

What is Verification?

Bruce Honer, FSA Trainer / March 2017
U.S. Department of Education
2017 PacFAA Annual Conference

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Agenda

- Verification Fundamentals
- Understanding Verification Groups
- Crafting Your Verification Document
- IRS/Data Retrieval Tool or Tax Transcripts?
- Reporting V4 / V5 Verification Results
- Miscellaneous Verification Rules

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What Is Verification?

Process by which certain data reported on the FAFSA is reviewed for accuracy and completeness.

Guidance:

2017-18 FSA Handbook AVG Ch. 4

Federal Register Published April 1, 2016

DCL: GEN 16-04 – Published April 5, 2016



Required Policies and Procedures

- Time period students must submit verification documentation
- Consequences of failing to submit documents on time
- Method of notifying students of award changes due to verification results
- Procedures you or students will follow to make FAFSA corrections
- Procedure to refer students to OIG



How are Students Selected?

- CPS selection (ED)
 - Data-based statistical analysis focusing on applicants with highest probability of error
 - Verification flag provided on ISIR/SAR
 - Asterisk (*) next to EFC
 - School MUST verify all applicants selected by CPS
- School selection - based on school criteria
 - Items may be same as ED verifiable item; or
 - Items may be different from those required to be verified by ED



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Verification Exclusion Examples

- Death of a Student
- Student Not Receiving Aid
- Student Eligible to Receive Only Unsubsidized Aid

Verification of Parent or Spousal Information

- Died
- Mentally Incapacitated
- Cannot be located

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How to Complete the Process

- Compare documents with FAFSA data
- Use of checklist in the file
- School system verification comparison tool
- If information is correct, you may award and disburse aid
- If there are errors/inconsistencies, you must make the necessary corrections prior to disbursing
- 668.58

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Notice to Student

School must provide a written statement to students selected for verification that includes:

- Clear explanation of the documentation requirements
- Student's responsibilities with regard to the verification process including deadlines and consequences
- School's responsibilities for notifying student of changes in aid resulting from verification

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Verification Deadline Dates

- Verification must be completed by the earlier of:
 - 120 days after last day of student enrollment
 - Secretary's deadline (Federal Register)
 - 2017-18 deadline is expected to be September 22, 2018
- School may set an earlier deadline for Direct Loan applicants
- Verification is complete when your school has reviewed ALL requested documentation

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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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Communicating with Schools

FAA INFORMATION		CPS Pushed ISIR Flag	XXXX
Date ISIR Received	MM/DD/CCTT	Rejects Met:	99,99,99,99,99,99
Verification Flag	Y	Verification Tracking Flag	VS
Professional Judgment	XXXXXX	Dependency Override	XXXXXXXXXXXXXXXXXXXX
Transaction Receipt Date	MM/DD/CCTT	ETI	9
Auto Zero EFC Flag	XXX	Rejected Status Change Flag	X
EFC Change Flag	XXXXXXXX	Verification Selection Change Flag	C
SNT Flag	XXX	Special Circumstance Flag	X
		Address Only Flag	
		SAR C Change Flag	X

FAA Access to CPS Online - Student Inquiry

NEED HELP? 2012-2013
236-04-0003
MAXINE I. DEMICK-ASTHANE

FAA Information

Application Flags

Verification Selection Change Flag: Change in Verification Tracking Group

Verification Flag: Selected for Verification

Verification Tracking Flag: Aggregate Verification

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**Understanding
Verification Groups**

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Verification Groups

V1: Standard Verification Group

- AGI
- Taxes Paid
- Untaxed Income
- Household Size
- Number in College

V4: Custom Verification Group

- High School Completion
- Identity / Statement of Educational Purpose

V5: Aggregate Verification Group

- Combined Verification Items from V1 & V4

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Acceptable Documentation

For each verification item in each Verification Group, a school must obtain what the Department has determined is ACCEPTABLE DOCUMENTATION, to verify the accuracy of that FAFSA data element.

