National Student Clearinghouse

Audit Guide

How Institutions Use Clearinghouse Systems for Enrollment Status Compliance Reporting

Purpose

The National Student Clearinghouse's Audit Guide is designed to facilitate the audit process for schools using Clearinghouse services. It helps auditors understand how your institution uses our services to complete its timely enrollment status and compliance reporting to the student loan community.

The Clearinghouse systems enable institutions to report their information to a trusted source who, in turn, reports the enrollment for compliance-related purposes on their behalf. The Clearinghouse acts as an agent to institutions, in accordance with federal regulations. This guide is intended to supplement the Department of Education's Audit Guide and the OMB Circular A-133 Compliance Supplement, as it relates to enrollment reporting.

The Audit Guide takes the auditor through Clearinghouse data flows, scheduling, suggested audit procedures, and helpful hints to use while performing an institution's annual compliance audit or program review. For information regarding the Clearinghouse annual audit, please download the most recent annual audit from our Web site (www.studentclearinghouse.org/compliancecentral/getting-audited).

This document is intended to supplement and clarify procedures during an audit, specific to enrollment status change information. It is not intended to override any academic or institutional policies nor any federal laws or regulations.

What is the National Student Clearinghouse?

The National Student Clearinghouse (a nonprofit formed in 1993) is the unique and trusted source for higher education enrollment and degree verifications. The Clearinghouse serves as a single point of contact for the collection and timely exchange of accurate and comprehensive enrollment, degree, and certificate records on behalf of its more than 3,600 participating higher education institutions, which represent 98 percent of the national enrollment.

Through its verification and reporting services, the Clearinghouse saves higher education institutions cumulatively more than $750 million annually. Most Clearinghouse services are provided to colleges and universities at little or no charge, including enhanced transcript and research services, enabling institutions to redistribute limited staff and budget resources to more important student service efforts. Clearinghouse services are designed to facilitate an institution's compliance with the Family Educational Rights and Privacy Act, The Higher Education Act, and other applicable laws.

In addition, the Clearinghouse provides accurate, timely enrollment and degree verifications to student loan providers, employers, student credit issuers, the U.S. Department of Education, and others who access its registry more than half a billion times annually.

Understanding the Clearinghouse Transmission Schedule

The institution's Planned Transmission Schedule for the Clearinghouse is used as the framework to complete timely compliance reporting. It also sets reporting expectations for the various departments within the institution, the Clearinghouse, and student loan community, including the Department of Education. Each institution has different needs. Therefore, each transmission schedule is different for each Clearinghouse participating institution.

Typically, the transmission schedule comprises at least eight to 12 transmissions per academic year. The reporting frequency enables the institution to communicate enrollment status changes in a timely manner.

- Once a transmission has gone through Clearinghouse system edits, and the institution has corrected any errors within the file, the enrollment information is loaded into the Clearinghouse database.

- The institution's enrollment information is then sent to the student loan community, which is covered in detail below.
- This process enables guarantors, lenders, and servicers to obtain the most recent enrollment information on their student borrowers, as well as service each student borrower's loan in a timely fashion.

Understanding the Clearinghouse Data Flows

Clearinghouse data flows are in accordance with federal regulations, specifically CFR 682.610 and 685.309. These regulations provide guidance for the institution to communicate enrollment status changes via a Student Status Confirmation Report (SSCR). The Clearinghouse completes SSCRs whenever we receive them from NSLDS (National Student Loan Data System).

Typically, NSLDS creates and sends an SSCR transmission to the Clearinghouse on the first business day of each month of the year (January through December). The SSCR contains specific students at specific institutions who received Title IV Federal Financial Aid at your school, or a school other than yours, as determined by NSLDS. As the institution's agent, the Clearinghouse responds to the SSCR with the students' current information that we have in the Clearinghouse database, as provided by the institution. The Clearinghouse completes and returns the NSLDS SSCR within 15 days of receipt, in accordance with DCL 14-07 (federal regulation(s) 682.610/685.309).

Enrollment status updates are also sent from the Clearinghouse to non-direct entities in the lending community (i.e., guarantors, lenders, and servicers). This communication of data is prompted by the receipt of the institutions' data to the Clearinghouse. Institutions schedule the transmission of this data to the Clearinghouse based on their academic calendars, capturing their students' enrollment status changes in order to comply with CFR 682.610 (c) (2) and 685.309 (b) (2). The second data flow is a weekly notification to Clearinghouse participating guarantors, lenders, and servicers. This notification is based on borrower lists provided by these entities, with new student enrollment data transmitted based on options the entity has selected. Within approximately one week of an institution's enrollment data being loaded into the Clearinghouse database, the students' records are sent to requesting non-Direct Loan guarantors, lenders, and servicers.

What Data Elements Are Reported to NSLDS (via SSCRs) and to Non-Direct Loan Guarantors, Lenders, and Servicers?

