


Verification

Verification



SASFAA 2013 Conference

February 12, 2013

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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Agenda

2012-2013

- Overview
- Electronic Announcement Update

2013-2014

- New verification items and documentation
- Verification tracking groups and flags
- Communicating with schools & students
- Verification text vs. verification worksheets
- Verification resources

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Information on Verification

- **Program Integrity Final Rules**
 - Published on October 29, 2010
 - Replaces the five verification items for all selected applicants with a targeted selection from items included in an annual **Federal Register** notice published by the Secretary
 - Institution may select additional applicants or verify additional items for an applicant

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Verification

Verification for 2012-2013




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 & PLUS Loan; TEACH Grant
- Use **“FAFSA information”** instead of “application”



Verification Selection

- CPS applies risk model to FAFSA data
 - Goal is to target verification based upon most error prone data items specific to an applicant
- Non-selected applicants are again subject to risk model when submitting corrections
- Adding/deleting a school code can trigger a verification selection
- Institutions must verify *all applicants selected by CPS* for verification
 - Removes institution’s option to verify only 30% of applicant pool



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Verification

2012-2013 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

Non-tax filers

- Income earned from work

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2012-2013 Verification Items

- *All applicants* —Items NOT on tax return
- Household size
- Number in college
- SNAP benefits (formerly food stamps)—if receipt indicated on ISIR
- Child support paid—if amount indicated on ISIR

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Income Information for Tax Filers

- IRS Data Retrieval
- IRS Tax Return Transcript
- August 21, 2012—Electronic Announcement
 - Limited circumstances when a signed copy of relevant 2011 tax return is acceptable
 - Amended Returns; Identity Theft; Other Tax Returns
 - Updated with program integrity Q & A (DOC-Q2)
- November 2, 2012—Electronic Announcement
 - Tax filer attempted to request an IRS Tax Return Transcript and was unsuccessful

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Amended Tax Returns

If the institution is aware that an amended tax return was filed, to complete verification, the applicant must submit—

- Either a Signed copy of the original tax return, an IRS Tax Return Transcript, IRS Record of Account Transcript or a Return Transcript for Taxpayer (RTFTP) (Program Integrity Q&A DOC-Q10)

AND

- Signed copy of the Amended 1040X that was filed with the IRS

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Identity Theft

To complete verification for victims of identity theft—

- Signed copy of IRS income tax return

AND

- One of the following—
 1. IRS Form 14039, "Identity Theft Affidavit"
 - Unless not required to file form or did not keep copy
 2. Signed, dated statement indicating victim of identity theft and IRS is investigating
 3. Copy of the police report filed by the tax filer

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Other Tax Returns-

- Puerto Rico, Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, & Guam
- Signed copy of filed tax return is acceptable documentation
- Freely Associated States (Republic of the Marshall Islands, Republic of Palau and Federated States of Micronesia)
- Copy of the individual's Wage and Tax Statement from each employer that provided such a statement and a signed statement identifying all of the individual's income and taxes for the tax year is acceptable

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Other Tax Returns-

- Foreign Countries
 - Signed copies of that tax return or other documentation, using income and tax information (converted to U.S. dollars).
 - If foreign country does not require citizens to file an income tax returns, they can provide institution with signed statement certifying all of the individual's income and taxes paid for the tax year.

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Tax Filers - Extensions

- Person is required to file, but obtained **extension**, must submit:
 - IRS form 4868 or IRS approval to extend beyond October 15, 2012
 - W-2 for each source of employment income
 - Signed statement by a self-employed individual certifying amount of AGI & US income tax paid for 2011
 - *When above documentation reviewed, verification is considered complete* (disbursements are valid)
- School may request transcript/IRS DRT when taxes are filed

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November 2, 2012 Electronic Announcement

- Alternative documentation allowed when tax filer unable to obtain an IRS Tax Return Transcript using the IRS *paper or on-line* request process
 - No alternative documents for telephone requests

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2012-2013 – Transcripts Unavailable


