



**Verification**

Zack Goodwin  
U.S. Department of Education, Federal Student Aid  
NHASFAA Conference  
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**Agenda**

- Overview and history
- 2015-2016 Verification
- 2016-2017 Verification
- Special Cases
- Resources




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**Verification – History**

- Last comprehensive look in 1985
- Program Integrity regulations (October 29, 2010)
- Move toward more customized Verification
- Effective for the 2012-2013 award year




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### Verification – History

- For the 2012-2013 award year...
  - Retained the long-standing five items and added SNAP and child support paid, if reported on the ISIR
- For the 2013-2014 award year...
  - Introduced the concept of Verification groups
  - Added high school completion and identity/statement of educational purpose as Verification items

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### Verification – History

- For the 2014-2015 award year...
  - Eliminated SNAP (V2) as a separate Verification group
  - Added household resources group (V6)
- For the 2015-2016 award year...
  - No changes to Verification items and tracking groups

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### IRS Tax Return Transcripts

Transcript requests

- Online **Get Transcript by Mail**
- Automated phone tool (800-908-9946)
- Paper Form 4506-T or 4506T-EZ

*On-demand PDF of tax return transcript not available for the foreseeable future*

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### Verification Policy Updates

- Victims of IRS tax-related identity theft must submit:
- Statement signed and dated by tax filer indicating s/he was a victim of IRS tax-related identity theft and the IRS has been made aware; and
  - An IRS Tax Return Database View (TRDBV) transcript
    - Tax filers who cannot obtain a TRDBV transcript may instead submit another official IRS document if it includes all of the income and tax information required to be verified

*Guidance applies to 2015-2016 and subsequent years  
Federal Register: June 26, 2015*

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### Verification Policy Updates

- Individuals who filed an amended tax return must submit:
- an IRS Tax Return Transcript, or any other IRS tax transcript(s) that include the income and tax information required to be verified; and
  - a signed copy of the IRS Form 1040X that was filed with the IRS

*Guidance applies to 2015-2016 and subsequent years  
Program Integrity Q & A website: Effective August 13, 2015*

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### 2015-2016 Verification

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### 2015-2016 Documentation Update

- Alternative documentation may now be accepted when tax filer requested but is unable to obtain an IRS Tax Return Transcript using the IRS *paper or on-line* request process
  - Exception not permitted due to:
    - Transcripts being unavailable because the IRS has not had time to process the data, due to recent filing
    - The removal of the "Get Transcript Online" tool

*Electronic Announcement: October 2, 2015*




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### 2015-2016 Documentation Update

- Alternative documentation includes:
- Signed copy of 2014 IRS tax return, *and*
  - Statement from tax filer, on or attached to the return, certifying data is the same as submitted to the IRS, *and*
  - Communication from IRS stating request unsuccessful
    - Letter from IRS (signed and dated by tax filer) *or*
    - Screen shot print (signed and dated by tax filer), *and*
  - Completed and signed IRS Form 4506 T-EZ or 4506-T listing institution as third party
    - For mailing only if accuracy is doubted




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### V1– 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

**Documentation:**

- IRS DRT;
- Tax Return Transcripts;
- Alternate documentation where allowed (e.g. amended returns, foreign returns, etc.)




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### V1– Tax Non-Filers

*Income earned from work*

**Documentation**

- **Signed statement certifying:**
  - Individual has not filed and not required to file 2014 tax return;
  - Sources of income earned from work and amounts of income from each source for tax year 2014; and
- **Copy of IRS Form W-2 for each source of employment income received for tax year 2014**

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### V1– Tax Non-Filers

- If an institution questions a claim that the tax filer is not required to file, must require applicant to submit a "Verification of Nonfiling Letter" by completing:
  - Form 4506-T and checking box 7
  - "Verification of Nonfiling Letter" for 2014 tax year generally not issued until after June 15, 2015

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### V1– All Applicants

*Number in Household and Number in College*

**Documentation:**

- **Household size – signed statement (name, age, relationship)**
  - Not required if:
    - Dependent student household size reported is 2 and parent is unmarried or 3 if the parents are married or unmarried and living together
    - Independent student household reported is one and applicant is unmarried or two if the applicant is married
- **Number in College – signed statement (name of household member attending at least half-time and eligible institution name)**
  - Not required if reported number is one (student)

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## V1– All Applicants

*SNAP Benefits (If reported on ISIR)*

### Documentation

- Statement signed by applicant affirming SNAP benefits received by someone in household during 2013 and/or 2014
- If school has concerns with accuracy of information, the institution must obtain documentation from the agency that issued the SNAP benefits

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## V1– All Applicants

*Child Support Paid (If reported on ISIR)*

### Documentation

- Statement signed by applicant/parent certifying:
  - Amount of child support paid
  - Name of the person who paid the child support
  - Name of the person to whom child support was paid, and
  - Names and ages of the children 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 checks, signed statements, etcetera

