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 An OFFICE of the U.S. DEPARTMENT of EDUCATION

Verification 2014-2015



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 U.S. Department of Education

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History

- Validation to verification
- Last comprehensive look in 1985
- 25 years of experience
- Need analysis changes and operational improvements
- Program Integrity regulations—October 29, 2010
- Effective for the 2012-13 award year

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Move to Customized Verification

For the 2012-13 award year

- Retained the long-standing five items and added SNAP and child support paid, if reported on the ISIR

For the 2013-14 award year

- Introduced the concept of verification groups
- Added high school completion and identity/statement of educational purpose as verification items

For the 2014-15 award year

- Eliminated SNAP (V2) as a separate verification group
- Added household resources group (V6)
- Added other untaxed income and benefits as a verification item

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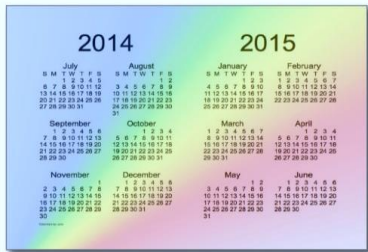
Verification Selection

Of the 5,722,505 applicants selected for verification from the 18,827,577 total applicants to date (Jan. 1 - Nov. 1, 2013)

- .9% (51,533) were placed in the V4-- Customized Verification Group
- 1.45% (82,889) were place in the V5-- Aggregate Verification Group

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2014-15 Verification



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2014-15 Verification

- Federal Register Notice, published June 13, 2013, Free Application for Federal Student Aid (FAFSA) Information To Be Verified for the 2014-15 Award Year
- Dear Colleague Letter GEN-13-16, Published June 13, 2013, 2014-15 Award Year: FAFSA Information to be Verified and Acceptable Documentation

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2014-15 Verification

- Retained all items subject to verification in 2013-14

- Added one new item--
 - Other untaxed income and benefits

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2014-15 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

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2014-15 Verification

- Small number of students will be selected to verify household resources
- Provided extensive sample verification text that may be used for verification
 - Three pages that collect more detailed information on Q45 and Q94
 - One page that collects optional additional information
- Rely on the FAA to make the determination that the family had sufficient resources

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Verification Text

- Starting with 2013-14 award year, no sample verification worksheets
- For 2013-14, Electronic Announcement posted on January 18, 2013
- For 2014-15, Electronic Announcement posted on November 8, 2013
- Institutions are able to develop a customized worksheet for individual students or groups of students

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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—

- Signed copy of the relevant tax return or IRS Tax Return Transcript

AND

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

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Identity Theft for 2013-14

To complete verification for victims 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

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Identity Theft for 2014-15

- A victim of IRS identity theft who is not able to obtain a 2013 IRS Tax Return Transcript or use the IRS Data Retrieval Tool (DRT) must contact the IRS at 1-800-908-4490
- Upon authentication of the tax filer’s identity, the IRS will provide, by U.S. Postal Service, a printout of the tax filer’s 2013 IRS income tax return information which can be used to complete verification

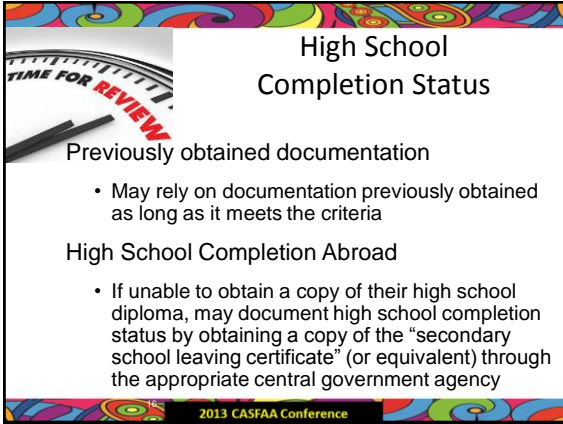
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Copy of a Paper Tax Return

A signed copy of a tax return is acceptable for individuals completing verification who—

- Filed an amended tax return
- Was a victim of identity theft and completing verification for the 2013-14 and prior award years
- Filed a non-IRS tax return
- Are unable to use the IRS DRT or to obtain an IRS Tax Return Transcript due to authentication issues with the IRS

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High School Completion Status

