

Verification 2013-14 and 2014-15: What You Need to Know?

FASFAA Region V Fall Workshop
October 11, 2013

Agenda

2013-2014

- Verification tracking groups and flags
- FAFSA information required to be verified
- New verification items and acceptable documentation
- Verification text
- Hot topics

2014-2015

- New verification items and acceptable documentation
- Upcoming information

Verification for 2013-2014

2013-2014 Verification Items

- Retained all items subject to verification in 2012-13
 - Same documentation requirements
- Added two new items
 - High school completion status
 - Identity/Statement of Educational Purpose
(see Federal Register – July 12, 2012 and DCL GEN-12-11, July 17, 2012)

2013-2014 Verification Items

All applicants –

- Household size
- Number in college
- Supplemental Nutrition Assistance Program (SNAP - Food Stamps) – if receipt indicated on ISIR
- Child support paid – if amount indicated on ISIR

2013-2014 Verification Items

- Tax filers
 - Adjusted gross income (AGI)
 - U.S. income tax paid
 - Education credits
 - Specific untaxed income items
 - Untaxed portions of IRA distributions
 - Untaxed portions of pensions
 - IRA deductions and payments
 - Tax exempt interest
- Nontax filers
 - Income earned from work

2013-2014 Verification

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 and SNAP/Child Support Paid
V5	Aggregate Verification Group	Record selected for Identity, "Standard Verification" criteria and SNAP/Child Support Paid

2013-2014 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 Transaction 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

V1 – Standard Verification

- Tax Filers
 - Adjusted Gross Income (AGI)
 - 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 receipt indicated on FAFSA*
 - Child Support Paid - *if amount indicated on FAFSA*

V1 – Standard Verification (cont.)

- Non-Tax Filers
 - Income Earned from Work
 - Number of Household Members
 - Number in College
 - Supplemental Nutrition Assistance Program (SNAP-Food Stamps) – *if receipt indicated on FAFSA*
 - Child Support Paid - *if amount indicated on FAFSA*

V2 – SNAP Verification

- **Not** selected based on standard verification criteria, but
 - Student/Parent indicated that someone in the household received SNAP–Food Stamps benefits during the 2011 and/or 2012 calendar years.
 - This was the **only** criteria that made them qualify for Auto-Zero EFC.
 - If school has concerns with accuracy of information, the institution must obtain documentation from the agency that issued the SNAP-Food Stamps benefits.

V3 – Child Support Paid Verification

- **Not** selected based on standard verification criteria, but
 - Students who were selected because the student (or spouse), the student's parent, or both reported Child Support Paid
- Need statement signed by the applicant/parent certifying—
 - The amount of child support paid in 2012;
 - The name of the person who paid the child support;
 - The name of the person to whom child support was paid; and
 - The names of the child for whom child support was paid
- 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.

V4 – Custom Verification

- **Not** selected based on standard verification criteria, but
- Applicants selected using the identity verification criteria will verify the following data:
 - High School Completion Status
 - Identity/Statement of Educational Purpose
 - Supplemental Nutrition Assistance Program (SNAP-Food Stamps) - *if listed on FAFSA*
 - Child Support Paid - *if listed on FAFSA*

V4 – Custom 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*

V4 – Custom 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

V4 – Custom 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 (i.e. Doogie Howser)

V4 – Custom 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

V4 – Custom 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

V4 – Custom 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

V5 – Aggregate Verification

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

AND

- All items indicated-Tax Filer (V1)
- All items indicated-Non-Tax Filer (V1)

2013-2014 Verification Text

- No sample verification worksheets
- Electronic Announcement posted on November 1, 2012
- Sample text and format for individual data elements
- Electronic Announcement posted on January 18, 2013
- Institutions are able to develop a customized worksheet for individual students or groups of students

Hot Topics

Electronic Announcement – 8/21/12

- August 21, 2012—Electronic Announcement
 - Limited circumstances when a signed copy of relevant tax return is acceptable
 - Amended Returns; Identity Theft; Other Tax Returns
 - Updated with program integrity Q & A (DOC-Q2)

