

Verification 2012-13 and Beyond

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What is verification?

- Process of reviewing certain information provided on the FAFSA for accuracy and completeness
 - Title IV applicants—
 - Selected by ED or
 - Selected by institution
 - Data elements identified in [Federal Register](#) notice or by institution

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Verification Regulations

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2012-2013 Verification

- Verification regulations effective
 - July 1, 2012 for 2012-13 award year
 - 34 CFR 668.51

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Verification - Definitions

- Subsidized student financial assistance programs
 - Eligibility uses EFC
 - Verification applies
 - Pell, FSEOG, FWS, Perkins, Direct Subsidized Loan
- Unsubsidized student financial assistance programs
 - Eligibility does not use EFC
 - Verification does not apply
 - Direct Unsubsidized Loan & Direct PLUS Loan
 - TEACH Grant

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Verification Selection

- CPS applies risk model to FAFSA data
- Goal is to target verification based upon the most error prone data items specific to an applicant
- Non-selected applicants are again subject to risk model when submitting corrections
- Institutions must verify *all applicants selected by CPS*
- Removes institution's option to verify only 30% of applicant pool

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Changes To FAFSA Information

- For **subsidized** programs, submit all verification changes to CPS if change is:
 - To any non-dollar item or
 - A single dollar item of \$25 or more
- \$400 tolerance is eliminated
- If required to submit one change, must submit all changes

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Verification Items

- Eliminates five required verification items
- Annual Federal Register notice lists verification items and acceptable documentation
 - 2012-13 notice published 7/13/11
- Goal is to specify required verification items for individual applicant on ISIR
- Institution may select additional applicants or verify additional items for an applicant

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2012-13 Verification Items

- All applicants—
 - Household size
 - Number in college
 - SNAP benefits (formerly food stamps)—if receipt reported on FAFSA
 - Child support paid—if amount reported on FAFSA

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2012-13 Verification Items

- Tax filers—
 - Adjusted gross income
 - U.S. income tax paid
 - Education credits
 - Specific untaxed income items
 - Untaxed IRA distributions
 - Untaxed Pensions
 - IRA deductions
 - Tax Exempt Interest

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2012-13 Verification Items

- Non-tax filers
 - Income earned from work

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Acceptable Documentation

- For items on 2011 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
 - Until July 15, 2012, a signed copy of the 2011 IRS Income Tax Return

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Acceptable Documentation

For all other verification items—

- Verification worksheet—either ED’s sample or developed by institution

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Acceptable Documentation

- IRS Data Retrieval Process
 - Data unchanged by taxpayer, with IRS flag value 02
- IRS Tax Return Transcript
 - By paper (Form 4506T-EZ or IRS Form 4506-T)—10 business days for processing
 - Online or by phone—5 to 10 business days for processing

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Acceptable Documentation

- IRS Tax Account Transcript
 - By paper (Form 4506-T)—processed within 30 calendar days
 - Online or by phone—5 to 10 business days for processing
- Record of Account
 - By paper only (Form 4506-T)—processed within 30 calendar days

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Documentation: Household Size

- Household size
- Signed statement including—
 - Name of each household member,
 - Age of each household member, AND
 - The relationship to the applicant

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Exceptions: Household Size

- For dependent student when parental marital status is-
 - Single, separated, divorced, or widowed and family size on the FAFSA = 2
 - Married and family size on the FAFSA = 3
- For independent student who is-
 - Single, separated, divorced, or widowed and family size on the FAFSA = 1
 - Married and the family size on the FAFSA = 2

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Documentation: number in college

- Number in college
- Signed statement
 - Name and age of each household member who will attend eligible postsecondary educational institution at least half-time in 2012–13
 - Name of the eligible institution(s) that each household member is or will be attending during 2012–13
- Not required if applicant is only member in college

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Documentation: SNAP

- Supplemental Nutrition Assistance Program (SNAP) benefits (formerly food stamps) *if receipt is reported on the FAFSA*
 - Certification on verification worksheet
 - Institution may request documentation from the agency that issues the SNAP benefit

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Documentation: Child Support

- Child support paid *if reported on the FAFSA*
- Certification on verification worksheet (or separate statement) indicating—
 - Amount of child support paid
 - Name of the person to whom it was paid, and
 - Name of the children for whom it was paid

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IRS Extension Filers

- Verification is complete if you have --
 - Documentation of IRS extension and
 - 2011 W-2 Forms or statement from self-employed individual
- MAY require an individual granted a tax filing extension to provide a copy of their completed and signed tax return when filed
- MUST verify AGI and taxes paid, if you receive a copy of the return
- May return all funds disbursed, if you do not receive copy

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Verification & PJ

- Requires verification of all selected applicants before exercising professional judgment
- Does not require verification before exercising PJ for non-selected applicants

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Updating

- FAFSA-reported info is generally a snapshot
- Unless due to student's marital status change, must update for—
 - Dependency status changes (all applicants, anytime) AND
 - Household size and number in college (selected applicants, at the time of verification)

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Marital Status Updating

- Marital status updates permitted only by FAA to address inequity or better reflect ability to pay—
 - When dependency status changes AND/OR
 - When selected applicant needs to update household size and number in college
- If FAA changes marital status, other updates may be needed (FAA-only reject override)

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Interim Disbursements

- May make interim disbursements without receipt of corrected ISIR if completed verification makes no change to aid eligibility
- All required corrections must be submitted to CPS AND school must receive revised ISIR transaction OR school will be liable for payment student receives

