

## Verification

Verification is the process required by the Department of Education to verify the accuracy of the information submitted by or on behalf of a student for the purpose of applying for financial aid. The purpose is to reduce errors in applicant reported data and to insure, to the maximum extent possible, that eligible applicants receive the financial aid they are eligible for.

The process of verification is separate than the requirement to resolve conflicting information. Discrepancies in a student's aid application must be resolved before aid can be disbursed, regardless of existing verification policies.

The process of verification is also separate from the requirement to "document" certain application items. Unconfirmed selective service registration, unconfirmed eligible non-citizen status, and Veteran's Educational Benefits may be "documented" regardless of any existing verification policies.

Schools must verify all FAFSAs selected by Central Processing System (CPS). The institution reserves the right to verify any FAFSA not selected by CPS for verification.

Refer any instance of suspected fraud or criminal conduct by an applicant to the Office of the Inspector General of the Department of Education or to the state or local authorities.

Assistant Inspector General for Investigations  
U. S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202-1500  
Phone: 800-647-8733  
Online Complaints: <http://www.ed.gov/about/offices/list/oig/hotline.html>

Each award year, the Secretary will publish in the Federal Register a notice announcing the FAFSA Information that an institution will be required to verify.

### **Federal Verification Requirements and Exclusions**

Applicants who must be verified include the following:

- Applicants who go through a federally approved need analysis system and are selected by the edits.
- Applicants for whom the institution has inconsistent data and/or who are selected by institutional criteria.

Applicants not selected for the verification process (assuming no conflicting data) include the following:

- Citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau;
- Legal resident of Commonwealth of the Northern Mariana Islands, Guam or American Samoa;
- Incarcerated students at the time of verification;
- Deceased applicants (regardless of conflicting data);
- Recent immigrants (who migrated during one of the calendar years of the award year);
- Non-Title IV recipients;
  - Verified at another school: Student completed verification for the current award year at another school before transferring. The FAFSA data must be the same as it was at the previous school, and we must get a letter from that school stating that it verified the student's application and must provide the transaction number of the pertinent valid ISIR.
  - Post Enrollment: The student was selected for verification after ceasing to be enrolled at your school and all (including late) disbursements were made.
- For all students: Only funds for which the student is eligible are from the unsubsidized student financial

- assistance programs (i.e., eligibility is not based on student's EFC);
- For all dependent students: Applicants cannot locate the parents because their contact information is unknown and cannot be obtained by the student;
  - Parents' address is unknown and cannot be obtained by the student; or
  - Parents are deceased or physically incapacitated.
- For all independent students: Applicant cannot locate the spouse because his/her contact information is unknown and cannot be obtained by the student.
  - Spouse's address is unknown and cannot be obtained by student; or
  - Spouse is deceased or physically incapacitated.

**Except in the case of the student's death, none of the exemptions excuse the HSC from the requirement to resolve conflicting information.**

### **Selection of Applications Verified at TTUHSC**

It is the policy of the Financial Aid Office to verify all applicants for need-based aid selected for verification by the federal edits. Federally accepted exclusions listed above will be honored. **Non need-based applications are not required to be verified.**

### **Noncitizen Verification without SSN and Tax Filing Requirements**

Noncitizens must file a U.S. federal income tax return for wages earned while working in the U.S. regardless of whether that income comes from U.S. or non-U.S. sources unless the only income received from a U.S. source is less than the personal exemption amount, according to IRS guidance.

Not having a Social Security Number (SSN) does not prevent an individual from filing a federal tax return when otherwise required by the IRS, and it does not prevent a dependent student's parent or an independent student's spouse from completing the FAFSA.

If a resident or non-resident alien is required to file a federal tax return but does not have and is not eligible for a SSN, the IRS will issue an Individual Taxpayer Identification Number (ITIN). The ITIN is for federal tax purposes only and cannot be used in place of a SSN on the FAFSA.

