



Verification



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Verification

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Overview of Session

- Verification Items for 2013–14
- Customized Selection and Tracking Groups
- Documentation
 - Situations where neither IRS Data Retrieval Tool (DRT) nor IRS Tax Transcript are available to the tax filer
- Changes in Student's Marital Status

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Verification

2013-14 Verification Items

Same as 2012-13

Income elements

Number of household members

Number in college

SNAP-Food Stamps

Child support paid

NEW for 2013-14!

High school completion status

Identity / Statement of Educational Purpose (SEP)

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Income Elements

Tax Filers

Adjusted Gross Income (AGI)

U.S. Income Tax Paid

Untaxed portions of IRA distribution/pensions

IRA deductions and payments

Tax exempt interest income

Education credits

Nontax Filers

Income earned from work

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Customized Selection

- Targeted approach toward verification
- Reduces burden on students, families, and institutions
- Preserves integrity of Title IV programs
- Five tracking groups for 2013-14 is a step in that direction
- Verification tracking flag identifies group
- Verification group determines verification items

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Verification

Potential 2013–14 Verification Items

Traditional Elements

SNAP

Child Support Paid

High School Completion

Identity / SEP

- Income elements
- Number in household
- Number in college

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Verification Tracking Groups

Traditional Elements

SNAP

Child Support Paid

High School Completion

Identity / SEP

V1

Standard Verification Group

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Verification Tracking Groups

Traditional Elements

SNAP

Child Support Paid

High School Completion

Identity / SEP

V2

SNAP Verification Group

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Verification Tracking Groups

Traditional Elements

SNAP

Child Support Paid

High School
Completion

Identity / SEP

V3

Child Support Verification Group

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Verification Tracking Groups

Traditional Elements

SNAP

Child Support Paid

High School
Completion

Identity / SEP

V4

Custom Verification Group

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Verification Tracking Groups

Traditional Elements

SNAP

Child Support Paid

High School
Completion

Identity / SEP

V5

Aggregate Verification Group

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Verification

New Documentation Requirements

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High School Completion

High school graduate
Submit one of:

- Copy of High School Diploma**
- Copy of High School Transcript**
 - Must indicate date of high school completion
- Alternative Documentation**
 - When other options are unavailable (e.g., high school now closed, foreign school records unavailable, etc.)

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High School Completion

Equivalent of high school diploma
Submit documentation for 1 of the 4 following equivalents:

- GED Certificate**
GED Transcript
- State Certificate**
 - Student passed a state authorized exam
 - State recognizes as equivalent of a high school diploma
- Academic Transcript**
 - Student successfully completed two-year program acceptable for full credit toward bachelor's degree

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High School Completion

Equivalent of high school diploma

Student who excelled academically in high school, and:

- Did not complete high school
- Is enrolling in an associate or higher level program

Documentation From High School

- Student excelled academically

Institutional Documentation

- Student met school's formal, written policy for admission

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High School Completion

Home school completion

Submit either:

Transcript (or equivalent)

- Lists secondary school courses completed
- Documents successful completion of a secondary school education
- Signed by parent or guardian

Secondary School Completion Credential

- Issued for home school
- Recognized under state law

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High School Completion

• Always verified with:

- Student identity
- SNAP (if reported on FAFSA)
- Child support paid (if reported on FAFSA)

• May also include:

- Traditional verification items

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Verification

Identity & Statement of Educational Purpose

Present in person, both:

Photo Identification

- Valid
- Government issued (e.g., driver's license, military ID, passport, etc.)

Signed Statement

- Certify that federal student financial assistance will be used only:
 - For educational purposes
 - To pay costs of attending institution
 - For the 2013-14 award year

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Identity & Statement of Educational Purpose

- If documentation is presented in person, it must be given to an individual authorized by the institution to verify the applicant's identity
- The school must maintain a copy of the identification that:
 - Is annotated with date document received
 - Indicates the name of the individual who obtained and reviewed the identifying document

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Identity & Statement of Educational Purpose

If unable to provide documentation in person, both:

Photo Identification

- Copy of valid government-issued ID

Signed Statement

- Original signed and notarized statement of educational purpose

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Verification

Identity & Statement of Educational Purpose

- **Always** verified with:
 - High school (or equivalent) completion
 - SNAP (if reported on FAFSA)
 - Child support paid (if reported on FAFSA)
- **May** also include:
 - Traditional verification items

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Discussion

How do you plan to collect high school completion, identity, statement of educational purpose documents?

