What will we cover today?

2013-2014 Verification
- Verification items and documentation
- Verification selection and groups
- Verification text vs. verification worksheets
- Clarifications
- Resources and Contact Information
- Questions and Answers
2013 – 2014 Verification
What is verification?

• Process where certain information provided on the FAFSA is reviewed for **accuracy** and **completeness**
  
• Selected Title IV applicants

• Only specific ISIR data elements

➢ 34 CFR 668.51 - 668.61 (Subpart E)
Who is Subject to Verification?

- **Selected by ED (CPS) using risk model**
  - Targets error prone data items specific to an applicant
  - Non-selected applicants are again subject to risk model when submitting corrections
  - Data elements identified in *Federal Register* notice

- **Selected by the school**
  - School criteria
  - Items selected by the school
  - Not required to verify federal data elements for groups

*Federal Student Aid*
Verification - Definitions

**Subsidized student financial assistance programs:**
- Eligibility uses EFC
- Verification applies
- Programs:
  - Pell
  - Direct Subsidized Loan
  - FSEOG
  - FWS
  - Perkins

**Unsubsidized student financial assistance programs:**
- Eligibility does not use EFC
- Verification does not apply
- Programs:
  - Direct Unsubsidized Loan
  - Direct PLUS Loans
  - TEACH Grant
  - IASG
Verification - Exclusions

• *Verification not required* if –
  - Applicant is eligible to receive only **unsubsidized aid**
  - Applicant received no aid for reasons other than failure to complete verification
  - Transfer student completed verification for the award year at a prior school
    • New school must collect statement from prior school, providing transaction number of applicable ISIR
    • Current school must pay on verified transaction
  - Death of applicant
Verification - Exclusions

- Not required to verify FAFSA information for parents of dependent student or spouse of independent student if the parents/spouse:
  - Reside outside U.S. and cannot be contacted by normal means of communication
  - Cannot be located because contact information is unknown and cannot be obtained
  - Mentally incapacitated
  - Deceased (spouse)
Changes To FAFSA Information

• For **subsidized** programs, submit all verification changes (not just those that affect Pell) to CPS if change is:
  • To any non-dollar item that affects the EFC or
  • A **single** dollar item of $25 or more
  • $400 tolerance ended in 2011-12

• If required to submit one change, must submit all changes
Updating

• FAFSA-reported info is generally a snapshot
• Do NOT update asset & similar information
• Unless due to student’s marital status change, must update for—
  • Dependency status changes (all applicants, anytime)
  • Household size and # in college (selected applicants, at the time of verification)
Verification – Marital Status

• Updating Marital Status:
  - **MAY** require student to update FAFSA if change in applicant’s marital status necessary to address an inequity or reflect more accurately ability to pay
  • FAFSA needs to reflect accurate household size, # in college, dependency status and family financial information
Verification & Professional Judgment (PJ)

• For applicants **selected** for verification (by ED or school), *must complete verification before PJ adjustments made* [HEA section 479A(a)]

• But…all PJ adjustments do **NOT** require verification
  • *Does school require?*

• **Must** mark ISIR as PJ! An ISIR with PJ **coded correctly** will **not** be subject to ED’s verification selection
Verification Items and Selection
What Do I Verify?

- ED will publish *Federal Register* Notice each award year listing possible verifiable items and acceptable documentation
  - July 12, 2012 for 2013-14 award year
  - July 13, 2011 for 2012-13 award year

- SAR/ISIR will specify required verification items for individual applicant

- Institution may verify additional items

- *Program Integrity regulations published 10/29/2010 eliminated the standard five verification items (last year used was 2011-12)*
2013-14 Verification - Summary

- Award Year begins July 1
  - verifying 13-14 ISIRs began January 2013
- Continuing to move toward customized verification
- Items to be verified will be grouped
- Individual student’s ISIR will indicate which group of items the student must verify
2013-14 Verification Items

Verification items—
• Retained items from 2012-13
• **Added two new items**
  • High school (HS) completion status
  • Identity/Statement of Educational Purpose
2013-14 Verification Selection

