code is taken directly as the FAPC code.
Note: When using a sub code, the award code is not charged against; it serves only as a "place holder" for the three-digit FAPC on the Award Tab. It is important to set up the award code used as a "place holder" to block aid disbursement, for example, award code 60.

To set award code 60 to not disburse aid, set the Award Disbursement Indicator to 5 (disbursement not allowed) in the Financial Aid Program Code Table (BM1002).
Using the Financial Aid Program Code Table (BM1002)

Use the FMS Financial Aid Program Code Table (BM1002) to assign codes and account structures to each financial aid program. In order to interface with the Financial Aid System, FAPCs 001-099 need to match award codes 01-99 (assigned in FAM). FAPCs 100 and above should be assigned to scholarships only and match award sub codes 100-999 (assigned in FAM).

When you create a FAPC on the Financial Aid Program Code Table (BM1002), you must give it a FAPC Acronym (short name) and FAPC Title (long name). In addition, you must enter specific definitions for the following fields:

- Award Package Indicator controls whether an award is required in financial aid for the FAPC.
- Award Disbursement Indicator controls the type of disbursement allowed in the Cashiering module (for example, Check only, Charge only, Transferable waiver).
- Prorate Indicator controls whether a student's financial aid award will be prorated on the student's current enrollment level.
- Fee Class Exclusions allow only specific fee classes to be paid by a specific award.

Although the primary responsibility for maintaining the Financial Aid Program Code Table (BM1002) belongs with the Business Office, it is important for the Financial Aid Office to understand its function. The Financial Aid Office should provide guidance to the Business Office for creating FAPCs to ensure that they meet state and federal regulations, as well as institutional policy, for disbursing aid.

**Note:** The Business Office will not be able to add a FAPC to correspond with an award code that starts with a digit of 0 to 4 and an alpha character (for example, 1B or 4B). Such awards fall in the range of the first 50 award codes, which are system defined.
To define a financial aid program code:

1. In FMS access the Financial Aid Program Code Table (BM1002).

2. In the FAPC field, type a 3-digit code identifying a financial aid program. Key field. Required field.

3. In the Col field, type the 3-digit code representing your college (the college to which the financial aid program belongs). Key field. Required field.

4. In the FAPC Acronym field, type a 5-character, short (abbreviated) title identifying the financial aid program (for example Pell). Required field.

5. In the FAPC Title field, type a complete title of up to 14 characters that identifies the financial aid program (for example Pell Grant). Required field.

6. In the following fields, type the accounting structure (shaded fields in above example) for an individual financial aid program:

   - Appr Indx  Appropriation Index  3 characters  Required field
   - Prg Indx  Program Index  3 characters  Required field
   - Org Indx  Organization Index  4 characters  Required field
   - Sobj  Subobject  2 characters
   - SSobj  Sub-subobject  2 characters
   - Reim Cd  Reimbursable Code  2 characters
   - Src Rev  Source of Revenue  4 characters
   - SSrc  Subsource of Revenue  2 characters

7. In the Debt Type field, type a 2-character code identifying the transaction codes to be used when generating financial aid accounting transactions.

Dept Type codes are college defined. The Debt Type table (BM1020) allows the Business Office to view the transaction code that is assigned to a particular Debt Type code.
8. In the Cust ID (Customer ID) field, type a code up to to 9 characters identifying a customer (third party) assigned to the FAPC, followed by a one-character code identifying the customer type, for example S (student).

This allows you to set up emergency loans or sponsorships directly attached to the FAPC.

9. In the Award Package Ind (API) field, type a code indicating whether an award is required in FAM in order to pay open charges. Valid entries are:
   - Y Yes, perform FAS edits; post expenditure to FAEXP.
   - N No, do not perform FAS edits; post expenditure to FAEXP.
   - X No, do not perform FAS edits or post expenditure to FAEXP.
   - J International Students Only; will perform FAS edits and post expenditure to FAEXP if SSN is not in cross-walk and has the international student fee pay status.

10. In the Award Disbursement Ind (ADI) field, type a code identifying the type of disbursement allowed in the Cashiering module. Valid entries are:
   - 1 Charge or Check
   - 2 Charge Only
   - 3 Check Only
   - 4 Payroll Only
   - 5 Disbursement not allowed
   - 6 Bill to third party
   - 7 Transferable waiver
   - 8 Nontransferable waiver

   ADI impacts the order of payment in Cashiering. Only ADIs of 6, 7, 2, or 1 will pay.

11. The Rev Ind (Revenue Indicator) is by default blank or Y (yes).
   Enter N (no) only if you specifically do not want revenue generated for a FAPC (for example, waivers).

12. In the Prorate Ind (Prorate Indicator) field, enter a code indicating whether a student’s financial aid award will be prorated to the student’s current enrollment level.