- In instances where the tax filer attempted to request an IRS Tax Return Transcript and was unsuccessful
 - Signed copy of relevant 2011 IRS tax return

AND

- Communication (signed by tax filer) from IRS stating request was unsuccessful
 - Letter from IRS
 - Screen shot print


AND

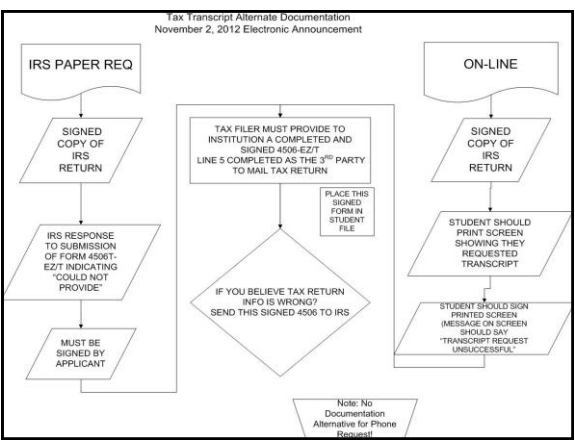
- Completed and signed IRS Form 4506 T-EZ or 4506 T listing institution as third party


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November 2, 2012 Electronic Announcement

- If there is no reasonable doubt about the accuracy of the paper tax return, maintain copy in student's file and no further action is required
- If there is reason to believe the paper tax return is inaccurate, must send IRS Form 4506 T-EZ or 4506 T to IRS and wait for response before verification can be completed


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Verification for 2013-2014

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2013-14 Verification

Verification items—

- Retained all items subject to verification in 12/13
 - *same documentation requirements*
- Added two new items
 - High school completion status
 - Identity/Statement of Educational Purpose

Federal Register – July 12, 2012
DCL GEN-12-11

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2013-14 Verification

- 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

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Verification

2013-14 Verification

- Continuing to take small steps towards customized verification
- Items to be verified will be grouped
 - V1 (Standard); V2 (SNAP); V3 (Child Support Paid); V4 (Custom); V5 (Aggregate)
- IRS Data Retrieval Tool will be available later than the announced February 3, 2013 since IRS will not process 2012 tax returns until January 30, 2012

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Verification for 2013-2014

Verification Tracking Flag Groups

Verification Tracking Flag	Verification Tracking Group	Verification Description
V1	Standard Verification	Record selected because conditions based on statistical analysis error-prone risk model were met
V2	SNAP Verification	Record selected for receipt of SNAP criteria only
V3	Child Support Paid Verification	Record selected for Child Support Paid criteria only
V4	Custom Verification Group	Record selected for identity criteria only
V5	Aggregate Verification Group	Record selected for identity criteria and "Standard Verification" criteria
Blank	Not selected for verification	

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Communicating with Schools

FAA INFORMATION

Date ISIR Received MM/DD/YYYY **PS** Pushed ISIR Flag XXX
 Verification Flag **V3** Rejects Met: 99,99,99,99,99,99
 Professional Judgment XXXXXX Verification Tracking Flag **V3**
 Transaction Receipt Date MM/DD/YYYY ETT Dependency Override XXXXXXXXXXXXXXXXXX
 Auto Zero EFC Flag XXX Rejected Status Change Flag Y Duplicate SSN Flag XXX
 EFC Change Flag XXXXXXXX Verification Selection Change Flag Y Address Only Correction X
 SNT Flag XXX Special Circumstance Flag X SAR C Change Flag X

FAA Access to CPS Online - Student Inquiry

NEED HELP? 2013-2014 | 99999999 |
 FAA Information MAINGE L DEMYLAJSTNAME
 Application Flags

Verification Selection Change Flag: 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

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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).