• Verification selection process
  • CPS will continue to set a Verification Flag on the applicant’s ISIR to indicate that the FAFSA was selected for verification

• New for 2013-14: Verification Tracking Groups
  • CPS is adding a process that will place each applicant selected for verification into one of five Verification Tracking Groups
  • The applicant’s ISIR will use the Verification Tracking Flag field to show the applicant’s Verification Tracking Group:
    • V1, V2, V3, V4, or V5
Verification Groups
<table>
<thead>
<tr>
<th>Verification Tracking Flag</th>
<th>Verification Tracking Group</th>
<th>Verification Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>Standard</td>
<td>Record selected because conditions based on statistical analysis error-prone risk model were met</td>
</tr>
<tr>
<td>V2</td>
<td>SNAP</td>
<td>Record selected for receipt of SNAP criteria only</td>
</tr>
<tr>
<td>V3</td>
<td>Child Support Paid</td>
<td>Record selected for Child Support Paid criteria only</td>
</tr>
<tr>
<td>V4</td>
<td>Custom Group</td>
<td>Record selected for Identity criteria only</td>
</tr>
<tr>
<td>V5</td>
<td>Aggregate Group</td>
<td>Record selected for Identity criteria and all V1 (Standard Verification) criteria</td>
</tr>
<tr>
<td>Blank</td>
<td>Not selected</td>
<td>N/A</td>
</tr>
</tbody>
</table>
V1– Standard

Tax Filers

- Adjusted Gross Income
- U.S. Income Tax Paid
- Untaxed Portions of IRA Distributions
- Untaxed Portions of Pensions
- IRA Deductions and Payments
- Tax Exempt Interest Income
- Education Credits
- # of Household Members
- # in College
- SNAP benefits (Food Stamps)
- Child Support Paid
V1—Standard (cont.)

Non-Tax Filers

- Income Earned from Work
- # of Household Members
- # in College
- SNAP-Food Stamps
- Child Support Paid
V2—SNAP

• Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
  - Only applies if receipt is indicated on the FAFSA
V3—Child Support Paid

- Child Support Paid by:
  - the student and/or
  - the student’s parent (dependent student)
  - the student’s spouse (independent student)
V4—Custom

• High School Completion Status*
• Identity/Statement of Educational Purpose*
• SNAP
• Child Support Paid

*New Item
V5—Aggregate

- High School Completion Status*
- Identity/Statement of Educational Purpose*

AND

- All items indicated->Tax Filer (V1)
- All items indicated->Non-Tax Filer (V1)

*New Item
Verification Documents
What Documents Do I Need?

• For taxable income, base year tax information
  – 2012 info for 2013-14 FAFSA and verification

• For untaxed income and benefits:
  – Verification worksheet
  – Official agency documentation
  – Signed statement

• Other acceptable documents are listed in the Federal Register and relisted in the FSA Handbook
Documentation for Tax Filers

• For items on 2012 income tax return—
  – Amounts retrieved & unchanged from IRS via FOTW (either on initial or correction application) with IRS Request Flag value of 02
  OR
  – A tax return transcript obtained from the IRS
    • see DCL GEN-11-13
IRS Data Retrieval and Verification

• An institution may consider information retrieved through the IRS data retrieval process as acceptable verification documentation if:
  • The Secretary has identified those items as having come from the IRS and
  • The items have not been changed
  • IRS Request Flag = 02*

*The 02 code may go away if certain items are changed. If the FAO can document that the change is explainable and valid, may still use IRS DRT info
Documentation for Non-Tax Filers

• If applicable:
  • W-2 form for each source of employment income – or-
    • If unable to get a W-2 timely, may allow a signed statement* with amount of the income earned from work, source of that income, and the reason the W-2 form is not available in time
  • A signed statement* certifying that the person has not filed and is not required to file a tax return

*The signed statement can be a completed verification worksheet.
Acceptable Documentation

• For all other verification items:
  • Verification worksheet
  • Created using ED’s sample text
  OR
  • One developed by institution