Electronic Announcement – 8/21/12

- A tax filer will be unable to obtain an IRS tax transcript if he or she:
 - Has been determined by the IRS to be a victim of identity theft;
 - Filed a tax return with Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia; or
 - Filed a tax return in a foreign country

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 the Return Transcript for Taxpayer (RTFTP) (Program Integrity Q&A DOC-Q10)

AND

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

Identity Theft

- To complete verification for victim of identity theft -
 - Signed copy of IRS income tax return

AND

- One of the following –
 - IRS Form 14039, “Identity Theft Affidavit”
 - Signed, dated statement indicating victim of identity theft and IRS is investigating
 - Copy of the police report filed by the tax filer

Other Tax Returns

- Puerto Rico, Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, & Guam
 - Signed copy of filed tax return is acceptable
- Freely Associated States (Republic of the Marshall Islands, Republic of Palau, & the Federated States of Micronesia)
 - Copy of 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

Other Tax Returns (cont.)

- 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.

Tax Filers – Extensions

- Person is required to file, but obtained **extension**, must submit:
 - IRS form 4868 or IRS approval to extend beyond October 15, 2013
 - W-2 for each source of employment income
 - Signed statement by a self-employed individual certifying amount of AGI & US income tax paid for 2012
 - *When above documentation reviewed, verification is considered complete* (disbursements are valid)
- School may request transcript/IRS DRT when taxes are filed

High School Completion Status

Previously obtained documentation

- May rely on documentation previously obtained as long as it meets the criteria

High School Completion Abroad

- If unable to obtain a copy of their high school diploma, may document high school completion status by obtaining a copy of the “secondary school leaving certificate” (or equivalent) through the appropriate central government agency

Verification for 2014-2015

2014-2015 Verification

- Federal Register Notice, published June 13, 2013, Free Application for Federal Student Aid (FAFSA) Information To Be Verified for the 2014-2015 Award Year
- Dear Colleague Letter GEN-13-16, Published June 13, 2013, 2014-2015 Award Year: FAFSA Information To Be Verified and Acceptable Documentation

2014-2015 Verification

- Retained all items subject to verification in 2013-2014
- Added one new item
 - Other untaxed income and benefits

2014-2015 Verification

- Documentation of untaxed income and benefits
- Untaxed income information reported in Question 45 for the student and spouse and Question 94 for the dependent student's parents
- If the verified income does not appear to provide sufficient financial support, the student or parents must explain how the family was supported during the 2013 calendar year

2014-2015 Verification

- Program Integrity Final Rules
 - Federal Register Notice Published October 29, 2010
 - Replacing 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
- FAFSA information to be verified for 2014-2015 and acceptable documentation, refer to:
 - Federal Register Notice, published on June 13, 2013
 - DCL GEN-13-16. posted on June 13, 2013

2014-2015 Verification

Other new requirements for 2014-15

- Pell **ineligible** graduates will be excluded from **random** selection
- Pell **eligible** graduate students should be added to **targeted** selection

2014-2015 Verification

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	Reserved for FSA Use Only	N/A
V3	Child Support Paid Verification	Record selected for Child Support Paid criteria only
V4	Custom Verification Group	Record selected for Identity criteria and SNAP/Child Support Paid
V5	Aggregate Verification Group	Record selected for Identity criteria, "Standard Verification" criteria and SNAP/Child Support Paid
V6	Household Resources Verification Group	Record selected for Other untaxed income, "Standard Verification" and SNAP/Child Support Paid

2014-2015 Verification

- Verification text
 - We will provide suggested text for each required verification item
 - Not required to use except for the language for the “Statement of Educational Purpose”

FAA Access Updates 2014-2015

FAA Access will be updated to add required **Identity Verification Results** to the home page.

START HERE GO FURTHER
FEDERAL STUDENT AID®

Help FAQs

FAA Access to CPS Online

NEED HELP?

