

Verification 2018-2020

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Progress!

	2015-2016	2016-2017	2017-2018	2018-2019: Data Field Flags	2019-2020: Data Field Flags
V1	X	X	X	X	X
V2	<i>reported only</i>	<i>reported only</i>			
V3	X	<i>reported only</i>			
V4	X	X	X	X	X
V5	X	X	X	X	X
V6	X	X			



Verification Changes: 2018-2019 and 2019-2020





2018-2019 Verification

- Tax filing extenders must show proof of IRS extension beyond the automatic six-month period
 - If the IRS did not approve additional time, income and tax data must be provided through the IRS Data Retrieval Tool or tax transcripts
- *Dependent students* who are not required to file do not have to provide proof of non-filing

Federal Register: May 5, 2017
Dear Colleague Letter GEN-17-05



2018-2019 Verification

- Amended tax return filtering question removed from the FAFSA
- Applicant or parent can use the IRS DRT to import information from their *original* return
- IRS Request Flag 07 will indicate whether there is an amended *tax return* on file
 - School must obtain documentation of the updated information and make any necessary corrections, regardless of verification selection (*conflicting information*)



2019-2020 Verification

- No changes to verification tracking groups
- No documentation requirement changes

Federal Register: March 28, 2018
Dear Colleague Letter GEN-18-03
Electronic Announcement, June 8, 2018:
2019–2020 Verification Suggested Text





2019-2020 Verification: Data Elements and Documentation

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Verification Selection Groups

- V1 – Standard Verification Group
- V2 – *Reserved*
- V3 – *Reserved*
- V4 – Custom Verification Group
- V5 – Aggregate Verification Group
- V6 – *Reserved*

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V1 Group: 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

Documentation:
• IRS DRT;
• Tax return transcripts;
• Alternative documentation where allowed (e.g. amended returns, foreign returns, etc.)

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IRS Data Retrieval Tool

IRS Request Flag	Description
Blank	IRS Data Retrieval Tool not available
00	Student/Parent was ineligible to use the IRS Data Retrieval Tool
01	Student/Parent was presented with the IRS Data Retrieval Tool and elected to use it, but did not transfer IRS data into the FAFSA
 02	IRS data was transferred and was not changed
03	IRS data was transferred and changed
04	IRS data was transferred and then changed on a subsequent transaction
05	Student/Parent was presented with the IRS Data Retrieval Tool and elected not to use it
06	IRS data was transferred, but a subsequent change made the student/parent ineligible to use the IRS Data Retrieval Tool
07	IRS data was transferred, but an amended tax return was filed

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Amended Tax Returns

Individuals who filed an amended tax return must submit the following documents to the institution:

- If identified by IRS Request Flag 07, all *original* income and tax information is considered verified
 - If not identified by IRS Request Flag 07, must obtain IRS Tax Return Transcript, or any other IRS tax transcript(s) that include all of the income and tax information required;
- AND
- a signed copy of IRS Form 1040X that was filed with the IRS *(if applicable)*

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V1 Group: Tax Non-Filers

Income earned from work

1. **Signed statement certifying the following:**
 - Individual has not filed and is not required to file a 2017 tax return;
 - Sources of income earned from work and amounts of income from each source for tax year 2017; *and*
2. **Copy of IRS Form W-2 (or Wage and Income Transcript) for each source of employment income received for tax year 2017, *and***
3. **Verification of non-filing from the IRS (not required for dependent students)**

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IRS Verification Documentation

*Electronic Announcement: February 23, 2017:
Explanation of various IRS tax documents,
including verification of non-filing*

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Undocumented Parents/Spouses

A parent or spouse who does not have an SSN, Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN) may submit...

- A signed and dated statement:
 - Certifying that the individual(s) does not have an SSN, ITIN or EIN
 - Listing the sources and amounts of earnings, other income, and resources that supported the individual(s) for the appropriate year
- If applicable, a copy of IRS Form W-2 or equivalent document for each source of employment income

Program Integrity Q&A Website (DOC-Q29)

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Non-IRS Tax Filers

Tax filers who filed an income tax return with a taxing authority in a US territory (Guam, American Samoa, the US Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands) or with a foreign central government, must submit a copy of a transcript of their tax information

- A signed copy of the applicable income tax return that was filed with the taxing authority is only acceptable if tax filers are unable to obtain a free copy of a tax transcript

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Non-IRS Non-filers

If another tax authority can provide documentation similar to the IRS verification of non-filing, this should be provided. If such documentation does not exist, or if the individual is unable to obtain the documentation, the institution may accept a signed and dated statement from the individual stating either that the tax authority does not provide such documentation or that the individual was unable to obtain the documentation after contacting the tax authority.