*NOTE: must use ED’s language to verify statement of educational purpose (Electronic Announcement – 1/18/2013)
IRS Data Retrieval Tool

- **Applicants selected for verification – V1-Standard Verification**
  - Who transfer their income tax return information **unchanged** using the IRS Data Retrieval Tool –
    - When initially completing the FAFSA using FAFSA on the Web (FOTW)
    - When making corrections on FOTW
  - Are considered to have verified the FAFSA IRS information:
    - AGI, taxes paid, and applicable untaxed income items and education credits
    - *Unless changes were made to the transferred information or institution has reason to believe that the information transferred is inaccurate*
  - School **only needs to verify** # in HH and # in College
Documentation: Household Size

- Household size
- Signed statement including
  - Name of each household member, AND
  - Age of each household member, AND
  - The relationship to the applicant
Documentation: # in college

- # in college
- Signed statement
  - Name and age of each HH member who will attend an eligible postsecondary educational institution at least ½ time in 2013–14*
  - Name of eligible institution(s) that each HH member is or will be attending during 2013–14
- N/A if applicant is only member in college

*See FAFSA instructions for more info
Documentation: SNAP

- SNAP benefits (“food stamps”)
  - *Only applies if receipt is reported on the FAFSA*
  - Certification on a verification worksheet/signed statement
  - Institution may request documentation from the agency that issues the SNAP benefit
    - For all students as part of the institution’s verification policy
    - For selected students when there is a reason to question the information or documentation provided
Documentation: Child Support Paid

• Child support paid
  • *Only applies if reported on the FAFSA*
  • Certification on a verification worksheet/signed statement indicating—
    • Amount of child support paid, and
    • Name of the person *to whom* it was paid, and
    • Name of the child(ren) *for whom* it was paid

• Institution may request additional documentation
  • For all students as part of the institution’s verification policy
  • For selected students when there is a reason to question the information or documentation provided
    – *Examples:* signed statement from person who received the support on behalf of the child(ren), copies of court documents showing payments were made, copies of cancelled checks, etc.
Documentation: HS Completion

- Documentation of HS completion status: 
  * HS diploma earned
- Copy of HS diploma; or
- Final HS transcript that shows the date of graduation

Note: If a copy of an applicant’s HS diploma or final HS transcript is unavailable, the institution may accept alternative documentation
Documentation: HS Completion

- **Documentation of HS completion status:**
  
  *Recognized equivalent of a HS diploma*

  - GED Certificate;
  
  - State certificate received by a student after the student has passed a State-authorized exam that the State recognizes as the equivalent of a HS diploma;

  - Academic transcript of a student who has successfully completed at least a 2-year program acceptable for full credit toward a bachelor's degree; or
Documentation: HS Completion

- Documentation of HS completion status: *recognized equivalent of a HS diploma*

- For a person seeking enrollment in an educational program that leads to at least an associate degree or its equivalent and has not completed HS but has excelled academically in HS, documentation from the HS that the student excelled academically in HS and documentation from the post-secondary institution that the student has met the formalized, written policies of the post-secondary institution for admitting such students
Documentation: HS Completion

• Documentation of HS completion status: *Homeschooled*
  
  • Transcript, or equivalent, signed by the parent or guardian, that lists the secondary school courses completed by the applicant and documents successful completion of a secondary school education; OR
  
  • A secondary school completion credential for home school (other than a HS diploma or its recognized equivalent) provided for under State law
Documentation: Identity

- Documentation of *identity/statement of educational purpose*
  - *Appear in person* and present to an institutionally authorized individual (or notary public)
    - A valid govt-issued photo ID (e.g., driver’s license, non-driver’s license, passport); AND
    - A signed statement of educational purpose (notarized if unable to appear in person)
Documentation: Identity

• Documentation of *identity/statement of educational purpose* (cont.)—

  • Must maintain, annotated document of identification submitted by the applicant that includes:
    • The date the documentation was received;
    **AND**
    • The name of the institutionally-authorized person who obtained the documentation
Communicating with Schools