Welcome to the FAA Main Menu

Select an option from the following menu. It will be necessary to provide the TG# for your Destination Point and your Federal School Code:

- [Student Inquiry](#)
View a student's Student Aid Report (SAR) information, including the Expected Family Contribution (EFC), NSLDS information, and SAR Comments. Compare two ISIR transactions for the same student using **ISIR Compare**. Submit a signature flag for an application in a signature hold status using the **Standalone FAA Signature** feature.
- [Application Entry](#)
Enter a student's FAFSA/Renewal Application or Correction data and submit it to the CPS for processing.
 - [FAFSA/Renewal Application](#)
 - [Corrections](#)
- [Restore a Saved Application](#)
Restore a partially completed and saved FAFSA/Renewal Application or Correction and submit it to the CPS for processing.
 - [FAFSA/Renewal Application](#)
 - [Corrections](#)
- [Identity Verification Results](#)
Select the results of Identity and High School Diploma/GED verification efforts.
- [ISIR Request](#)
Request ISIR data.
- [ISIR Analysis Tool](#)
Analyze FAFSA information reported on the ISIR. Data is used to determine what impact changes to student-reported information had on EFC and Pell eligibility.
- [Return of Title IV Funds on the Web](#)
Calculate and manage the return of Title IV funds. Data is collected, and the Return of Title IV Funds is calculated according to ED's Student Assistance General Provisions.
- [High School FAFSA Completion \(Pilot Participants Only\)](#)
Request and view High School FAFSA Completion data. Access to this new feature is limited to participating state agencies, local educational agencies and secondary schools enrolled in the High School FAFSA Completion Pilot Initiative.

NEED HELP? **EXIT**

FAA Access Updates 2014-2015

- FAAs will be able to enter SSNs/Name ID/ Verification Results from a dropdown menu on this page
- Click “Add SSNs” and enter additional ones

FEDERAL STUDENT AID[®] FAA Access to CPS Online

Help FAQs

FAA Access to CPS Online – Identity Verification Results

[NEED HELP?](#)

Enter Results

TG# for your Destination Point: TG99999
Federal School Code: 601002
School Year: 2013-2014

Enter the SSN, Name ID, and select the Identity Verification Results.

SSN	Name ID	Identity Verification Results
<input type="text"/>	<input type="text"/>	Select
<input type="text"/>	<input type="text"/>	Select
<input type="text"/>	<input type="text"/>	Select
<input type="text"/>	<input type="text"/>	Select
<input type="text"/>	<input type="text"/>	Select

[ADD SSNS](#)

[PREVIOUS](#) [SUBMIT](#)

[NEED HELP?](#) [RETURN TO FAA MENU](#) [EXIT](#)

FAA Access Updates 2014-2015

- Dropdown options will be
 - Verification completed in person, no issues found
 - Verification completed remotely, no issues found
 - Verification attempted, issues found with identity
 - Verification attempted, issues found with HS completion
 - No response from applicant or unable to locate

FAA Access Updates 2014-2015

FAA Access to CPS Online – Identity Verification Results

[NEED HELP?](#)

Results Entry Options

TG# for your Destination Point: TG99999
Federal School Code: 001002
School Year: 2013-2014

Select **Enter Results** to enter identity verification results manually or select **Load Results File** to upload a file.

[REMOVE RESULTS](#)

[ENTER RESULTS](#)

[LOAD RESULTS FILE](#)

3 results entered.

[PREVIOUS](#)

[SUBMIT](#)

[NEED HELP?](#)

[RETURN TO FAA MENU](#)

[EXIT](#)

FAAs will be able to select the Option of Required Results Entry.

FAA Access Updates 2014-2015

FAA Access to CPS Online – Identity Verification Results

NEED HELP?

Load Results File

TG# for your Destination Point: TG99999
Federal School Code: 001002
School Year: 2013-2014

Available after April, 2014

Enter the location of the file you want to load:

NEED HELP?

FAAs will be able to create and upload a flat file to report required results.