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Alternative Documentation Cases

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Verification

Victims of Identity Theft

- Signed paper copy of IRS tax return filed AND one of the following:
- Signed copy of IRS Form 14039 “Identity Theft Affidavit”
- Signed, dated statement that tax filer is a victim of IRS identity theft and IRS is investigating the matter
- Copy of police report

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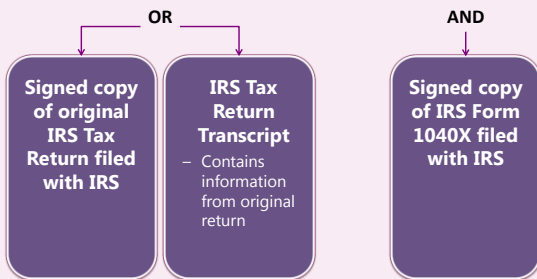


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Amended Tax Returns



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Foreign Tax Returns

- Puerto Rico, Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, Guam
 - Signed copy of tax return filed
- Freely Associated States (Marshall Islands, Palau, Federated States of Micronesia)
 - Copy of Wage and Tax Statement from each employer
 - Signed statement identifying all income and taxes

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Foreign Tax Returns

- **Other foreign countries - tax return filed**
 - Signed copies of the tax return or similar document(s)
 - Convert to U.S. dollars the income and tax fields that most closely correspond to IRS fields
- **Other foreign countries - no tax return is required to be filed**
 - Signed statement from individual certifying income and taxes paid

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Changes in Student's Marital Status

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Marital Status Changes

Sec. 668.55(c)

*“An institution may require an applicant to update FAFSA information... for a change in the applicant’s marital status if the institution determines the update is necessary to **address an inequity** or to reflect more accurately the applicant’s **ability to pay.**”*

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Marital Status Changes

Federal Register, 6/18/10, p. 34829

“We believe these changes would help ensure that the amount of assistance received by an applicant is based on the best available information.”

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Dependency Status Changes

If an applicant’s dependency status changes at any time during the award year, the applicant must update FAFSA information, except when the update is due to a change in his or her marital status [668.55(a)].

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Marital Status Changes

An institution **may require** an applicant to update his/her dependency status due to a change in his/her marital status

- The student need not have been selected for verification
- If update student’s dependency status due to marital status change, other items must also be updated to reflect the marital status change (household size, number in college, spouse’s income, etc.)

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Marital Status Changes

If an independent student is not selected for verification and the change in marital status **does not change** dependency status, no updating of marital status is permitted.

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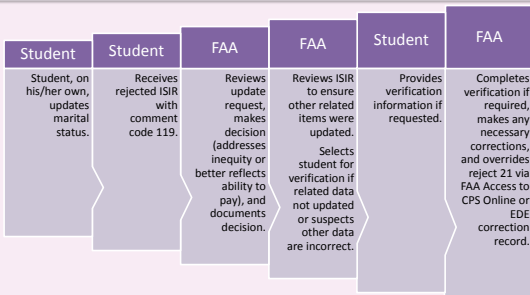


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Processing Marital Changes: Scenario 1



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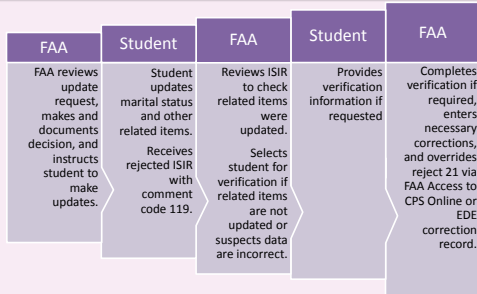


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Processing Marital Changes: Scenario 2



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Documents for Completing Verification 2013–14