If an individual (with an ITIN or SSN) was required to file a federal tax return, but did not file one, this constitutes conflicting information which must be fully resolved before processing the student's federal aid application continues.

When the DHS is unable to verify an applicant's eligible noncitizen status through the automated primary or secondary confirmation process, the school must perform manual secondary confirmation by submitting a Document Verification Request (G-845) form to the DHS along with copies of the applicant's DHS documentation.

### **Homeless Youth Determination**

A student is eligible for homeless youth status if he/she meets the homeless definition and was determined to be homeless by his/her high school or school district homeless liaison, the director of a runaway or homeless youth center, or HUD. Student who meet this criteria are independent. **\*Supporting documentation may be required by the school.**

### **Completion of Verification Prior to Professional Judgment Adjustment**

Verification must be completed for an application prior to exercising professional judgment authority to adjust a student's Expected Family Contribution or Cost of Attendance only when:

- Applicants who go through a federally approved need analysis system and are selected by the edits.
- Applicants for whom the institution has inconsistent data and/or who are selected by institutional criteria.

- Otherwise, completion of verification is not required for professional judgments.

### **Pell Grant**

Pay Pell on the correct EFC after verification. If corrections increase the amount of a student's Federal Pell Grant and a valid ISIR/SAR is received after the student is no longer enrolled by before the annual Federal Register deadline, the school must pay the student the higher award amount.

### **Verification Deadlines**

Applicants selected for verification will be required to submit documentation to the TTUHSC Financial Aid Office in support of the data supplied of the FAFSA and required by the Department of Education as published in the Federal Register for each academic year.

The financial aid office will notify selected applicants of the documentation needed to complete the verification process via the applicant's official HSC Email as well as through the WebRaider Portal.

All information required to complete the verification process or to resolve conflicting data must be submitted by the applicant's last day of attendance for the award year being verified. If all information is not received by this deadline, the applicant forfeits all rights to any aid for which the applicant would be otherwise eligible for the award year.

### **Applicant Correction and Notification Procedures**

The TTUHSC Financial Aid Office will electronically submit to the Central Processor (CPS) correction to FAFSA data resulting from verification. CPS will then send notification of these changes to the applicant as notification of these corrections. Applicant will be notified of award changes resulting from verification by the receipt of an updated award notification from the financial aid office via the applicant's HSC Email as well as through the WebRaider Student Portal.

**Any adjustments due to verification may result in an adjustment of student financial aid award.**

### **IRS Data Retrieval**

All applicants selected for verification, regardless of Verification Tracking Group, who retrieve and transfer their income tax return information, unchanged, using the IRS Data Retrieval Tool—either when initially completing the FAFSA using FAFSA on the Web (FOTW) or through the corrections process of FOTW—are considered to have verified the following FAFSA IRS information, as applicable:

- 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

However, if changes were made to the transferred information or if the institution has reason to believe that the information transferred is inaccurate, the applicant must provide other acceptable documentation as required.

### **IRS Tax Transcript Document Required**

Only an **IRS Tax Return Transcript** is acceptable documentation when the applicant (or parent) did not use/was not eligible to use the IRS Data Retrieval Process – either at initial FAFSA filing or through the correction process.

Under certain conditions, some applicants who were selected for verification must submit to their institution an IRS Tax Return Transcript tax year information for the applicant, his or her spouse, and his or her parents, as applicable. These conditions are as follows:

- When the applicant or parent did not use the IRS Data Retrieval Process—either at initial FAFSA filing or through the FOTW correction process.
- When information obtained by using the IRS Data Retrieval Tool was changed before or after submission of the FAFSA or the FAFSA correction.
- When a married independent applicant and spouse filed separate tax returns.
- When the married parents of a dependent student filed separate tax returns.
- In all instances, when the dependent student’s legal parents are unmarried and living together.
- When an applicant or an applicant’s parents had a change in marital status after the end of an IRS tax year on December 31 of the year.
- When the applicant or parent or spouse filed an amended tax return. Under this condition, the institution must obtain the documents below to complete verification:
  - an IRS Tax Return Transcript, or any IRS tax transcript that includes all of the income and tax information required to be verified, and
  - a signed copy of the IRS Form 1040X that was filed with the IRS.