FAA Access Updates 2014-2015

FAA Access to CPS Online – Identity Verification Results

[NEED HELP?](#)

Confirmation

TG# for your Destination Point: TG999999

Federal School Code: 001002

School Year: 2013-2014

Your Identity Verification Results have been submitted for the following record(s):

111-11-1111	BB	Verification completed in person, no issues found
111-11-2222	CC	Verification attempted, issues found with identity
111-11-3333	DD	No response from applicant or unable to locate

Select **PRINT THIS PAGE** to print this page for your records.

[PRINT THIS PAGE](#)

[NEED HELP?](#)

[RETURN TO FAA MENU](#)

[EXIT](#)

FAAs will get a confirmation page with the results submitted. FAAs can print the page for their records.

2014-15 Verification Resources

- Federal Register Notice, published June 13, 2013
 - <http://ifap.ed.gov/dpcletters/GEN1316.html>
- Dear Colleague Letter, posted June 13, 2013,
 - GEN-13-16: 2014-2015 Award Year: FAFSA Information to be Verified and Acceptable Documentation
<http://ifap.ed.gov/dpcletters/attachments/GEN1316.pdf>
- Attachment to GEN-13-16, posted June 13, 2013,
 - Attachment to GEN-13-16: IRS Tax Return Transcript and IRS Record of Account Transcript Request Process
<http://ifap.ed.gov/dpcletters/attachments/GEN1316Attachment.pdf>

Verification Resources (cont.)

- *Federal Register*, 9/27/12, pp. 59311-59318, Updated Waivers and Modifications of Statutory and Regulatory Provisions Pursuant to the Higher Education Relief Opportunities for Students (HEROES) Act of 2003, Public Law 108-76
- *Federal Register*, 7/12/12, pp. 41173-41176, Free Application for Federal Student Aid (FAFSA), 2013-14 Award Year
- *Federal Register*, 10/29/10, pp. 66902-66913 and 66954-66958, Program Integrity Issues Final Rule
- *Federal Register*, 6/18/10, pp. 34825-34834, Program Integrity Issues Notice of Proposed Rulemaking

Verification Resources (cont.)

- Dear Colleague Letters:
 - GEN-12-11 – 2013-14 Award Year: FAFSA Information to be Verified and Acceptable Documentation
 - GEN-11-13 – Award Year: FAFSA Information to be Verified, and Acceptable Documentation
 - GEN-11-03 – Enhancements to the FAFSA-IRS Data Retrieval Process
- Electronic Announcement, 3/18/13 – FAFSA Applicants Who May Have Been Impacted by a Tax Filing Software Issue Related to IRS Form 8863
- Electronic Announcement, 1/18/13 – 2013-2014 Verification-Suggested Text
- Electronic Announcement, 11/1/12 – Plans for 2013-14 Verification Worksheets
- Electronic Announcement, 8/21/12 – Limited Circumstances When a Signed Copy of a Tax Return or Other Documentation is Acceptable for Completing Verification

Verification Resources (cont.)

- 2013-14 *ISIR Guide*
- 2013-14 *Application and Verification Guide*
- 2013-14 FAFSA Verification – IRS Tax Return Transcript Matrix
 - <http://ifap.ed.gov/eannouncements/031513FAFSAVerification1314IRSTaxReturnTranscriptMatrix.html>
- Department of Education Program Integrity Information Q&As - Verification
 - <http://www2.ed.gov/policy/highered/reg/hearrulemaking/2009/verification.html>

Verification Resources (cont.)

- *FSA Presentation on Verification (on www.ifap.ed.gov)*
- *2013-14 Using Federal Tax Returns in Need Analysis*
 - http://www.nasfaa.org/products/taxreturn/Using_Tax_Returns_in_Need_Analysis___Verification.aspx (need NASFAA login name & password)
- *USA Funds Comparison of 2012 Tax Return and Tax Transcript Data*
 - <http://www.usafunds.org/schools/Pages/Training.aspx>
- *USA Funds 2012 Federal Tax Return: Eligible to File a 1040A/EZ*
 - <http://www.usafunds.org/schools/Pages/Training.aspx>

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Questions

