The following is a presentation prepared for:

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Director, Content Management, NASFAA

Verification

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
2013-14 Verification Items

**Same as 2012–13**

- Income elements
- SNAP-Food Stamps
- Number of household members
- Child support paid
- Number in college

**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
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

**Verification Tracking Groups**

**V1**

- Standard Verification Group

- Traditional Elements
- SNAP
- Child Support Paid
- High School Completion
- Identity / SEP

**V2**

- SNAP Verification Group

- Traditional Elements
- SNAP
- Child Support Paid
- High School Completion
- Identity / SEP
### Verification Tracking Groups

#### V3
- Child Support Verification Group

<table>
<thead>
<tr>
<th>Traditional Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNAP</td>
</tr>
<tr>
<td>Child Support Paid</td>
</tr>
<tr>
<td>High School Completion</td>
</tr>
<tr>
<td>Identity / SEP</td>
</tr>
</tbody>
</table>

#### V4
- Custom Verification Group

<table>
<thead>
<tr>
<th>Traditional Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNAP</td>
</tr>
<tr>
<td>Child Support Paid</td>
</tr>
<tr>
<td>High School Completion</td>
</tr>
<tr>
<td>Identity / SEP</td>
</tr>
</tbody>
</table>

#### V5
- Aggregate Verification Group

<table>
<thead>
<tr>
<th>Traditional Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNAP</td>
</tr>
<tr>
<td>Child Support Paid</td>
</tr>
<tr>
<td>High School Completion</td>
</tr>
<tr>
<td>Identity / SEP</td>
</tr>
</tbody>
</table>
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.)

**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
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

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

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
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

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

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
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

Discussion

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

Amended Tax Returns
- OR
  - Signed copy of original IRS Tax Return filed with IRS
  - IRS Tax Return Transcript – Contains information from original return
- AND
  - Signed copy of IRS Form 1040X filed with IRS

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
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

Changes in Student's Marital Status

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.”
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.”

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)].

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.)
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.

Processing Marital Changes: Scenario 1

<table>
<thead>
<tr>
<th>Student</th>
<th>FAA</th>
<th>Student</th>
<th>FAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completes verification if required, enters necessary corrections, and overrides reject 21 via FAA Access to CPS Online or EDE correction record.</td>
<td>Reviews ISIR to ensure other related items were updated.</td>
<td>Receives rejected ISIR with comment code 119.</td>
<td>Reviews update required, makes decision (addresses insufficiency in ability to pay), and documents decision.</td>
</tr>
<tr>
<td>Receives rejected ISIR with comment code 119.</td>
<td>Student selects student for verification if related data not updated or suspects data are incorrect.</td>
<td>FAA provides verification information if requested.</td>
<td>FAA provides verification information if requested.</td>
</tr>
<tr>
<td>Student reviews ISIR to ensure other related items were updated.</td>
<td>FAA receives rejected ISIR with comment code 119.</td>
<td>FAA completes verification if required, makes any necessary corrections, and overrides reject 21 via FAA Access to CPS Online or EDE correction record.</td>
<td>FAA completes verification if required, makes any necessary corrections, and overrides reject 21 via FAA Access to CPS Online or EDE correction record.</td>
</tr>
</tbody>
</table>

Processing Marital Changes: Scenario 2

<table>
<thead>
<tr>
<th>FAA</th>
<th>Student</th>
<th>FAA</th>
<th>Student</th>
<th>FAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA receives rejected ISIR with comment code 119.</td>
<td>FAA reviews update required, makes and documents decision, and instructs student to make updates.</td>
<td>Receives rejected ISIR with comment code 119.</td>
<td>FAA reviews ISIR to check related items were updated.</td>
<td>Receives rejected ISIR with comment code 119.</td>
</tr>
<tr>
<td>FAA provides verification information if requested.</td>
<td>FAA completes verification if required, enters necessary corrections, and overrides reject 21 via FAA Access to CPS Online or EDE correction record.</td>
<td>FAA reviews ISIR to ensure other related items were updated.</td>
<td>FAA provides verification information if requested.</td>
<td>FAA completes verification if required, enters necessary corrections, and overrides reject 21 via FAA Access to CPS Online or EDE correction record.</td>
</tr>
</tbody>
</table>
### Verification