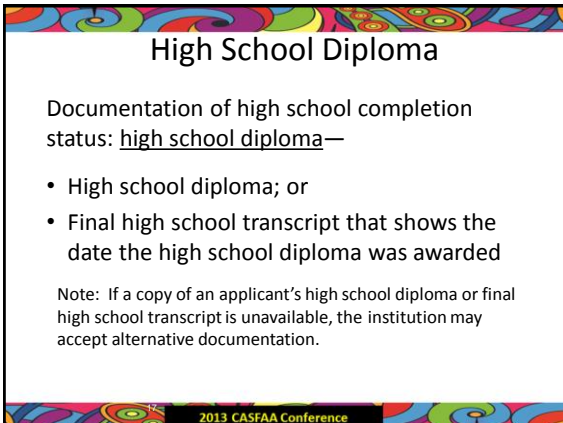
Previously obtained documentation

- 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

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High School Diploma

Documentation of high school completion status: high school diploma—

- High school diploma; or
- Final high school transcript that shows the date the high school diploma was awarded

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

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High School Completion

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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High School Completion

Documentation of high school completion status: recognized equivalent of a high school diploma—

- 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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High School Completion

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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Identity/Statement of Educational Purpose

Documentation of identity/statement of educational purpose—

- Appear in person and present to an institutionally authorized individual—
 - A valid government-issued photo identification (driver's license, non-driver's license, or passport); and
 - A signed statement of educational purpose

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Identity/Statement of Educational Purpose

Documentation of identity/statement of educational purpose (cont.)—

- Must maintain, an annotated copy of the identification submitted by the applicant that includes—
 - The date documentation was received; and
 - The name of the institutionally-authorized individual that obtained the documentation

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Identity/Statement of Educational Purpose

Documentation of identity/statement of educational purpose (cont.)—

- If unable to appear in person, must provide the institution—
 - A copy of a valid government-issued photo identification (driver's license, non-driver's license, or passport); and
 - An original notarized statement of educational purpose signed by the applicant

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NEW! **Reporting Verification Results**

- Beginning with the 2014-15 FAFSA processing year
- Results of students' identity and high school completion status
- Use FAA Access to CPS Online
- Deadline date notice for 2014-15 will specify reporting deadlines

➔ **EA 2013-11-13**

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Reporting Verification Results

Whom to report?

- Any student for whom your institution received an ISIR with a verification tracking group of V4 or V5 AND
- For whom you requested verification documentation

Do NOT report institutionally selected applicants

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**COMING
SOON!**

Electronic Announcement

- Enhancements to IRS processes used by FAFSA applicants to request, obtain, and submit to their schools IRS Tax Return Transcripts
- Enhancements to the FAFSA IRS Data Retrieval Tool for the 2014-15 FAFSA processing year

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Operational Update



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2014-15

- **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 2014-15** and acceptable documentation, refer to:
 - Federal Register Notice, published on **June 13, 2013**
 - DCL GEN-13-16, posted on **June 13, 2013**

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2014-15

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

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Verification Tracking Flag-V1 for Filers

Group V1– Standard Verification, Tax filers

- Selected based on standard verification criteria -- like 12/13, standard verification items:
 - 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)
 - Child Support Paid

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Verification Tracking Flag-V1 Non-filers

Group V1– Standard Verification, **Non-filers**

- Selected based on standard verification criteria
 - Like 13/14, standard verification items:
 - Income Earned from Work
 - Number of Household Members
 - Number in College
 - Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
 - Child Support Paid



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Verification Tracking Flag – V3


Group V3 – Child-Support Paid Group

- **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

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Verification Tracking Flag – V4


- Group V4 – Custom Verification Group
- **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)
 - Child Support Paid



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Verification Tracking Flag – V5


- Group V5 – Aggregate Verification Group
- Selected based on standard verification criteria, and
 - Selected using the identity verification criteria
 - High School Completion Status
 - Identity/Statement of Educational Purpose
 - For Tax Filers
 - Same as Group V1
 - For Tax Non-tax Filers
 - Same as Group V1
- Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
- Child Support Paid



Verification Tracking Flag – V6


Group V6 – Household Resources

- Based on resources reported--**Tax Filers**
 - Adjusted Gross Income
 - Income earned from work
 - Untaxed Income
- Based on resources reported--**Non-Tax Filers**
 - Income earned from work
- Household size
- Do not appear to provide sufficient financial support
 - The applicant and, if appropriate, the applicant’s parents or spouse must explain how the family was financially supported during the 2013 calendar year



