Payment Integrity Scorecard

Program or Activity	Reporting Period	Change from Previous FY ($M)	-$55M ↓
Federal Pell Grant Program	Q3 2022		

ED
Federal Pell Grant Program

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.

Monetary Loss ($M)
(Overpayment as Percentage of Total Outlays)

	Key Milestones	Status	ECD
1	Develop mitigation strategies to get the payment right the first time	On-Track	Dec-25
2	Evaluate the ROI of the mitigation strategy	On-Track	Dec-25
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Dec-25
4	Implement new mitigation strategies to prevent cash loss	On-Track	Dec-25
5	Analyze results of implementing new strategies	On-Track	Dec-25
6	Achieved compliance with PIIA	Completed	May-22
7	Identified any data needs for mitigation	On-Track	Dec-25

	Goals towards Reducing Monetary Loss		Status	ECD
1	Q3 2022	Coordinate with OMB to request updates to the OMB Compliance Supplement to further enhance and refine auditor requirements, including sampling requirements.	Completed	Jul-22
2	Q3 2022	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.	On-Track	Nov-22

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity	ED will continue to establish accounts receivable for improper payments and pursue collection for those receivables deemed collectible.	ED has established a system of oversight to help detect and recover improper payments and ensure compliance by participating parties. ED establishes account receivables and pursues collection for improper payments identified and deemed collectable.
2	Recovery Activity	ED will continue to establish accounts receivable for improper payments and pursue collection for those receivables deemed collectible.	FSA's oversight includes program reviews of selected schools for requirements for eligibility, financial responsibility, and administrative capability. FSA assesses monetary liabilities and identifies actions schools must take for improper payments.
3	Recovery Activity	ED will continue to establish accounts receivable for improper payments and pursue collection for those receivables deemed collectible.	FSA reviews Single Audit Act compliance audits of schools performed by independent auditors. Schools are required to develop corrective action plans for deficiencies. FSA reviews and evaluates the effectiveness of schools' corrective actions.

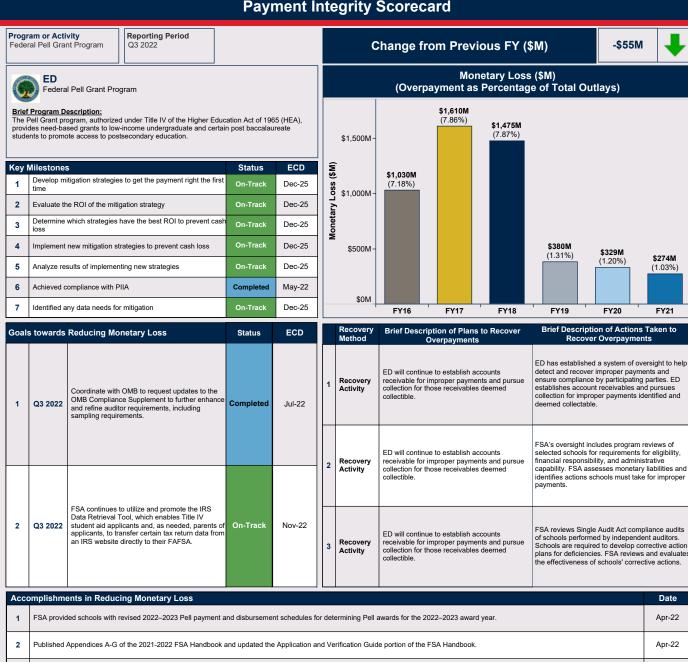|	Accomplishments in Reducing Monetary Loss	Date
1	FSA provided schools with revised 2022–2023 Pell payment and disbursement schedules for determining Pell awards for the 2022–2023 award year.	Apr-22
2	Published Appendices A-G of the 2021-2022 FSA Handbook and updated the Application and Verification Guide portion of the FSA Handbook.	Apr-22
3	FSA published an announcement containing consolidated reporting deadlines for COVID-19. FSA continuously evaluates reporting deadlines for schools to add the COVID-19 Indicator for funds not returned under R2T4 due to CARES Act relief.	Jun-22

Amt($)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$238M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	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 (Misreported Income).	Change Process – altering or updating a process or policy to prevent or correct error.	In aggregate, Federal Student Aid assumes that improved accuracy of income verification will reduce improper payments.
$36M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	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.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	In aggregate, Federal Student Aid assumes that reduction in school and other third-party administrative errors will reduce improper payments.

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