- Federal Register Published April 1, 2016: 2017-18 Verification Items and Documentation
- IFAP: Program Integrity Q&A for Verification
- PacFAA Session on “2017-18 Verification”

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Verification Group Changes

- Applicants may be moved from previously assigned Groups V1 or V4 to Verification Tracking Group V5
 - Applicant is only required to verify any additional items in V5 that were not previously verified
 - If the applicant is moved to Verification Tracking Group V5, no additional disbursements of any Title IV aid may be made until verification is satisfactorily completed

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Verification Group Changes

Applicants moved to Verification Tracking Group V5:

- If student was previously verified and Title IV aid had been disbursed prior to receiving an ISIR with updated code V5, and the applicant does not complete V5 verification, the applicant is liable for the full amount of TIV aid disbursed for 2017-2018
- The school is not liable
 - *Exception: if an R2T4 is required for the student, school would return funds as per normal*

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Crafting Your Verification Document

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School Verification Document

Electronic Announcement: July 29, 2016

- Contains four 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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School Verification Document

Appendix A provides suggested text

- Allows school to create customized documents
- Not required to use ED's suggested text and formats **with ONE EXCEPTION - institutions must use the exact language provided in the "Statement of Educational Purpose" (Groups V4 & V5)**
- Ensure each document collects student's identifying information to confirm each page is identified as belonging to that student
- Should contain any special instructions and deadlines for submitting documents to the school

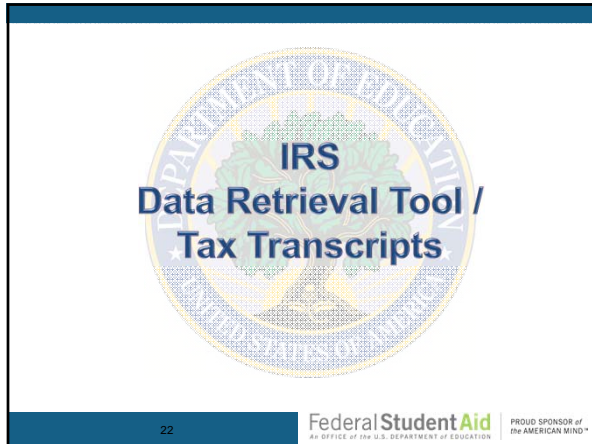
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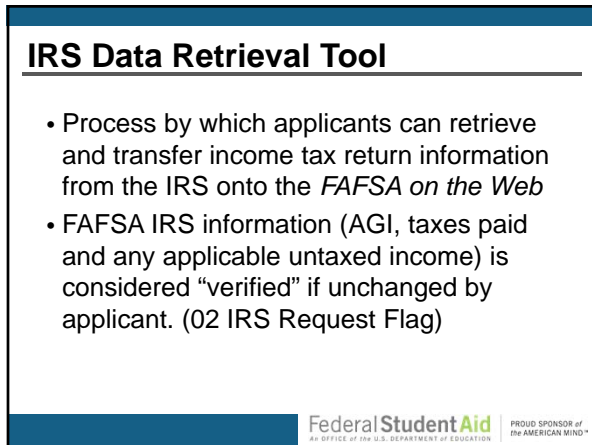
School Verification Document

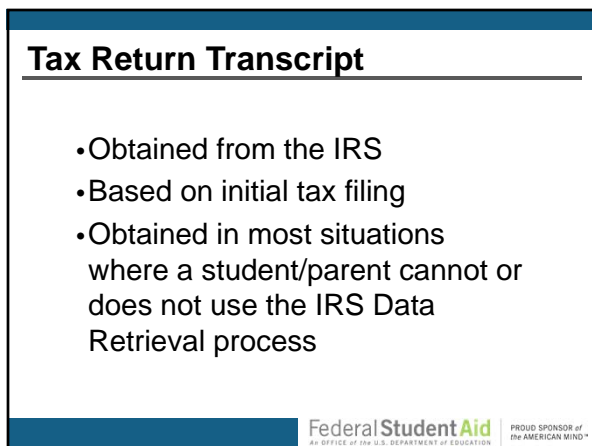
- Appendix B is the verification item table listing important aspects of each item and groups each item according to Verification Tracking Group.
- Appendix C is a table of all items in each verification tracking group.

