

Verification Requirements for 2012-2013



The Program Integrity Final Rule published by the U. S. Department of Education on Oct. 29, 2010, made numerous changes to verification regulations. One of the most prominent of those changes replaced the standard required verification data items with a list of new data items that ED plans to revise annually. USA Funds® provides a checklist of documentation schools must verify for the 2012-2013 award year for three categories of applicants: Tax filers, non-tax filers and tax filers with special circumstances.

Data Elements	Acceptable Documentation		
	Tax Filer	Non-Tax Filer	
Household Size	✓	✓	<p>Completed verification worksheet or signed statement from an applicant (or applicant and parent, if dependent) listing the name and age of each household member and the relationship to the applicant.</p> <p>Not required when:</p> <ul style="list-style-type: none"> • Dependent student lists 2 and parent is single, divorced, separated or widowed. • Dependent student lists 3 and parents are married. • Independent student lists 1 and student is single, divorced, separated or widowed. • Independent student lists 2 and student is married.
Number in College	✓	✓	<p>Completed verification worksheet or signed statement from an applicant (or applicant and parent, if dependent) listing the name and age of each household member attending an eligible school# at least half time for the award year, and the name(s) of the applicable school(s).</p> <ul style="list-style-type: none"> • If the school believes information from the Free Application for Federal Student Aid or the signed statement is inaccurate, it must obtain a statement from each listed school unless the household member is not yet registered or will attend the applicant's school. • Not required when the number in college is 1.
Child Support Paid	✓	✓	<p>Completed verification worksheet or statement signed by the individual who paid support, listing the amount paid, the child support recipient, and the name of the child (children) for whom support was paid.</p> <ul style="list-style-type: none"> • If the school believes information is inaccurate, it must obtain documentation such as a copy of a separation agreement/divorce decree showing the amount to be paid, a statement from the child support recipient showing the amount paid, or copies of canceled checks or money order receipts.
Food Stamps (SNAP)	✓	✓	<p>Completed verification worksheet or statement signed by the dependent student's parent or the independent student certifying that they, or another member of the household, received Food Stamps in 2010 or 2011.</p> <ul style="list-style-type: none"> • Alternately, the school may choose to require documentation from the applicable Food Stamp issuing agency, rather than a signed statement.
Income Earned From Work		✓	<ul style="list-style-type: none"> • Copy of a W-2 Form received in the base year from each source of employment. • Signed statement certifying the applicant has not filed and is not required to file for the tax year, and the sources and amounts of income earned from work reported on the FAFSA not listed on a W-2 Form. • If a W-2 form is not available, a signed statement explaining the reason the form is not available and listing the amount and sources of income earned from work.

Must be attending a school that is eligible to participate in Title IV programs.

Data Elements	Acceptable Documentation	
	Tax Filer	Non-Tax Filer
AGI	✓	
U.S. Tax Paid	✓	
Untaxed IRA Distributions	✓	
Untaxed Pensions	✓	
Education Credits	✓	
IRA Deductions	✓	
Tax-Exempt Interest	✓	

Each of these data elements may be populated on the FAFSA via the IRS Data Retrieval process. If the applicant (and/or the parent, if the applicant is a dependent student):

- Used the IRS Data Retrieval process and the information is unchanged (02 IRS Request Flag), the school need not require additional tax information.
- Did not use the IRS Data Retrieval process or did use the process but subsequently changed any of the data, the school must obtain a tax transcript.

Data Elements	Acceptable Documentation for Tax Filers With Special Circumstances
AGI	<p>1. Individual filed a joint return but now is separated, divorced, widowed or married to another individual:</p> <ul style="list-style-type: none"> • Tax transcript listing the tax filer's information for the applicable tax year. • If the student (and/or the dependent student's parent) no longer is married to the individual on the joint return, a copy of the W-2 Form for each employment source for the student or dependent student's parent(s) whose income is used to calculate the applicant's Expected Family Contribution. <p>2. Individual was granted a filing extension by the IRS:*</p> <ul style="list-style-type: none"> • Copy of Form 4868 or a copy of the IRS approval of the extension beyond the six-month period. • Copy of a W-2 Form for each source of employment received in the base year by the individual granted the extension or a signed statement of Adjusted Gross Income and tax paid if the individual is self-employed. <p>3. Individual requested a tax transcript and the IRS, U.S. territory or commonwealth or foreign country cannot provide the requested data:</p> <ul style="list-style-type: none"> • Effective until Aug. 21, 2012: <ul style="list-style-type: none"> – Copy of a W-2 Form for each source of employment received by the individual for the base year. – Signed statement of AGI and tax paid if the individual is self-employed or filed a tax return with a foreign government, or U.S. territory or commonwealth. • Effective Aug. 21, 2012: <ul style="list-style-type: none"> – For Puerto Rico, the Virgin Islands, American Samoa, Guam and the Commonwealth of the Northern Mariana Islands, a signed copy of the tax return. – For the Freely Associated States (Republic of the Marshall Islands, Republic of Palau and the Federated States of Micronesia, a copy of the individual's Wage and Tax Statement from each employer and a signed statement identifying all income and taxes for the tax year. – For foreign countries where taxes are filed, a signed copy of the tax return or other documentation. – For foreign countries where taxes are not filed, a signed statement identifying all income and taxes paid for the tax year.
U.S. Tax Paid	
Untaxed IRA Distributions	
Untaxed Pensions	
Education Credits	
IRA Deductions	
Tax-Exempt Interest	

*Schools will have the option of collecting tax data from extension filers once their federal income tax returns have been filed with the IRS. Any tax transcripts or tax returns received by the school must be used to re-verify AGI and taxes paid.