NSLDS SSCR Data Flow

NSLDS sends SSCRs to the Clearinghouse. Clearinghouse responds with the data elements listed below.*

Institution Specific
Data elements include:
1. Student's Social Security Number
2. Student's Last Name
3. Student's First Name
4. Student's Middle Initial
5. Date of Student's Birth
6. Date of Anticipated Completion
7. Campus Level Enrollment Status Code
8. Campus Level Enrollment Status Effective Date
9. Student Enrollment Certification Date
10. Most Recent Address as Provided by the Institution
11. Term Begin and Term End Date
12. Program Begin Date
13. Program CIP (Classification of Instructional Programs)
14. Program Credential Level
15. Program CIP Year
16. Program Length

17. Program Length Measurement
18. Program Weeks in Title IV Academic Year (for Program Length Measured in Weeks or Months)
19. Program Enrollment Status Code
20. Program Enrollment Status Effective Date
** There can be one or more programs reported per student

Lending Community Data Flow

Institutions send enrollment information to the Clearinghouse. Clearinghouse sends the student loan community the data elements listed below.*

Student Specific
Data elements include:*
1. Student's Social Security Number
2. Student's Last Name
3. Student's First Name
4. Student's Middle Initial
5. Anticipated Graduation Date
6. Enrollment Status Code
7. Date Enrollment Status Effective
8. Student Specific Certification Date
9. Most Recent Address as Provided by the Institution
10. Term Begin and End Dates
* List is not inclusive

Important! As specified in the Federal Regulations CFR 682.610 and 685.309 and the NSLDS Enrollment Reporting Guide, enrollment status compliance reporting is met by reporting the student's enrollment status change within 60 days of determining the student's status has changed. Because Clearinghouse participating institutions expect to complete a Student Status Confirmation Report (SSCR) to NSLDS at least every two months, institutions have 60 days to report enrollment status changes to NSLDS and NOT 30 days. When a status change is discovered after it has occurred, compliance is determined based on the date the institution identifies the status change ("date of determination"). Accordingly, the applicable regulatory references are CFR 682.605 and CFR 668.22 (b) or (c).

Audit Procedures Checklist

☐ **Gather audit sample**

The audit sample is typically obtained from the institution's student information system, and is only comprised of students with disbursed and outstanding Title IV Federal Financial Aid, as determined by NSLDS.

☐ **View Clearinghouse Web site**

Use the Clearinghouse Web site to review the records in the audit sample. Obtaining a full picture of enrollment reporting for each student assists the auditor in establishing timely compliance reporting in accordance with federal regulations 682.610 and 685.309.
- Go to www.studentclearinghouse.org
- Log in with your user name and password

(Access to the Web site can be obtained by the institution's authorized staff.)

☐ **Review student's enrollment history**

The enrollment history creates an event timeline that includes enrollment status, effective date of status change, and the date the institution reported the change.
- Under the Student Look-Up tab *or*
- Under the Student Reporting tab, click the Data Reporting Dashboard link
  - Click Student Look-Up from the left navigation menu
  - Enter the student's Social Security Number
  - Click Search
  - Select Enrollment History to display the student's campus level enrollment history and NSLDS SSCR History for enrollment reporting from Clearinghouse to NSLDS

☐ **Establish reporting timeline**

This timeline will reflect the timeliness of reporting via the Clearinghouse to the student loan community.

Compare the "Date of Determination" date with the "Sent Date." Count from the date you determined the student's enrollment status changed to the date the certification of enrollment was sent to the NSLDS. This will indicate whether or not there was timely compliance reporting completed within the guidelines, as noted in CFR 682.610 and 685.309 and the NSLDS Enrollment Reporting Guide.*

*Please note: In some cases, the date the institution became aware of a status change (the date of determination) may be different than the status effective date. Compliance is established based on date of determination. The applicable federal regulations are 668.22, 682.610, 685.309 and/or 682.605.

Helpful Tips

On the Clearinghouse Web site
www.studentclearinghouse.org

- Review the enrollment history to get a better understanding of the student's complete attendance record.

- In some cases, the date the institution became aware (the date of determination) may be different than the status effective date. Compliance is established based on date of determination. The applicable federal regulations are 668.22, 682.610, 685.309, and/or 682.605.

- If there appears to be no reporting to to the NSLDS, check the following before proceeding:

    - Does the student have outstanding Title IV Federal Financial Aid?

- When viewing the enrollment data reported to the guarantors, lenders, and servicers via the Clearinghouse Web site, the information submitted to "Dept of Education – Direct Loans/NSLDS" indicates the data is sent directly to NSLDS and then NSLDS sends the data to the Direct Loan servicers.

- Review our resources, including frequently asked questions, at (www.studentclearinghouse.org/compliancecentral/getting-audited)

On the NSLDS Web site
fsapartners.ed.gov/home or
nsldsfap.ed.gov/nslds_FAP/

- If you compare the information from the Clearinghouse Web site to NSLDS, ensure you are viewing all Active and Inactive records on the NSLDS Enrollment Detail screen. Also be sure to select reporting by ALL entities, not the default "school" option. By selecting this option, the entire NSLDS reporting record will appear for the student (i.e., data reported via both Clearinghouse and NSLDS SSCR data flows).

- On the Enrollment Detail screens, the term "School Batch" indicates enrollment reporting received via the NSLDS SSCR data flow.

- On the Enrollment Detail screens, the term "Clearinghouse Contract" indicates enrollment reporting received via the Clearinghouse SSCR data flow.

More Information on Federal Regulations

Links to specific regulations are available in the FAQs section on the Resources page of our Audit Resource Center site (www.studentclearinghouse.org/compliancecentral/getting-audited).

National Student Clearinghouse®

If you have questions or need assistance, please contact the Clearinghouse's Audit Resource Center at auditresource@studentclearinghouse.org