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## V3– Child Support Paid

### Documentation

- Statement signed by applicant/parent certifying:
  - Amount of child support paid
  - Name of the person who paid the child support
  - Name of the person to whom child support was paid, and
  - Names and ages of the children 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 checks, signed statements, etcetera

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### V4 – Custom

- High School Completion Status
- Identity/Statement of Educational Purpose
- SNAP Benefits (if reported on ISIR)
- Child Support Paid (if reported on ISIR)




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### High School Completion Status

*High school completion status*

**Documentation**

- High school diploma; or
- Final official high school transcript showing date diploma awarded, or
- Secondary leaving certificate (for students who completed secondary education in a foreign country and are unable to get a copy of high school diploma/transcript)

*Note: If prior to student being selected for Verification, an institution already obtained high school completion status records for other purposes, the institution may rely on those records as long as it meets ED high school completion criteria*

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### High School Completion Status

*Recognized equivalent of a high school diploma*

**Documentation**

- Copy of student's General Educational Development (GED) certificate, an official GED transcript that indicates the student passed the exam, or a state-authorized high school equivalent certificate, or
- 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
- Student excelled academically in high school and has met all the criteria to be admitted to a 2-year degree program or higher

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### High School Completion Status

Test transcripts of State-authorized examinations

#### Documentation

- Official test transcripts of state-authorized examinations (e.g., GED test, HiSET, TASC, or other state-authorized high school equivalency examinations) are acceptable documentation of high school completion only if:
  - The official test transcript specifically indicates that a State has determined that the test results meet its requirements of high school equivalency, or
  - The official test transcript includes language that the final score is a passing score

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### High School Completion Status

*Homeschooling*

#### Documentation

- Credential, 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 credential for homeschool provided for under state law

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### Identity/Statement of Educational Purpose

*Students that appear in person*

#### Documentation

- Present to an institutionally authorized individual
  - A valid (unexpired) government-issued photo identification, and
  - A signed statement of educational purpose *provided by ED, 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
  - After examining the *original* Statement of Educational Purpose for accuracy and completeness, the institution may convert it into an electronic record

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### Identity/Statement of Educational Purpose

*Student unable to appear in person*

#### Documentation

- Must provide the institution:
  - A copy of a valid (unexpired) government-issued photo identification **AND**
  - An original, notarized statement of educational purpose signed by the applicant (**cannot** be faxed or scanned)
  - Maintain a copy in the file
  - After examining the *original* Statement of Educational Purpose for accuracy and completeness, the institution may convert it into an electronic record

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### V5 – Aggregate

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

**AND**

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

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### V6 – Household Resources

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

**AND**

- Other untaxed income from 2015-2016 FAFSA:
  - Payments to tax-deferred pension and savings
  - Child support received
  - Housing, food and other living allowance paid to members of the military, clergy and others
  - Veterans non-education benefits
  - Other untaxed income
  - Money received or paid on the applicant's behalf

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## V6 – Household Resources

*Other Untaxed Income Documentation*

**Documentation:**

- Signed statement listing sources and amounts of income for tax year 2014 and
- Copy of IRS W-2s for sources of employment income received for tax year 2014, where applicable

- If institution determines amounts provided do not appear to provide sufficient support for family members reported, the applicant (and parent/spouse) must:
  - Provide additional signed statement listing other resources used to support family (may include items not required to be reported on FAFSA or other Verification forms)
  - Explain how financially supported during 2014 calendar year

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## V6 – Household Resources

- Institutions should use reasonable judgment when evaluating the validity of the income information provided by students and parents who are placed in Verification Tracking Group V6
- “Reasonable” may differ among institutions
- Institutions may choose to accept a signed low-income statement, an income-to-expenses comparison, or other documentation as determined by the institution

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## V4/V5 Tracking Results – 2015-2016

- The V4 and V5 tracking process in FAA Access that began in the 2014-2015 processing year has continued for 2015-2016.
- Schools need to select the proper award year for which they are providing results

<https://faaaccess.ed.gov>

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### V4/V5 Tracking Results – 2015-2016

**Whom to report:** student for whom school received an ISIR with a Verification Tracking Group of V4 or V5 AND for whom school requested Verification documentation

- Do not include students the school selected for Verification of identity or high school completion status

**When to report:** 60 days following the institution's first request to the student to submit the required V4 or V5 identity and high school completion documentation

- Changes to previously submitted identity verification results must be updated within 30 days

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### V4/V5 Tracking Results – 2015-2016

Dropdown options are:

- Verification completed in person, no issues found
- Verification completed remotely, no issues found
- Verification attempted, issues found with identity
- Verification attempted, issues found with high school completion
- No response from applicant or unable to locate



*If issues found with BOTH identity and high school completion, school will indicate issues found with identity (#3)*

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### 2016-2017 Verification




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**2016-2017 Verification – Overview**

- Same data elements as for 2015-2016
- Some modifications and clarifications to acceptable documentation
- In limited circumstances, an applicant's Verification Tracking Group could change
- Resources
  - GEN-15-11
  - Federal Register Notice – June 26, 2015
  - Suggested Text – Coming soon!

