


Verification for the 2012–2013 and Where Is It Going in the Future?

Region III Fall Workshop
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What is Verification?

- Process where information submitted on Free Application for Federal Student Aid (FAFSA) must be reviewed for accuracy
 - Selected by US Department of Education
 - Selected by Institution

What are the New Regulations?

- Effective July 1, 2012 for 2012–2013 year
- All changes and corrections to a student's FAFSA information must be submitted to CPS
- 30% institutional verification cap was eliminated
- Must verify all CPS–selected applicants
- \$400 tolerance was eliminated; now \$25 tolerance for any item

What Items Require Verification?

- ▶ Number in household
 - For dependent student, not required if parent is single, separated, divorced or widowed, and household size is 2, or if parent is married and household size is 3
 - For independent student, not required if student is single, separated, divorced or widowed and household size is 1, or if student is married and household size is 2
- ▶ Number in college
 - Not required if number in college is 1
- ▶ SNAP (Supplemental Nutrition Assistance Program) (formerly Food Stamps) if reported on FAFSA
- ▶ Child Support Paid, if reported on FAFSA

What Items Require Verification?

- ▶ Tax Filers
 - Adjusted Gross Income (AGI)
 - Taxes Paid
 - Specific Untaxed Income from tax return
 - Untaxed IRA distributions
 - Untaxed Pensions
 - IRA distributions
 - Tax exempt interest
 - Educational credits

What Items Require Verification?

- ▶ Non-Tax Filers
 - Income from Work
 - Must verify that the person has not filed and is not required to file an income tax return for tax year

What Documentation is Acceptable?

- Verification of household size and number in college (signed statement, verification worksheet, etc.)
- Non-Tax Filers
 - Copy of W-2 form for each source of employment income
 - If W-2 not available, signed statement explaining why and listing source and amount of income
 - Signed statement certifying that person has not filed and is not required to file an income tax return for tax year, and any sources of income earned from work not reported on W-2 form (verification worksheet)

What Documentation is Acceptable?

- Tax Filers
 - IRS Data Retrieval Process
 - If tax return has been filed, can retrieve IRS tax information into FAFSA at time FAFSA is completed, or at any time after FAFSA has been completed
 - Must have code 02
 - IRS Tax Return Transcript
 - Must provide the transcript to the institution if tax information on FAFSA was not retrieved through IRS Data Retrieval Process. Can request:
 - Online
 - By Phone
 - By Form 4506T-EZ

What Documentation is Acceptable?

- Food Stamps (if reported on FAFSA)
 - Verification Worksheet
 - Institution may request documentation from agency that approved the benefit
- Child Support Paid (if reported on FAFSA)
 - Verification Worksheet or signed statement from student, spouse, or parent who paid child support
 - Annual amount of child support paid
 - Name of person to whom child support was paid
 - Name of children for whom child support was paid
 - Institution may request documentation

What If Student/Parent Files IRS Extension?

- › Verification is considered completed with:
 - Documentation of IRS Extension
 - Copy of W-2 form(s) from each source of income
- › Institution can require a copy of tax return transcript when taxes have been filed
- › If tax return transcript is received, institution must verify Adjusted Gross Income and Taxes Paid
- › If tax return transcript is not received, institution may return all funds disbursed

What Are Verification Requirements if Professional Judgment is Requested?

- › Must complete verification of all CPS-selected applicants before institution can exercise professional judgment
- › Verification is not required if applicant was not selected by CPS for verification, but institution may require it

Are You Required to Update Marital Status?

- › Update of marital status is allowed by Financial Aid Administrator to address an inequity or to better reflect ability to pay
 - If dependency status changes and/or
 - When applicant needs to update household size and number in college
- › Update of marital status may require other information to be updated

What Happens if Verification Occurs After Student Is No Longer Enrolled?

- Pell Grant payment is based upon the correct EFC
 - No longer limited to the lesser Pell Grant payment if verification changes EFC and student is no longer enrolled

What are Changes to Verification for 2013–2014

- Same items for verification as required in 2012–2013
 - AGI, taxes paid, untaxed income items, education credits, SNAP, child support paid, number in household, and number in college
- New Items for 2013–2014
 - High school completion status
 - Identity/Statement of Educational Purpose

What Documentation is Acceptable?

- High School Completion Status
 - Final high school transcript indicating that student has a standard high school diploma
 - GED transcript
 - If home-schooled, transcript or equivalent, signed by parent or guardian, that lists secondary school courses completed and documents successful completion of secondary school education or a secondary school completion credential for home school provided for under State law

What Documentation is Acceptable?

- Identity/Statement of Educational Purpose
 - Present in person to institution:
 - Valid government-issued photo ID (e.g., driver's license, military ID, or passport) and
 - Signed statement of educational purpose
 - Institution must main a copy of identification submitted that includes:
 - Date documentation was received, and
 - Name of individual at institution authorized to accept the documentation
 - If student cannot appear in person, must provide to institution:
 - Copy of valid government-issued photo ID (see above)
 - Original notarized statement of education purpose signed by student

What are Verification Tracking Groups for 2013–2014?

- V1: Standard Verification Group
 - Tax Filers
 - AGI
 - US Taxes Paid
 - Untaxed Portions of Pension/IRA Distributions
 - IRS Deductions and Payments
 - Tax Exempt Interest Income
 - Education Credits
 - Number in Household
 - Number in College
 - SNAP
 - Child Support Paid

What are Verification Tracking Groups for 2013–2014?

- V1: Standard Verification Group
 - Non-Tax Filers
 - Income Earned From Work (W-2 form)
 - Number in Household
 - Number in College
 - SNAP
 - Child Support Paid

What are Verification Tracking Groups for 2013–2014?

- ▶ V2: SNAP Verification Group
 - SNAP Only
- ▶ V3: Child Support Paid Verification Group
 - Child Support Paid Only by student (or spouse), the student's parent, or both
- ▶ V4: Custom Verification Group
 - High School Completion Status
 - Identity/Statement of Educational Purpose
 - SNAP
 - Child Support Paid

What are Verification Tracking Groups for 2013–2014?

- ▶ V5: Aggregate Verification Group
 - High School Completion Status
 - Identity/Statement of Educational Purpose
 - All items in V1 Group for Tax Filer and Non-Tax Filer

What are Some Resources?

- ▶ www.ifap.ed.gov
 - 2012–2013 Application and Verification Guide
 - GEN-12-07: Acceptable Documentation for Income and Taxes
 - FAFSA IRS Tax Return Transcript Matrix
 - GEN-12-11 (July 17, 2012)

Questions?