**Processing Marital Changes: Scenario 3**

<table>
<thead>
<tr>
<th>FAA</th>
<th>FAA</th>
<th>Student</th>
<th>FAA</th>
<th>FAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviews update request, studies decision, and documents decision.</td>
<td>Completes verification if requested.</td>
<td>Provides verification information if requested.</td>
<td>Updates, may select student for verification if not already selected and suspects other data are incorrect.</td>
<td>Enters necessary corrections, updates marital status and other related data, and overrides reject 21, and via FAA Access to CPS Online or EDE correction record.</td>
</tr>
</tbody>
</table>

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**Discussion**

- How does your institution process requests?
- How does your institution determine whether an update will “address an inequity” or “better reflect ability to pay”?
- Does your institution have a policy regarding when marital status updates will be considered?

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Please send your questions to: martinj@nasfaa.org

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<table>
<thead>
<tr>
<th>Data Element</th>
<th>Verification Document(s)</th>
<th>Signature Requirement</th>
<th>Tracking Flag</th>
<th>Exceptions</th>
</tr>
</thead>
</table>
| **Tax Return Items – Tax Filers Only**    | **Adjusted Gross Income (AGI)**  
|                                           | • 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                      | V1, V5         | See alternative documents list for the following situations:  
|                                           |                                                                                                           | Encouraged, not required             |                | • Filed joint tax return, but no longer married  
|                                           |                                                                                                           |                                      |                | • Tax return extension  
|                                           |                                                                                                           |                                      |                | • Victim of identity theft  
|                                           |                                                                                                           |                                      |                | • Amended tax return  
|                                           |                                                                                                           |                                      |                | • Foreign tax return  
| **U.S. Income Tax Paid**                  |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **Education Credits**                     |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **IRA Deductions and Payments**           |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **Tax Exempt Interest**                   |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **Untaxed portions of IRA distributions** |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **Untaxed portions of pensions**          |                                                                                                                                                                                                                        |                                      |                |                                                                                                           |
| **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:  
|                                           |   • 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   | V1, V5         | Not applicable  
|                                           |                                                                                                           | Nontax filer’s signature             |                | 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:**  
|                                           | • 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:  
|                                           |                                                                                                           |                                      |                | • HHS = 2 and parent is single, separated, divorced, or widowed  
|                                           |                                                                                                           |                                      |                | • HHS = 3 and parents are married  
<p>| | | | | |
|                                           |                                                                                                           |                                      |                |                                                                                                           |</p>
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</thead>
<tbody>
<tr>
<td>Number of Household Members (HHS) (cont’d)</td>
<td></td>
<td></td>
<td></td>
<td>Not required for independent student if:&lt;br&gt;• HHS = 1 and applicant is single, separated, divorced, or widowed; or&lt;br&gt;• HHS = 2 and applicant is married</td>
</tr>
<tr>
<td>Number in College</td>
<td>*Signed statement indicating:&lt;br&gt;• 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&lt;br&gt;• Name of institution household member will be attending</td>
<td>Student’s and, if dependent, at least 1 of student’s parents</td>
<td>V1, V5</td>
<td>Do not include:&lt;br&gt;• Parent(s) of dependent student&lt;br&gt;• Household members enrolled in U.S. military academies&lt;br&gt;Verification not required if value of “1” reported for number in college&lt;br&gt;See Alternative Documents List if institution questions accuracy</td>
</tr>
<tr>
<td>Supplemental Nutrition Assistance Program (SNAP-Food Stamps)</td>
<td>*Signed Statement affirming:&lt;br&gt;• SNAP-Foods Stamps were received during 2011 and/or 2012 calendar years</td>
<td>Independent student’s or, if dependent student, 1 of student’s parents</td>