<table>
<thead>
<tr>
<th>FAA INFORMATION</th>
<th>CPS Pushed ISIR Flag</th>
<th>XXX</th>
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</thead>
<tbody>
<tr>
<td>Date ISIR Received</td>
<td>MM/DD/CCYY</td>
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</tr>
<tr>
<td>Verification Flag</td>
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<td></td>
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<tr>
<td>Professional Judgment</td>
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<tr>
<td>Transaction Receipt Date</td>
<td>MM/DD/CCYY</td>
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<td>Auto Zero EFC Flag</td>
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<td>Duplicate SSN Flag</td>
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<tr>
<td>SAR C Change Flag</td>
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</tr>
</tbody>
</table>

Transaction is now selected for verification when the transaction being corrected was not selected.

Verification Flag: Selected for Verification

Verification Tracking Flag: Child Support Paid Verification Group
Communication with Students

Current SAR comments:

• Dependent Student (170)
  • Your FAFSA has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).

• Independent Student (171)
  • Your FAFSA has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you (and your spouse).
Verification for 2013-2014

- **New for 2013-14:** Verification Selection Change Flag
  - Identifies a transaction that is selected for verification, if the transaction being corrected was not selected for verification previously
New for 2013-2014--Not Selected

If the applicant would have been selected based on standard verification criteria and tax return data for the student and parent(s) for a dependent record or for the independent student:

- Retrieved from the IRS and not changed on the FAFSA
- Household Size and # in College answers are “logical”
  - Record will not be selected for verification
- “Logical” answers include the following:

### Dependent Students

<table>
<thead>
<tr>
<th>Parents’ Marital Status</th>
<th>Family Members</th>
<th>Number in College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Not Married</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

### Independent Students

<table>
<thead>
<tr>
<th>Student’s Marital Status</th>
<th>Family Members</th>
<th>Number in College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Not Married</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Verification Selection for 2013-2014

• Verification selection remains the same
  • Initial selection
    • May occur on the original transaction or subsequent correction transaction if the record was not previously selected

• Subsequent Transactions After Selection
  • Transactions processed after selection will continue to be flagged as selected

• Subsequent Transactions After Non-Selection
  • Records will be subjected to selection again based on correction behavior
Verification Text for 2013-14

• No sample verification worksheets
  • Explained in Electronic Announcement -11/1/2012

• Sample text and format for individual data elements
  • Outlined in Electronic Announcement – 1/18/2013

• Institutions are encouraged to develop a customized worksheet for individual students or groups of students
Clarifications
Verification & Increasing Pell Eligibility

• No longer limits student to lesser Pell award if verification completed after enrollment
  - Student would receive Pell payment based upon correct EFC

• Must have valid ISIR to support disbursements

*effective in 2012-13
Verification After Enrollment Ends

- Student no longer limited to lesser Pell Grant award if verification completed after enrollment ends
- Student will receive Pell Grant payment based upon correct EFC

*effective in 2012-13
Verification Deadlines

- Verification must be completed by the earlier of:
  - 120 days after last day of student enrollment
  - Secretary’s deadline (Federal Register)
    - Example: 2012-13: Sept. 27, 2013 (tentative)
      - watch for release of official date

- School may set an earlier deadline for DL and Campus-Based applicants

- Verification is complete when your school has ALL requested documentation
IRS Extension

- Must verify with documentation of IRS extension and W-2 Forms or statement if self-employed
  - School may require an individual granted a tax filing extension to provide a copy of their completed and signed tax return when filed
    - If school receives a copy of the return, it must verify AGI and taxes paid
    - If school does not receive copy, may return all funds disbursed
Remember!