**\*IRS Tax Return Transcripts do not have to be signed by the tax filer.**

### **Documentation Requirements for Tax Filers Who Have Special Filing Circumstances**

#### **Victims of Identity Theft:**

Tax filers who are unable to obtain an IRS Tax Return Transcript due to identity theft must submit an alternative tax return transcript known as the TRDBV (Transcript DataBase View). The TRDBV **is required** to complete verification. The school must also collect a statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft. Schools completing verification on or after July 7, 2015 must collect both the TRDBV and signed statement from the tax filer. (GEN-14-05)

*Tax filers who are denied an IRS Tax Return Transcript using one of the regular request processes due to IRS identity theft will be referred to the Identity Protection Specialized Unit (IPSU) toll-free number at 1-800-908-4490. Tax filers who believe they are victims of identity theft do not need to be referred to the IPSU; they may call the number directly or go to the IRS identity theft website at [www.irs.gov](http://www.irs.gov). After the IPSU authenticates the tax filer's identity, the tax filer can request that the IRS mail to the tax filer an alternate tax return transcript known as the TRDBV (Transcript DataBase View).*

#### **IRS Extension for Filing Form:**

Tax filers who have filed for an Extension must submit the IRS Extension for Filing Form 4846 (Notice of Approval), copies of **ALL** W2s, along with completed verification forms. IF they are self-employed, they must submit a signed statement with the amount of their AGI and their U.S. income taxes Paid along with completed verification forms. Financial Aid will be awarded and disbursed based off the information reported on the W2s or signed statement if self-employed.

#### **Amended Tax Returns:**

For any verifications completed on or after July 7, 2015, the school must collect all of the following for individuals who filed an amended tax return:

- A signed copy of the original tax return that was filed with the IRS;
- An IRS Tax Return Transcript (which does not have to be signed); and
- A signed copy of the IRS Form 1040X that was filed with the IRS

#### **Separated, Divorced, Remarried, or Widowed:**

When dependent students' parents or independent students have filed a **joint return** and have separated, divorced, married someone else, or been widowed, they must submit:

- a copy of each W-2 form for the parent whose tax information is on the FAFSA. Similarly, an independent student must submit a copy of each of her W-2 forms if she filed a joint return and is separated, divorced, or a widow.
- Tax Return Transcript AND
- Signed Letter of Separation (if separated)-stating when the separation occurred and current situation along with current filing status.

**\*In the event additional documentation is needed to verify an individual's circumstance, a specific request for the needed document will be computer generated through the forms tracking system or through a hand-written request at the time verification is performed. If the applicant does not comply with the request for additional documentation or submit an acceptable alternative, the application will not proceed further through the awarding process.**