   **Valid entries are:**
   - Y Yes
   - N No
   - I Pay regardless of credits
   - R Round to nearest dollar
   - T Truncate pennies
   - U Round up to nearest whole dollar
Note: Give careful consideration before deciding to prorate an award. If you choose a prorate indicator of Y, you must ensure that all related awards are posted on the award screen as full-time; otherwise, awards could be increased by default without those increases being reflected automatically on the award screen. Careful and timely reconciliation is a must when prorating.

13. In the Fee Class Exclusion field, indicate whether fee classification codes in the fields that follow should be excluded from payment or included for payment for the FAPC. Valid entries are:

- E = Exclude the fee class or classes indicated from payment.
- I = Include the fee class or classes indicated for payment.

14. Use the Fee Classes fields to enter up to ten, 2-character codes to identify the fee class codes that can be excluded from payment or fee class codes that can be included for payment.

The FAPC that is most restrictive pays first (within the same ADI).

**Example 1: For Fee Class Exclusions** (Fee Class Exclusion field is E)
- If the FAPC 055 (ADI is 1) is defined with a Fee Class Exclusion of E (exclude) for Fee Classes 30, 97, 99, and BK (four fee classes), and
- If the FAPC 065 (ADI is 1) is defined with a Fee Class Exclusion of E (exclude) for Fee Classes 30 and 97 (two fee classes),
- Then FAPC 055 would pay first, since it is more restrictive.

**Example 2: For Fee Class Inclusion** (Fee Class Exclusion field is I)
- If the FAPC 075 (ADI is 2) is defined with a Fee Class Exclusion of I (include) for Fee Classes 10, 20, and 99 (three fee classes), and
- If the FAPC 085 (ADI is 2) is defined with a Fee Class Exclusion of I (include) for Fee Classes 10 and 20 (two fee classes),
- Then FAPC 085 would pay first, since it is more restrictive.
Understanding What Pays First in FMS

Two major factors determine the order in which awards are paid:

- Award Disbursement Indicator (ADI)
- Fee class exclusions (or inclusions)

The Award Disbursement Indicator (ADI) determines that awards are paid in the following order:

1. Aid supported by sponsorships (ADI of 6) is paid first.
2. Aid supported by waivers (ADI of 7) is paid second.
3. Aid that is “Charge Only” (ADI of 2) is paid third.
4. Finally, aid that is “Charge or Check” (ADI of 1) is paid last.

Sample: FMS Financial Aid Inquiry Screen (BM1614)

<table>
<thead>
<tr>
<th>CUST NUM</th>
<th>TYPE</th>
<th>CUSTOMER NAME</th>
<th>YRS</th>
<th>COL</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>PELL GRANTS</td>
<td>B012</td>
<td>Y</td>
<td>1</td>
</tr>
<tr>
<td>123</td>
<td>SCHOLARSHIP</td>
<td>B012</td>
<td>Y</td>
<td>1</td>
</tr>
</tbody>
</table>

After the ADI is considered, fee class exclusions are taken into consideration next. Financial aid program codes that use Fee Class Exclusion of E (exclude) for one or more fee classes will be sorted and paid for those FAPCs that exclude the highest number of fee classes (the most restrictive).

Fee Class Exclusion Sample:

- If the FAPC 055 is defined with a Fee Class Exclusion of E (exclude) for Fee Classes 30, 97, 99, and BK (four fee classes), and
- If the FAPC 065 is defined with a Fee Class Exclusion of E (exclude) for Fee Classes 30 and 97 (two fee classes),
- Then FAPC 055 would pay first, since it is more restrictive.
Financial aid program codes that use Fee Class Exclusion of I (include) will be sorted and paid for those FAPCs that **include the lowest number** of fee classes (the most restrictive).

**Fee Class Inclusion Sample:**

- If the FAPC 075 is defined with Fee Class Exclusion of I (include) for Fee Classes 10, 20, and 99 (**three** fee classes), and
- If the FAPC 085 is defined with Fee Class Exclusion of I (include) for Fee Classes 10 and 20 (**two** fee classes),
- Then FAPC 085 would pay first, since it is more restrictive.

Colleges using a combination of both methods, fee class exclusions and inclusions, will need to find a balance that works for them.
Viewing Awards in FAM and FMS

Once an award is posted either manually or by automatic packaging) you can view the award, by session on the Award Tab.

In the Cashier’s Office when an award record is open for paying open charges, a cashier can view the student's award using the Financial Aid Inquiry screen (BM1614). To use this function, the parameter CA0014 (Financial Aid Level) must be defined on the FMS Configuration Parameter Table (ZX0070). Most colleges are set up for this access. If changes are required for this parameter, they must be completed by SBCTC.

Sample: Viewing Awards on FMS Financial Aid Inquiry Screen (BM1614)

Edits that block payment of open charges by Cashiering and the Auto-App job group (FG095R) do not block the Financial Aid Inquiry screen from accessing and displaying an award.

If an award is subject to prorating, an asterisk (*) will appear after the award amount in the Award Balance field.
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