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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

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Program Integrity Update 10/10/12

- VER-Q11. May an institution disburse unsubsidized student financial assistance, i.e., Direct Unsubsidized Loans and PLUS Loans, prior to completing verification for a selected applicant who is eligible for both subsidized and unsubsidized student financial assistance?
- VER-A11. Yes. However, when determining the amount of the unsubsidized student financial assistance, the institution must ensure that the subsidized assistance the applicant is estimated to receive before completing verification is taken into consideration to avoid exceeding the applicant's financial need. And, after verification of the subsidized assistance is completed, the school must ensure that both the subsidized assistance and the unsubsidized assistance are adjusted if necessary. [Sections 668.51(a), 668.54(b)(1)(ii) and (iii)] [Guidance issued 10/10/2012]

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2013-14 Verification

- Continuing to take small steps towards customized verification
- Items to be verified will be grouped
- Individual student's ISIR record will indicate which group of items the student must verify

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2013-14 Verification

Verification items—

- Retained all items subject to verification in 2012-13
- Added two new items—
 - High school completion status
 - Identity/Statement of Educational Purpose

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2013-14 Verification

Documentation of high school completion status: high school diploma—

- High school diploma; or
- Final high school transcript that shows the date of graduation

Note: If a copy of an applicant's high school diploma or final high school transcript is unavailable, the institution may accept alternative documentation.

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2013-14 Verification

Documentation of high school completion status: recognized equivalent of a high school diploma—

- General Educational Development (GED) Certificate;
- State certificate received by a student after the student has passed a State-authorized examination that the State recognizes as the equivalent of a high school diploma;
- Academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or

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2013-14 Verification

Documentation of high school completion status: recognized equivalent of a high school diploma—

- For a person who is seeking enrollment in an educational program that leads to at least an associate degree or its equivalent and has not completed high school but has excelled academically in high school, documentation from the high school that the student excelled academically in high school and documentation from the postsecondary institution that the student has met the formalized, written policies of the postsecondary institution for admitting such students

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Documentation of high school completion status: homeschooled—

- Transcript or the equivalent, signed by the parent or guardian, that lists the secondary school courses completed by the applicant and documents the successful completion of a secondary school education; or
- A secondary school completion credential for home school (other than a high school diploma or its recognized equivalent) provided for under State law

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2013-14 Verification

Documentation of identity/statement of educational purpose—

- Appear in person and present to an institutionally authorized individual—
- A valid government-issued photo identification (driver's license, non-driver's license, military identification, or passport); and
- A signed statement of educational purpose

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2013-14 Verification

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

- Must maintain, an annotated copy of the identification submitted by the applicant that includes—
 - The date documentation was received; and
 - The name of the institutionally-authorized individual that obtained the documentation

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2013-14 Verification

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

- If unable to appear in person, must provide the institution—
 - A copy of a valid government-issued photo identification (driver's license, non-driver's license, military identification, or passport); and
 - An original notarized statement of educational purpose signed by the applicant

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Verification Tracking Groups

- Verification flags
- Verification tracking flags
- Verification tracking groups
- Items to verify based on group

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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
- Number of Household Members
- Number in College
- Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
- Child Support Paid

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V1—Standard (cont.)

Non-Tax Filers

- Income Earned from Work
- Number of Household Members
- Number in College
- Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
- Child Support Paid

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V2—SNAP

- Supplemental Nutrition Assistance Program (SNAP-Food Stamps)

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V3—Child Support Paid

- Child Support Paid by the student (or spouse), the student's parent or both

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V4—Custom

- High School Completion Status
- Identity/Statement of Educational Purpose
- Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
- Child Support Paid

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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)

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2013-14 Verification Resources


- Federal Register notice published 7/12/12
- Dear Colleague letter GEN 12-11

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Verification Resources

- 6/18/10 NPRM (Pages 34825 – 34834)
 - <http://www.ifap.ed.gov/registers/FR061810ProgramIntegrityIssuesNPRM.html>
- 10/29/10 Final Rule (Pages 66902 – 66913 and 66954 – 66958)
 - <http://www.ifap.ed.gov/registers/FR102910Final.html>
- Federal Register Notice of Information To Be Verified for the 2012–13 Award Year
 - <http://www.ifap.ed.gov/registers/FR071311FAFSAInformation.html>

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Verification Resources

- GEN-11-13 and GEN-11-03
 - <http://www.ifap.ed.gov/dpclatters/GEN1113.html>
 - <http://www.ifap.ed.gov/dpclatters/GEN1103.html>
- Q&A on Program Integrity website:
 - <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html>
- Sample 2012-13 Verification Worksheets
 - <http://www.ifap.ed.gov/eannouncements/020312SampleVerificationWorksheets1213.html>

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Verification Resources

- FAFSA-IRS Tax Return Transcript Matrix
 - <http://www.ifap.ed.gov/eannouncements/031612FAFSA1213VerificationIRSTaxReturnMatrix.html>
- 2012-13 Application and Verification Guide
 - <http://www.ifap.ed.gov/fsahandbook/attachments/1213AVG.pdf>
- GEN-12-07—Acceptable Documentation for Income and Taxes
 - <http://www.ifap.ed.gov/dpclatters/attachments/GEN1207.pdf>

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Questions?



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Contacts

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THANK YOU

Feedback on Training

Presentation Evaluation Survey for this presentation:

<https://s.zoomerang.com/s/DavidBartlett>

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