Verification Tracking Flag – V6

- Other Untaxed Income
 - Untaxed Portions of IRA Distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Other Untaxed Income on the 2014–15 FAFSA–
 - Payments to tax-deferred pension and savings (Questions 45a and 94a)
 - Child support received (Questions 45c and 94c)
 - Housing, food and other living allowances paid to members of the military, clergy, and others (Questions 45g and 94g)
 - Veterans noneducation benefits (Questions 45h and 94h)
 - Other untaxed income (Questions 45i and 94i)
 - Money received or paid on the applicant’s behalf (Question 45j)
 - Education Credits
 - Supplemental Nutrition Assistance Program (SNAP–Food Stamps), if included on the ISIR
 - Child Support Paid, if included on the ISIR



Verification Tracking Flag – V6

- Standard verification criteria—look at
 - Untaxed Portions of IRA Distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Other Untaxed Income on the 2014–15 FAFSA—
 - Payments to tax-deferred pension and savings (Questions 45a and 94a)
 - Child support received (Questions 45c and 94c)
 - Housing, food and other living allowances paid to members of the military, clergy and others (Questions 45g and 94g)
 - Veterans noneducation benefits (Questions 45h and 94h)
 - Other untaxed income (Questions 45i and 94i)
 - Money received or paid on the applicant’s behalf (Question 45j)
 - Education Credits
 - Supplemental Nutrition Assistance Program (SNAP—Food Stamps), if included on the ISIR
 - Child Support Paid, if included on the ISIR

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Communication with Schools

FAA INFORMATION		CPS Pushed ISIR Flag	
Date ISIR Received	MM/DD/YYYY	Rejects Met:	99,99,99,99,99,99
Verification Flag	Y	Verification Tracking Flag	V6
Professional Judgment	XXXXXXXX	Dependency Override	XXXXXXXXXXXXXXXXXXXX
Transaction Receipt Date	MM/DD/YYYY	ETI	9
Auto Zero EFC Flag	XXX	Rejected Status Change Flag	X
EFC Change Flag	XXXXXXXX	Verification Selection Change Flag	Y
SNT Flag	XXX	Special Circumstance Flag	X
		Duplicate SSN Flag	XXX
		Address Only Correction	X
		SAR C Change Flag	X

FAA Access to CPS Online – Student Inquiry

NEED HELP? 2013-2014 00000000

FAA Information MAXINE L DEMOLARISNAME

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

Same for 2014-15--Not Selected

If the applicant would have been selected based on standard verification criteria and

- Tax return data for the student and parent(s) for a dependent record or for the independent student
 - Retrieved from the IRS and not changed on the FAFSA
 - Responses to Household Size and Number in College questions seems logical
 - Record will **not** be selected for verification
- Logical answers include the following:

Parents' Marital Status	Family Members	Number in College
Married	3	1
Not Married	2	1

Student's Marital Status	Family Members	Number in College
Married	2	1
Not Married	1	1

IRS Data Retrieval Tool

- Applicants selected for verification – V1-Standard Verification
 - Who transfer their income tax return information **unchanged** using the IRS Data Retrieval Tool –
 - When initially completing the FAFSA using FAFSA on the Web (FOTW)
 - When making corrections on FOTW
 - Are considered to have verified the FAFSA IRS information
 - Adjusted Gross Income, taxes paid, and the applicable untaxed income items and education credits
- Unless changes were made to the transferred information or institution has reason to believe that the information transferred is inaccurate
- School **only needs to verify #** in HH and # in College

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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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2014-15 FAA Access Updates

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

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2014-15 FAA Access Updates

FAA Access to CPS Online – Identity Verification Results

NEED HELP?

Load Results File

TGS for your Destination Point: TQ99999
 Federal School Code: 001002
 School Year: 2014-2015

Enter the location of the file you want to load:

Select file from database by browsing

NEED HELP?

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

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2014-15 FAA Access Updates

FAA Access to CPS Online – Identity Verification Results

NEED HELP?

Confirmation

TGS for your Destination Point: TQ99999
 Federal School Code: 001002
 School Year: 2014-2015

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.

NEED HELP?