Data Element	Verification Document(s)	Signature Requirement	Tracking Flag	Exceptions
Tax Return Items – Tax Filers Only <ul style="list-style-type: none"> • Adjusted Gross Income (AGI) • U.S. Income Tax Paid • Education Credits • IRA Deductions and Payments • Tax Exempt Interest • Untaxed portions of IRA distributions • Untaxed portions of pensions 	IRS Request Flag value = 02 to signify ISIR contains retrieved and unchanged data from IRS via FAFSA on the Web (use of IRS Data Retrieval Tool) – OR – IRS Tax Return Transcript obtained from IRS for tax year 2012 – OR – Record of Account Transcript or Return Transcript for Taxpayer (RTFTP) obtained from IRS for tax year 2012	Not applicable Encouraged, not required	V1, V5	See alternative documents list for the following situations: <ul style="list-style-type: none"> • Filed joint tax return, but no longer married • Tax return extension • Victim of identity theft • Amended tax return • Foreign tax return
Income Earned from Work – Nontax Filers Only	IRS Form W-2(s) for each source of employment income received for 2012 – AND – *Signed statement certifying: <ul style="list-style-type: none"> • Nontax filer has not filed and is not required to file a tax return for 2012 • Income source(s) and amount(s) from each employment source not reported on an IRS Form W-2 	W-2 Form(s)—no signature required Nontax filer's signature	V1, V5	Not applicable See alternative documents list if individual is unable to obtain a W-2 in a timely manner
Number of Household Members (HHS)	*Signed statement indicating: <ul style="list-style-type: none"> • Name and age of each household member • Relationship of household member to the applicant 	Student's and, if dependent, at least 1 parent's	V1, V5	Not required for dependent student if: <ul style="list-style-type: none"> • HHS = 2 and parent is single, separated, divorced, or widowed • HHS = 3 and parents are married

Data Element	Verification Document(s)	Signature Requirement	Tracking Flag	Exceptions
Number of Household Members (HHS) (cont'd)				Not required for independent student if: <ul style="list-style-type: none"> • HHS = 1 and applicant is single, separated, divorced, or widowed; or • HHS = 2 and applicant is married
Number in College	*Signed statement indicating: <ul style="list-style-type: none"> • Name and age of each household member who will be, or currently is, attending an eligible Title IV institution on at least a half-time basis during the 2013–14 award year • Name of institution household member will be attending 	Student's and, if dependent, at least 1 of student's parents	V1, V5	Do not include: <ul style="list-style-type: none"> • Parent(s) of dependent student • Household members enrolled in U.S. military academies Verification not required if value of "1" reported for number in college See Alternative Documents List if institution questions accuracy
Supplemental Nutrition Assistance Program (SNAP-Food Stamps)	*Signed Statement affirming: <ul style="list-style-type: none"> • SNAP-Foods Stamps were received during 2011 and/or 2012 calendar years 	Independent student's or, if dependent student, 1 of student's parents	V1, V2, V4, V5	Required only if benefits reported on the FAFSA See Alternative Documents List if institution questions accuracy
Child Support Paid	*Signed Statement indicating: <ul style="list-style-type: none"> • Amount of child support paid • Name of person who paid the child support • Name of person to whom child support was paid • The name(s) of children for whom child support was paid 	Student's or parent's, depending upon who paid child support	V1, V3, V4, V5	Required only if child support paid reported on the FAFSA See Alternative Documents List if institution questions accuracy

Data Element	Verification Document(s)	Signature Requirement	Tracking Flag	Exceptions
High School Completion Status	High School Diploma: <ul style="list-style-type: none"> • Copy of high school diploma; or • Copy of final transcript showing date student completed secondary school education 	Not applicable	V4, V5	See Alternative Documents List if a copy of a high school diploma or final high school transcript is unavailable
	Recognized Equivalent of High School Diploma: <ul style="list-style-type: none"> • General Educational Development (GED) Certificate; or • State certificate recognized by state as the equivalent of a high school diploma that student received after passing state-authorized examination; or • Academic Transcript indicating student completed at least a two-year program acceptable for full credit toward bachelor's degree; or • For student who is seeking enrollment in a program leading to at least an associate degree or its equivalent and who has not completed high school but excelled academically in high school, documentation that student: <ul style="list-style-type: none"> ➤ Excelled academically in high school, and ➤ Met the institution's formalized, written policies for admitting such students 	Not applicable	V4, V5	
	Home School Completion: <ul style="list-style-type: none"> • Transcript (or equivalent) that lists secondary school courses student completed and documents the successful completion of a secondary school education; or • Secondary school completion credential for homeschool provided for under state law 	Signed by parent or guardian	V4, V5	

Data Element	Verification Document(s)	Signature Requirement	Tracking Flag	Exceptions
Statement of Educational Purpose/Identity	<ul style="list-style-type: none"> • Valid, government-issued photo ID presented to an authorized school official (school must maintain a copy that is annotated with the date the document was received and name of individual who reviewed the document) • Signed original signed statement certifying that federal student financial assistance will be used only: <ul style="list-style-type: none"> ➤ For educational purposes ➤ To pay costs of attending institution ➤ For the 2013–14 award year 	Student signs Statement of Educational Purpose	V4,V5	If student is unable to appear in person: <ul style="list-style-type: none"> • Copy of valid, government-issued ID • Original notarized statement signed by student certifying that federal student financial assistance will be used only: <ul style="list-style-type: none"> ➤ For educational purposes ➤ To pay costs of attending institution ➤ For the 2013–14 award year