[Program Integrity Q&A Website \(DOC-Q30\)](#)



V1 Group: All Applicants

Number in Household & Number in College

- Documentation:**
- **Household size** – signed statement (name, age, relationship)
 - Not required for certain logical assumptions:
 - Dependent student household size reported is 2 and parent is unmarried or 3 if the parents are married or unmarried and living together
 - Independent student household reported is one and applicant is unmarried or two if the applicant is married
 - **Number in College** – signed statement (name of household member attending at least half-time and eligible institution name)
 - Not required if reported number is one (student)



V4: Custom Group

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





High School Completion

- High school diploma; *OR*
- Final official high school transcript showing date diploma awarded; *OR*
- "Secondary school leaving certificate" for students who completed secondary education in foreign country and are unable to get a copy of the high school diploma/transcript

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High School Completion

- Copy of the student's General Educational Development (GED) certificate or an official GED transcript that indicates the student passed the exam
- Transcripts of state-authorized examinations (e.g., HiSET, TASC) are acceptable documentation of high school completion only if...
 - The official transcript specifically indicates that a state has determined that the test results are considered by the State to meet its requirements of high school equivalency; *OR*
 - The official transcript includes language that the final score is a passing score

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High School Completion

- Homeschooling
 - A secondary school completion credential for home school provided for under State law;

OR

 - 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

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High School Completion

- 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
 - Associate's degree...*or no degree*
 - 60 semester hours/72 quarter hours
- Student excelled academically in high school and met all criteria to be admitted into a two-year degree program or higher

High School Completion

- If high school completion is successfully verified and documented in a prior award year, it does not need to be verified again in future years
- Form DD-214 (Certificate of Release or Discharge from Active Duty) may serve as alternative documentation of high school completion if it indicates the applicant has a high school diploma or equivalent
- An institution may not accept as alternative documentation an applicant's self-certification

High School Completion

In rare cases where it is impossible for a refugee, asylee or victim of human trafficking to obtain documentation of secondary school completion in a foreign country, an institution may accept self-certification.

Program Integrity Q & A website: FHD-Q2/A2



Identity/Statement of Educational Purpose

Students appearing in person must provide to a designated and authorized school official:

- A valid unexpired US government-issued photo ID
- A signed statement of educational purpose, using language provided by ED

Schools must maintain:

- The date documentation was received
- The name of the institutionally-authorized individual that obtained the documentation



Identity/Statement of Educational Purpose

Students who cannot appear in person may provide to the school a copy of the unexpired ID, and the original copy of the Statement of Educational Purpose that has been notarized in person.

The Statement of Education Purpose submitted must be the original notarized document. After review, the school may convert it to an electronic record.



Identity/Statement of Educational Purpose

An unexpired valid government-issued photo identification is...

...one issued by the US government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian or Alaska Native tribe, American Samoa, Guam, the US Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau

Military and SNAP identification is not acceptable





V1 + V4 = V5

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Verification Reminders

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V4/V5 Tracking Results

- The V4 and V5 tracking process in FAA Access to CPS online, that began in the 2014-2015 processing year, continues through 2019-2020 *and indefinitely*
- Schools need to select the proper award year for which they are providing results

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V4/V5 Tracking Results

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V4/V5 Tracking Results

- **Whom to report:** Students for whom school received an ISIR with a verification Tracking Group of V4 or V5 **AND** for whom school requested verification documentation
 - Do not include students the *school* selected
- **When to report:** 60 days following the institution's first request for the required documentation
 - Changes to previously submitted verification results must be updated within 30 days

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V4/V5 Tracking Results

1. Verification completed in person, no issues found
2. Verification completed remotely, no issues found
3. Verification attempted, issues found with identity
4. Verification attempted, issues found with high school completion
5. No response from applicant or unable to locate
6. *Issues with both identity and high school completion*

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Automatic Zero EFC

For Automatic Zero EFC-eligible dependent applicants in Tracking Groups V1 or V5:

- Parent AGI, if tax filers
- Parent income earned from work, if non-filers
AND
- High school completion and identity/educational purpose (V5)



Automatic Zero EFC

For Automatic Zero EFC-eligible independent applicants in Tracking Groups V1 or V5:

- Applicant and spouse AGI, if tax filers
- Applicant and spouse income earned from work, if non-filers
- Household size to determine if dependents other than a spouse
- High school completion and identity/educational purpose (V5)



Identity Theft

Victims of IRS tax-related identity theft must submit...

- Statement signed and dated by tax filer indicating s/he was a victim of IRS tax-related identity theft and the IRS has been made aware;
AND
- An IRS Tax Return Database View (*TRDBV*) transcript
 - Tax filers who cannot obtain a TRDBV transcript may instead submit official IRS document(s) if they include all income and tax information required to be verified

Program Integrity Q & A website: Effective July 7, 2015



Resources

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Additional Resources

- [Federal Student Aid Handbook](#)
Application and Verification Guide
- [Federal Regulations](#)
- 34 C.F.R. § 668 Subpart E (668.51 – 668.61)
 - 34 C.F.R. § 668.16(f)
- [Program Integrity Q & A Website \(Verification\)](#)
<http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>
- [FSA Assessments: Activity 3](#)
<http://ifap.ed.gov/qahome/qaassessments/fsaverification.html>

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Thank you!

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<https://www.surveymonkey.com/r/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to Mark Gerhard at Mark.Gerhard@ed.gov.



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ED Contacts



[Reach FSA](#)
855.FSA.4FAA.....One number to reach 7 contact centers!

- eZ-Audit School Eligibility Service Group
- COD CPS/SAIG
- NSLDS Nelnet Total & Permanent Disability Team
- G5





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