<td>V1, V2, V4, V5</td>
<td>Required only if benefits reported on the FAFSA&lt;br&gt;See Alternative Documents List if institution questions accuracy</td>
</tr>
<tr>
<td>Child Support Paid</td>
<td>*Signed Statement indicating:&lt;br&gt;• Amount of child support paid&lt;br&gt;• Name of person who paid the child support&lt;br&gt;• Name of person to whom child support was paid&lt;br&gt;• The name(s) of children for whom child support was paid</td>
<td>Student’s or parent’s, depending upon who paid child support</td>
<td>V1, V3, V4, V5</td>
<td>Required only if child support paid reported on the FAFSA&lt;br&gt;See Alternative Documents List if institution questions accuracy</td>
</tr>
<tr>
<td>Data Element</td>
<td>Verification Document(s)</td>
<td>Signature Requirement</td>
<td>Tracking Flag</td>
<td>Exceptions</td>
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<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>---------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| High School Completion Status   | High School Diploma:  
  • 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:  
  • 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:  
    ➢ Exceled academically in high school, and  
    ➢ Met the institution’s formalized, written policies for admitting such students                                                                                                                     | Not applicable             | V4, V5        |                                                                                               |
|                                 | Home School Completion:  
  • 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        |                                                                                               |
<table>
<thead>
<tr>
<th>Data Element</th>
<th>Verification Document(s)</th>
<th>Signature Requirement</th>
<th>Tracking Flag</th>
<th>Exceptions</th>
</tr>
</thead>
</table>
| Statement of Educational Purpose/Identity        | • 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:  
  ➢ 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:  
• Copy of valid, government-issued ID  
• Original notarized statement signed by student certifying that federal student financial assistance will be used only:  
  ➢ 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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Situation</th>
<th>Acceptable Alternative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Return Items</td>
<td></td>
<td><strong>Situation</strong></td>
</tr>
<tr>
<td>• Adjusted Gross Income (AGI)</td>
<td>Filed joint tax return, but no longer married</td>
<td>Independent student or parent of a dependent student:</td>
</tr>
<tr>
<td>• U.S. Income Tax Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Education Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• IRA Deductions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tax-exempt interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Untaxed IRA distributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Untaxed portions of pensions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Filed tax extension</td>
<td>If not self-employed:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If self-employed, signed statement certifying 2012 AGI and taxes paid</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amended tax return filed</td>
<td>• Signed copy of original tax return filed with IRS, IRS Tax Transcript, Record of Account Transcript, or Return Transcript for Taxpayer (RTFTP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Victim of identity theft</td>
<td>Signed paper copy of IRS tax return filed and:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Signed, dated statement that tax filer is a victim of IRS identity theft and IRS is investigating the matter; or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Copy of police report (if filed)</td>
</tr>
<tr>
<td></td>
<td>Foreign Tax Return</td>
<td>• American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, the Virgin Islands:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Freely Associated States (Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau):</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Element</td>
<td>Situation</td>
<td>Acceptable Alternative</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tax Return Items (cont'd)</td>
<td>Foreign Tax Return (cont'd)</td>
<td>• Other foreign countries – tax return filed&lt;br&gt;➢ Signed copies of 2012 tax return or similar document(s) required by foreign government&lt;br&gt;➢ Convert to U.S. dollars the income and tax fields that most closely correspond to IRS fields&lt;br&gt;• Other foreign countries – tax return not filed&lt;br&gt;➢ Signed statement from individual certifying income and taxes paid in 2012</td>
</tr>
<tr>
<td></td>
<td>Unable to obtain an IRS Form W-2 in timely manner</td>
<td>Upon approval of verifying institution:&lt;br&gt;➢ Signed statement from individual unable to obtain W-2&lt;br&gt;➢ Reason that the W-2 is not available in a timely manner&lt;br&gt;➢ The amount and source of income earned from work in 2012</td>
</tr>
<tr>
<td>Number in College</td>
<td>Institution questions accuracy of standard documents</td>
<td>• 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:&lt;br&gt;➢ The household member is not yet registered&lt;br&gt;➢ The household member is attending the verifying institution</td>
</tr>
<tr>
<td>Supplemental Nutrition Assistance Program (SNAP)</td>
<td>Institution questions accuracy of standard documents</td>
<td>• 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.</td>
</tr>
<tr>
<td>Child Support Paid</td>
<td>Institution questions accuracy of standard documents</td>
<td>• Copy of the separation agreement or divorce decree indicating the amount of child support to be provided;&lt;br&gt;• Signed statement from the individual receiving the child support including the 2012 amount provided; or&lt;br&gt;• Copies of checks or money order receipts made to pay child support</td>
</tr>
<tr>
<td>High School Completion Status</td>
<td>Unable to obtain standard document</td>
<td>• Alternative documentation&lt;br&gt;➢ 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.</td>
</tr>
</tbody>
</table>