* Signed statements may be collected on a verification worksheet



Alternative Documents List - 2013–14 Verification

Data Element	Situation	Acceptable Alternative
Tax Return Items <ul style="list-style-type: none"> • Adjusted Gross Income (AGI) • U.S. Income Tax Paid • Education Credits • IRA Deductions • Tax-exempt interest • Untaxed IRA distributions • Untaxed portions of pensions 	Filed joint tax return, but no longer married	Independent student or parent of a dependent student: <ul style="list-style-type: none"> • IRS Tax Return Transcript obtained from IRS for tax year 2012 • Copies of IRS Form W-2 for each employment source
	Filed tax extension	If not self-employed: <ul style="list-style-type: none"> • IRS Form 4868, <i>Application for Automatic Extension of Time to File U.S. Individual Income Tax Return</i> • Copy of IRS approval if further extension has been granted • Copies of IRS Form W-2 from each employment source If self-employed, signed statement certifying 2012 AGI and taxes paid <ul style="list-style-type: none"> • A school, at its option, may request the applicant, or parent(s) to provide an IRS Tax Return Transcript from the IRS after the tax return has been filed. If the school obtains this document, AGI and taxes paid must be reverified.
	Amended tax return filed	<ul style="list-style-type: none"> • Signed copy of original tax return filed with IRS, IRS Tax Transcript, Record of Account Transcript, or Return Transcript for Taxpayer (RTFTP) • Form 1040X, <i>Amended U.S. Individual Income Tax Return</i>, filed with IRS
	Victim of identity theft	Signed paper copy of IRS tax return filed and: <ul style="list-style-type: none"> • Signed copy of IRS Form 14039, <i>Identity Theft Affidavit</i> (if filed with IRS) • Signed, dated statement that tax filer is a victim of IRS identity theft and IRS is investigating the matter; or • Copy of police report (if filed)
	Foreign Tax Return	<ul style="list-style-type: none"> • American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, the Virgin Islands: <ul style="list-style-type: none"> ➤ Signed copy of 2012 tax return filed • Freely Associated States (Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau): <ul style="list-style-type: none"> ➤ Copy of Wage and Tax Statement from each employer for 2012 ➤ Signed statement identifying all income and taxes paid in 2012

Data Element	Situation	Acceptable Alternative
Tax Return Items (cont'd)	Foreign Tax Return (cont'd)	<ul style="list-style-type: none"> • Other foreign countries – tax return filed <ul style="list-style-type: none"> ➤ Signed copies of 2012 tax return or similar document(s) required by foreign government ➤ Convert to U.S. dollars the income and tax fields that most closely correspond to IRS fields • Other foreign countries – tax return not filed <ul style="list-style-type: none"> ➤ Signed statement from individual certifying income and taxes paid in 2012
	Unable to obtain an IRS Form W-2 in timely manner	<p>Upon approval of verifying institution:</p> <ul style="list-style-type: none"> • Signed statement from individual unable to obtain W-2 <ul style="list-style-type: none"> ➤ Reason that the W-2 is not available in a timely manner ➤ The amount and source of income earned from work in 2012
Number in College	Institution questions accuracy of standard documents	<ul style="list-style-type: none"> • Statement from each institution listed for the household member in question confirming that the student is, or will be, attending there on at least a half-time basis, unless: <ul style="list-style-type: none"> ➤ The household member is not yet registered ➤ The household member is attending the verifying institution
Supplemental Nutrition Assistance Program (SNAP)	Institution questions accuracy of standard documents	<ul style="list-style-type: none"> • Documentation from the agency that issued the SNAP benefits indicating SNAP benefits were received by the applicant's household during the 2011 and/or 2012 calendar years.
Child Support Paid	Institution questions accuracy of standard documents	<ul style="list-style-type: none"> • Copy of the separation agreement or divorce decree indicating the amount of child support to be provided; • Signed statement from the individual receiving the child support including the 2012 amount provided; or • Copies of checks or money order receipts made to pay child support
High School Completion Status	Unable to obtain standard document	<ul style="list-style-type: none"> • Alternative documentation <ul style="list-style-type: none"> ➤ The Department has not yet identified what an acceptable alternative might be, although ED has indicated the student's self-certification is not acceptable documentation.