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Tax Transcript Tips


- Tax Return Transcripts can be requested about two to three weeks after an electronic return was filed and eight to eleven weeks after a paper return was filed
- Tax filers can expect to receive a paper IRS Tax Return Transcript in five to ten days from request
- Transcripts are sent to tax filer's address
- Filer may complete paper request and have it sent to a third party
- No signature required

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Transcript Requests 2017-18

- "Get Transcript Online" at IRS.gov website
- Online **Get Transcript by Mail**
- Automated phone tool (1-800-908-9946)
- Paper Form 4506-T or 4506T-EZ generate a paper transcript

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Reporting V4/V5
Verification Results

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FAA Access – Identity Verification Results

Whom to report: student 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 for verification of identity or high school completion status

When to report: 60 days following the institution's first request to the student to submit the required V4 or V5 identity and high school completion documentation

- Changes to previously submitted identity verification results must be updated within 30 days

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Miscellaneous Verification Rules

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Submitting Changes to Data

- For subsidized programs, school must submit any changes for:
 - Any non-dollar item; or
 - A single dollar item of \$25 or more
- If required to submit one change, must submit all changes

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Interim Disbursements

- If a school has no reason to believe data is incorrect prior to completing verification:
 - May withhold payments or make interim disbursements
 - Pell: may make one disbursement for first payment period
 - Direct Loans: may withhold origination or originate (but not disburse) subsidized loans
- School liable for incorrect interim payments

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Selected by CPS After Disbursement

- Must verify before making more disbursements
- If verification doesn't support disbursements already made, student must repay
 - Except may keep Stafford Loan funds

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Verification & 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

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“Non-Verification” Reminders

- Regardless of verification status
- Must resolve all “C” codes
- Must resolve all conflicting information
 - Separate process from verification
 - Includes any information of which the school has knowledge

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Resources

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Resources

Federal Student Aid Handbook

- Application and Verification Guide – Chapter 4

Federal Register

- April 1, 2016 (2017-18 verification items & documentation)
 - <https://fap.ed.gov/fregisters/FR040116FAFSA20172018BeVerified.html>

Dear Colleague Letters

- GEN-16-07 published on April 5, 2016 (2017-18 verification items and documentation)
 - <https://fap.ed.gov/dpccletters/GEN1607.html>

Electronic Announcement

- July 29, 2016 (2017-18 suggested verification text)
 - <https://fap.ed.gov/eannouncements/072916VerificationSuggestedTextPackageFor20172018.html>

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Resources

Program Integrity Q & A Website (Verification)


- <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-ga.html>

FSA Assessments

- <http://ifap.ed.gov/gahome/qaassessments/fsaverification.html>
- Activity 3 – Verification Codes

Federal Regulations


- 34 C.F.R. § 668 Subpart E (668.51 – 668.61)
- 34 C.F.R. § 668.16(f)



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Department of Education Contacts

Research and Customer Care Center
800.433.7327
fsa.customer.support@ed.gov




Reach FSA
855.FSA.4FAA -- 1 number to reach 10 contact centers!

eZ-Audit	Campus Based Call Center
COD	School Eligibility Service Group
CPS/SAIG	Foreign Schools Participation Division
NSLDS	Research and Customer Care Center
G5	Nelnet Total & Permanent Disability Team

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Questions?

Contact me with follow-up questions about this session:
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- Go to <http://s.zoomerang.com/s/BruceHoner>
- Evaluation form is specific to Bruce Honer
- 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 feedback about training can be directed to joann.borel@ed.gov; 936-201-3298

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Thank you!



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