• Regardless of verification status, **must resolve conflicting information** as per 34 CFR 668.16(f)
  • Separate process from verification
  • Involves any information of which the school has knowledge
  • Must resolve before disbursing any aid
• **Must resolve all “C codes”**
Resources and Contact Information
2013-2014 Verification Resources

• Federal Register notice - July 12, 2012

• Dear Colleague Letter GEN-12-11
  • http://www.ifap.ed.gov/dpcletters/GEN1211.html

• Electronic Announcement - Plans for 2013-14 Verification Text in lieu of Verification Worksheets
  • http://ifap.ed.gov/eannouncements/110112Plansfor1314VerificationWorksheets.html

• Electronic Announcement on 2013-14 Verification Text (1/18/2013) ★
Verification Resources

- 6/18/10 NPRM (Pages 34825 – 34834)

- 10/29/10 Final Rule (Pages 66902 – 66913 and 66954 – 66958)

2013-14 *Application and Verification Guide* – see IFAP Handbook section
Ordering IRS Tax Transcripts

ONLINE
IRS website
www.irs.gov

SMART PHONE
Download IRS2Go app free for iPhone/iPod Touch from iTunes or Google Play Store for Android phone

PHONE
Toll free IRS number
1-800-908-9946

MAIL
Obtain form online & mail to the IRS

Federal Student Aid
An Office of the U.S. Department of Education
PROUD SPONSOR of the AMERICAN MIND™
Tax Transcript Timeframes

- IRS Tax Return Transcript
  - Can request about 3 weeks after an electronic return was filed and 6-8 weeks after a paper return was filed
  - Paper (IRS Form 4506T-EZ or 4506-T):
    - 10 business days for processing once form received and accepted
  - Online, Smart phone app, or phone:
    - 5-10 business days for processing once request received and accepted

- Transcripts are sent to taxpayer’s address
- Paper request: can be sent to a third party.
- Signature not required on form (encouraged)
Help with Title IV Questions

• For Schools & Other Professionals
  • Research and Customer Care Center (RCCC)
  • 1-800-433-7327
  • fsa.customer.support@ed.gov

• For Students
  • Federal Student Aid Information Center (FSAIC)
  • 1-800-4FED-AID
# Federal Student Aid School Participation Teams

<table>
<thead>
<tr>
<th>Team</th>
<th>Contact Area</th>
<th>Phone Number 1</th>
<th>Phone Number 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>(CT, ME, MA, NH, RI, VT)</td>
<td>617-289-0133</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>(NJ, NY, PR, Virgin Islands)</td>
<td>646-428-3750</td>
<td></td>
</tr>
<tr>
<td>Philadelphia</td>
<td>(DC, DE, MD, PA, VA, WV)</td>
<td>215-656-6442</td>
<td></td>
</tr>
<tr>
<td>Atlanta</td>
<td>(AL, FL, GA, MS, NC, SC)</td>
<td>404-974-9303</td>
<td></td>
</tr>
<tr>
<td>Chicago</td>
<td>(IL, IN, MN, OH, WI)</td>
<td>312-730-1511</td>
<td></td>
</tr>
<tr>
<td>Dallas</td>
<td>(AR, LA, NM, OK, TX)</td>
<td>214-661-9490</td>
<td></td>
</tr>
<tr>
<td>Kansas City</td>
<td>(IA, KS, KY, MO, NE, TN)</td>
<td>816-268-0410</td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td>(CO, MI, MT, ND, SD, UT, WY)</td>
<td>303-844-3677</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>(AZ, CA, HI, NV, Pacific)</td>
<td>415-486-5677</td>
<td></td>
</tr>
<tr>
<td>Seattle</td>
<td>(AK, ID, OR, WA)</td>
<td>206-615-2594</td>
<td></td>
</tr>
</tbody>
</table>

**Foreign Schools Team**  202-377-3168
Contact Information

• For follow-up questions on this session, contact me at:
  Annmarie Weisman, Training Officer
  annmarie.weisman@ed.gov
  215-656-6456

• Please provide feedback to my supervisor:
  Jo Ann Borel, Supervisor
  joann.borel@ed.gov
  281-758-8122
QUESTIONS?
Evaluation

Your attention is appreciated at today’s session!

To provide feedback to me and my supervisor, please complete an evaluation.

Thank you!!!