Payment Integrity Scorecard

Program or Activity: Pell Grant
Reporting Period: Q2 2021

Brief Program Description:
The Pell Grant program, authorized under Title IV of the Higher Education Act of 1965 (HEA), provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education.

Key Milestones:
1. Develop mitigation strategies to get the payment right the first time
   - Status: On-Track
   - ECD: Nov-22
2. Evaluate the ROI of the mitigation strategy
   - Status: On-Track
   - ECD: Nov-22
3. Determine which strategies have the best ROI to prevent cash loss
   - Status: On-Track
   - ECD: Nov-22
4. Implement new mitigation strategies to prevent cash loss
   - Status: On-Track
   - ECD: Nov-22
5. Analyze results of implementing new strategies
   - Status: On-Track
   - ECD: Nov-22
6. Achieved compliance with PIIA
   - Status: On-Track
   - ECD: May-21
7. Identified any data needs for mitigation
   - Status: On-Track
   - ECD: Nov-22

Goals towards Reducing Monetary Loss:
1. Q2 2021
   - Coordinate with OMB to request updates to the OMB Compliance Supplement to further enhance and refine auditor requirements, including sampling requirements.
   - Status: On-Track
   - ECD: Nov-21
2. Q2 2021
   - FSA continues to utilize and promote the IRS Data Retrieval Tool, which enables Title IV student aid applicants and, as needed, parents of applicants, to transfer certain tax return data from an IRS website directly to their FAFSA.
   - Status: On-Track
   - ECD: Nov-21

Accomplishments in Reducing Monetary Loss:
1. FSA held the 2020 (Virtual) Federal Student Aid Conference for Financial Aid Professionals.
   - Date: Dec-20
2. FSA issued additional guidance to address the continued challenges that schools and their students face due to the COVID-19 pandemic.
   - Date: Mar-21
3. FSA launched the FSA Partner Connect Website which includes policy and guidance in the Knowledge Center, access to helpful tools, training announcements, and links to other FSA websites to manage Title IV program eligibility and aid administration.
   - Date: Mar-21

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.

<table>
<thead>
<tr>
<th>Amt($)</th>
<th>Root Cause of Monetary Loss</th>
<th>Root Cause Description</th>
<th>Mitigation Strategy</th>
<th>Brief Description of Mitigation Strategy and Anticipated Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>$231M</td>
<td>Failure to verify: financial data</td>
<td>Specific root causes include, but are not limited to, ineligibility for a Pell Grant and incorrect self-reporting of an applicant's information that leads to incorrect awards based on Expected Family Contribution.</td>
<td>Automation; Change Process; Cross Enterprise Sharing</td>
<td>In aggregate, Federal Student Aid assumes that improved accuracy of income verification will reduce improper payments.</td>
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<tr>
<td>$98M</td>
<td>Administrative or process errors made by: others (participating lender, health care provider, or other organization administering Federal dollars)</td>
<td>Incorrect processing of student data by institutions; student account data changes not applied/processed correctly; satisfactory academic progress not achieved; incorrectly calculated return of student aid funds; and processing errors by servicers.</td>
<td>Training</td>
<td>In aggregate, Federal Student Aid assumes that reduction in school and other third party administrative errors will reduce improper payments.</td>
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</tbody>
</table>