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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) - *if listed on FAFSA*
- Child Support Paid - *if listed on FAFSA*

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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) - *if listed on FAFSA*
 - Child Support Paid - *if listed on FAFSA*

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V2—SNAP

Supplemental Nutrition Assistance Program
(SNAP-Food Stamps)

(1) A statement signed by the applicant/parent affirming that SNAP-Food Stamps benefits were received by someone in the household during the 2011 and/or 2012 calendar years.
(2) If school has concerns with accuracy of information, the institution must obtain documentation from the agency that issued the SNAP-Food Stamps benefits


*This was the **only** thing that made them hit an Auto-Zero EFC*

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V3—Child Support Paid


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

(1) Statement signed by the applicant/parent certifying—
(a) The amount of child support paid;
(b) The name of the person who paid the child support;
(c) The name of the person to whom child support was paid; and
(d) The names of the children for whom child support was paid
(2) If the institution has reason to believe that the information provided in the signed statement is inaccurate, the applicant must provide the institution with supporting documentation, such as—divorce decrees, checks, signed statements, etc.

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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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2013-14 Verification

- Documentation of high school completion status:
 - High school diploma; or
 - Final official high school transcript that shows the date of graduation

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

- *Student self-certification not allowed*

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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 (cont.)
- 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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Verification

2013-14 Verification

- 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 – STUDENTS THAT APPEAR IN PERSON
 - Present to an institutionally authorized individual
 - A valid government-issued photo identification; and
 - A signed statement of educational purpose
 - *Provided by ED and cannot be modified*
 - Maintain, an annotated copy of the identification:
 - 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 - STUDENT UNABLE TO APPEAR IN PERSON

- Must provide the institution—
 - A copy of a valid government-issued photo identification
 - AND
 - An *original*, notarized statement of educational purpose signed by the applicant
 - ED developed Statement of Educational Purpose cannot be modified
 - Cannot be faxed or scanned

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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

Certification and Signatures

- If the institution combined two or more sets of text into a single document (worksheet), only one set of certification/signatures is required, *except that a separate signature is required by the student for execution of the Statement of Educational Purpose.*
- Also, this certification and signature is not required for the submission of signed tax returns or for IRS Tax Return Transcripts

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2013-2014



**Verification
Worksheets**

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Electronic Announcement – 1/18/13

- Contains 4 appendices to assist with crafting school verification documents to gather required verification data
- To remove unnecessary burden on all parties, ED urges institutions to use a targeted approach to request only required verification information from students and families
 - Schools still allowed to select additional items based on school selection policy

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Electronic Announcement – 1/18/13

- Appendix A – Suggested text
- Not required to use ED’s suggested text and formats
 - **ONE EXCEPTION - institutions must use the exact language provided in the “Statement of Educational Purpose” (Groups V4 & V5)**
- Includes a signature block
- Ensure document collects student’s name and other identifying information, and that each page is identified as belonging to that student
- Should contain any special instructions for where, when, and how documents are to be submitted

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Electronic Announcement – 1/18/13

Statement of Educational Purpose

I certify that I _____ am the individual signing
(Print Student’s Name)

this Statement of Educational Purpose and that the federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending _____ for 2013-2014.
(Name of Postsecondary Educational Institution)

(Student’s Signature) (Date)

(Student’s ID Number)

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Electronic Announcement – 1/18/13

- Appendix B – Verification item table listing important aspects of each item and groups each item according to verification tracking group
- Appendix C – Table of all items in each verification tracking group

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Electronic Announcement – 1/18/13

- Appendix D – Example of institutional verification document
- Example is for a dependent student selected for Verification Tracking Group V4 whose ISIR indicates child support paid but no receipt of SNAP benefits
 - Example of ONLY including text for items required to verify (no SNAP language included)
- Provides a sample verification requirements introductory paragraph, possible headings and a sample student demographic section

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Questions!

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SASFAA Evaluation

Evaluation System APP or Web
<https://answerqwik.com/login.htm>

Enter Poll ID
Session Gen 2: 102733

Enter Password **sasfaa**

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“NEW” - Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/DavidBartnicki>
 • Evaluation form is specific to David Bartnicki
- Go to <http://s.zoomerang.com/s/MichaelRoberts>
 • Evaluation form is specific to Michael Roberts
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- Additional concerns about training can be directed to joann.borel@ed.gov

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