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

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2014-15 Verification

- *Suggested* 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”

EA 2013-11-08

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Verification Resources



Please see the slides following the Contact Information for a wide variety of resources regarding Verification.

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Verification Resources


- 6/18/10 NPRM (Pages 34825 – 34834)
 - <http://ifap.ed.gov/fregisters/FR061810ProgramIntegrityIssuesNPRM.html>
- 10/29/10 Final Rule (Pages 66902 – 66913 and 66954 – 66958)
 - <http://www.ifap.ed.gov/fregisters/FR102910Final.html>
- Q&A on Program Integrity website:
 - <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html>

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2013-14 Verification Resources

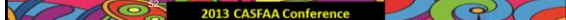
- Federal Register Notice of Information To Be Verified for the 2013–14 Award Year
 - <http://www.ifap.ed.gov/fregisters/FR071212FASFA.html>
- Dear Colleague Letter GEN-12-11
 - <http://www.ifap.ed.gov/dpcletters/GEN1211.html>
- Plans for 2013-14 Verification Worksheets
 - <http://ifap.ed.gov/eannouncements/110112Plansfor1314VerificationWorksheets.html>


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2013-14 Verification Resources


- 2013-14 Verification Suggested Text
 - <http://ifap.ed.gov/eannouncements/011813VerificationSuggestedText1314.html>
- 2013-14 Electronic Data Exchange (EDE) Technical Reference
 - <http://www.ifap.ed.gov/ifap/byAwardYear.jsp?type=edetechref>
 - <http://ifap.ed.gov/eannouncements/010913IssueAlertIncorrectFieldJustiforVerifiTrackFlag20132014EDE TechRef.html>





2013-14 Verification Resources

- 2013-14 ISIR Guide
 - <http://www.ifap.ed.gov/ifap/byAwardYear.jsp?type=isirguide>
- 2013-14 Application and Verification Guide
 - <http://ifap.ed.gov/fsahandbook/1314FSAHandbookAVG.html>
 - <http://ifap.ed.gov/eannouncements/022813ErrataandUpdatesfor20132014FSAHandbook.html>
- 2013-14 FAFSA Verification-IRS Tax Return Transcript Matrix
 - <http://ifap.ed.gov/eannouncements/031513FAFSAVerification1314IRSTaxReturnTranscriptMatrix.html>





2013-14 Verification Resources

- FAFSA Applicants Impacted by a Tax Filing Software Issue Related to IRS Form 8863
 - <http://ifap.ed.gov/eannouncements/031813FAFSAAppWhoMayHaveBeenImpactedbyaTaxFilingSoftwareIssueRelatedtoIRSForm88.html>
- Availability of 2012 IRS Information for IRS DRT and for Requesting IRS Tax Return Transcripts
 - <http://ifap.ed.gov/eannouncements/030113AcceptableIRSDocumentation20132014AYVerification.html>



2013-14 Verification Resources

- Limited Circumstances When a Signed Copy of a Tax Return or Other Documentation is Acceptable for Completing Verification
 - <http://www.ifap.ed.gov/eannouncements/082112Limit edCircumstancesWhenSignedCopyofTaxReturnsAcc eptable.html>
- Acceptable Documentation Update for 2013-14 Award Year Verification
 - <http://ifap.ed.gov/eannouncements/102313AcceptableDo cumentationUpdatefor20132014AwardYearVerification.ht ml>

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2013-14 Verification Resources

- Spanish Statement of Educational Purpose for 2013-14
 - <http://ifap.ed.gov/eannouncements/071613Spani shStatementEducationalPurpose1314.html>

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2014-15 Verification Resources

- Federal Register Notice, published June 13, 2013
 - <http://ifap.ed.gov/fregisters/attachments/FR061313FAFSAInformation ToBeVerifiedforthe20142015AwardYear.pdf>
- Dear Colleague Letter GEN-13-16
 - <http://ifap.ed.gov/dpcletters/GEN1316.html>
- 2014-15 Verification Suggested Text
 - <http://ifap.ed.gov/eannouncements/110813VerificationSuggestedText 1415EA.html>
- Reporting Verification Results Using FAA Access to CPS Online
 - <http://ifap.ed.gov/eannouncements/111313FSAOIGEAIdentityVer ificationResults.html>

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Contact Information

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Kindly complete an evaluation....

<http://s.zoomerang.com/s/VirginiaHagins>

Paper format also available



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