



Funds-Control to Loan-System Reconciliation Gap

PROBLEM STATEMENT

RD operates multiple legacy loan systems (PLAS, DLS, CLSS, GLS, LoanServ, AMAS, ECMS) that feed obligation, disbursement, and balance data into FMMI funds-control records and Treasury reporting, and reconciliation gaps between loan-of-record and funds-control-of-record drive both the OIG ULO finding and recurring monthly closeout exceptions.

WHY IT MATTERS

Continuous reconciliation is the foundation of FCRA-compliant cohort accounting, A-123 internal control, and DATA Act submission integrity. A reconciliation that breaks once breaks the cohort balances, the financing-account interest, the Treasury report, and the OMB credit supplement at the same time.

HSG'S APPROACH

1. Build an automated daily reconciliation engine pulling extracts from each RD loan system and comparing line-for-line to FMMI funds-control records.
2. Wrap reconciliation in a workflow that auto-categorizes exceptions (timing, transposition, missing transaction, mis-coded TAS) and routes to NFAOC analysts with proposed corrective journal entries.
3. Apply OMB A-11 §185 cohort discipline — every loan extract tagged to its cohort year (FY 1992 onward) so reconciliation breaks land in the right cohort model.
4. Stand up monthly 'ten-day-close' target with exception aging heat map for OBP and NFAOC management.
5. Document Treasury USSGL Credit Reform Guidance and TFM Part 2 Chapter 4600 traceability for every reconciling item.

EXPECTED DELIVERABLES

- Daily reconciliation engine (Python / SAS / dbt) with documented data lineage
- Exception categorization rulebook and disposition workflow
- Cohort-tagged reconciliation outputs feeding BICS and Essbase
- Monthly close-by-day-10 dashboard
- SOP and runbook for NFAOC reconciliation analysts

EXPECTED OUTCOME

Reduce average exception aging from 45+ days to under 10 days and cut monthly closeout overruns by 40% while restoring auditable cohort-level reconciliation across all RD credit programs.

ENGAGEMENT TEAM

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