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**2016-2017 Verification**

Verification Tracking Group V3 (Child Support Paid) has been removed

- Applicants placed in V1, V4, V5, and V6 must still verify child support paid and SNAP benefits if on ISIR




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**2016-2017 Verification**

*Verification Tracking Group changes*

- Applicants may be moved from previously assigned Groups V1, V4, and V6 to Verification Tracking Group V5
- Applicant is only required to verify the additional items in V5 that were not previously verified

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### 2016-2017 Verification

- If the applicant is moved to Verification Tracking Group V5, no additional disbursements of any Title IV aid may be made until Verification is satisfactorily completed
  - If Title IV aid had been disbursed prior to receiving an ISIR with the new V5, and the applicant does not complete Verification, the applicant is liable for the full amount of TIV aid disbursed for 2016-2017
  - The institution is not liable for those previously made disbursements

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### 2016-2017 Verification

*Income Information for Non-IRS Tax Filers*

- Tax filers who filed an income tax return with a taxing authority in a **U.S. territory** (Guam, American Samoa, the U.S. Virgin Islands) or **commonwealth** (Puerto Rico and the Northern Mariana Islands) or with a **foreign central government**, must submit a copy of a transcript of their tax information
  - A signed copy of the applicable 2015 income tax return that was filed with the taxing authority is only acceptable if tax filers are unable to obtain a free copy of a transcript of their tax information

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### 2016-2017 Verification

*Income Information for Non-Tax Filers*

- **Residents of the Freely Associated States** (Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia), and a **U.S. territory or commonwealth** or a **foreign central government** who are not required to file an income tax return under that taxing authority's rules must submit:
  - a copy of their Wage and Tax Statement (or equivalent documentation) for each source of employment income, and
  - a signed statement identifying all of the individual's income and taxes

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### 2016-2017 Verification

- If a copy of the tax return was not retained and cannot be located by the IRS, applicant must submit:
  - Copy of all relevant W-2s
  - Signed statement that individual did not retain a copy of his or her tax account information, and
  - Documentation from the IRS that indicates that the individual's 2015 tax account information cannot be located

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### 2016-2017 Verification

- Child support paid
  - Removed a separation agreement or divorce decree from acceptable documentation

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### 2016-2017 Verification

- High school completion status
  - If the institution successfully verified and documented high school completion status in a prior award year, it does not have to re-verify this item
  - If documentation is not available, alternative documentation may not include self-certification or a DD Form 214

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## 2016-2017 Verification

- Identity/Statement of Educational Purpose
  - Clarified that the valid government-issued photo identification used to verify identity must not have expired

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## Special Cases



**Special Cases**

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## Tax Filers - Extensions

**Tax Filers Extension Documentation:**

1. IRS Form 4868 or copy of the IRS's approval to extend beyond October 15 deadline;
2. W-2 for each source of employment income; and
3. If self employed, a signed statement certifying the amount of AGI and U.S. income tax paid

*When above documentation reviewed, Verification is considered complete (disbursements are valid)*

- Program Integrity Q&A Website (DOC-Q16)
- School may request transcript/IRS DRT when taxes are filed, and must then re-verify information

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### Professional Judgment

- For applicants selected for Verification (by ED or school), *must complete Verification before PJ adjustments are made [HEA section 479A(a)]...but...*
  - Not all PJ adjustments require Verification unless this is the school's policy
- An ISIR with PJ **coded correctly** will **not** be subject to ED's Verification selection

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### Resources

- [Dear Colleague Letter GEN-14-11:](#)  
FAFSA Information to be Verified, 2015-2016
- [Dear Colleague Letter GEN-15-11:](#)  
FAFSA Information to be Verified, 2016-2017
- [Application and Verification Guide, FSA Handbook](#)
- [Program Integrity Q & A Website \(Verification topic\)](#)  
<http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>
- IRS's Identity Protection Specialized Unit: 800.908.4490

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# Thank you!

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## We Appreciate Your Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation:

- <https://www.surveymonkey.com/s/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to joann.borel@ed.gov.

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## Department of Education Contacts

Research and Customer Care Center  
800.433.7327  
fsa.customer.support@ed.gov



Reach FSA  
855.FSA.4FAA -- 1 number to reach 10 contact centers!

- |                                 |   |
|---------------------------------|---|
| <i>Campus Based Call Center</i> | <i>eZ-Audit</i>                                     |
| <i>COD</i>                      | <i>School Eligibility Service Group</i>             |
| <i>CPS/SAIG</i>                 | <i>Foreign Schools Participation Division</i>       |
| <i>NSLDS</i>                    | <i>Research and Customer Care Center</i>            |
| <i>G5</i>                       | <i>Nelnet Total &amp; Permanent Disability Team</i> |

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