### **Forms and Documentation Collection Procedures**

| Verification Tracking Flag | Verification Tracking Group Name       | FAFSA Information Required to be Verified  |
|----------------------------|--|--|
| V1                         | Standard Verification Group            | <p>Tax Filers: Adjusted Gross Income, U.S. Income Tax Paid, Untaxed Portions of Individual Retirement Account (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 included on the ISIR and Child Support Paid, if included on the ISIR</p> <p>Nontax Filers: Income Earned from Work, Number of Household Members, Number in College, Supplemental Nutrition Assistance Program (SNAP–Food Stamps), if included on the ISIR and Child Support Paid, if included on the ISIR</p>  |
| V3                         | Child Support Paid Verification Group  | Child Support Paid by the student (or spouse), the student's parent, or both   |
| V4                         | Custom Verification Group              | High School Completion Status, Identity/Statement of Educational Purpose, Supplemental Nutrition Assistance Program (SNAP–Food Stamps), if included on the ISIR and Child Support Paid, if included on the ISIR  |
| V5                         | Aggregate Verification Group           | <p>High School Completion Status and Identity/Statement of Educational Purpose</p> <p>Tax Filers: Adjusted Gross Income, U.S. Income Tax Paid, Untaxed Portions of Individual Retirement Account (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 included on the ISIR and Child Support Paid, if included on the ISIR</p> <p>Nontax Filers: Income Earned from Work, Number of Household Members, Number in College, Supplemental Nutrition Assistance Program (SNAP–Food Stamps), if included on the ISIR and Child Support Paid, if included on the ISIR</p> |
| V6                         | Household Resources Verification Group | Tax Filers: Adjusted Gross Income, U.S. Income Tax Paid, Untaxed Portions of Individual Retirement Account (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 included on the ISIR and Child Support Paid, if included on the ISIR. Other Untaxed Income on the FAFSA - Payments to tax-deferred pension and savings, child support received, housing, food and other living allowances paid to members of the military, clergy and others, Veterans non-education benefits, other untaxed income and money received or paid on the                               |

applicant's behalf.

Nontax Filers: Income Earned from Work, Number of Household Members, Number in College, Supplemental Nutrition Assistance Program (SNAP–Food Stamps), if included on the ISIR and Child Support Paid, if included on the ISIR. Other Untaxed Income on the FAFSA - Payments to tax-deferred pension and savings, child support received, housing, food and other living allowances paid to members of the military, clergy and others, Veterans non-education benefits, other untaxed income and money received or paid on the applicant's behalf.

\*\*The Identity/Statement of Educational must be signed **IN PERSON** in front of an **Institution Officials**. IRS Tax Transcript if IRS Data Retrieval Tool was not utilized.

### **Items to be Verified and Acceptable Documentation**

#### ***Number in College -***

- Applicant must provide the name and age of each household member who is or will be attending an eligible postsecondary educational institution as at least a half-time student in the current award year and the name of the eligible institution(s) that each household member is or will be attending.

#### ***Number in Household***

- Foster care – A foster child can be included in the household if they are considered to be in a “kinship foster care”. The foster parent does not receive any support, income or benefits from the state or foster agency and pays more than half of their support.
- The number of household members for dependent students must now include both of a dependent student's legal (biological or adoptive) parents if the parents live together, regardless of the marital status or gender of the parents.

#### ***Food Stamps (SNAP), if receipt reported on FAFSA***

- Documentation may be required from the agency that issues Food Stamps benefit or alternative documentation as determined by the institution to be sufficient to confirm that the applicant received Food Stamps.

#### ***Child Support Paid, if amount reported on FAFSA***

- Statement signed by the applicant, spouse, or parent who paid child support certifying:
  - Amount of child support paid
  - Name of the person who paid child support
  - Name of the person to whom child support was paid
  - The name of the children for whom child support was paid

#### ***High School Completion***

- Students must provide one of the following documents that indicate their high school completion status at the beginning of the 2013–2014 year:
  - A copy of a high school diploma.
  - A copy of a final, official high school transcript that shows the date when the diploma was awarded.
  - A copy of a General Educational Development (GED) certificate or GED transcript.
  - An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree (core curriculum).
  - A copy of a secondary school completion credential for homeschool (other than a HS diploma or its recognized equivalent) if state law requires homeschooled students to obtain that credential.
  - A transcript or the equivalent, signed by the parent or guardian of a homeschooled student that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.
  - Meeting the grandfathering requirements.

High School Completion Abroad - Applicants who completed secondary education in a foreign country and who are unable to obtain a copy of their high school diploma or transcript may document their high school completion status by obtaining a copy of a “secondary school leaving

certificate” (or other similar document) through the appropriate central government agency (e.g., a Ministry of Education) of the country where the secondary education was completed. Institutions must determine whether foreign secondary school credentials are evidence of completing the equivalent of a secondary education in the United States. Institutions that do not have the expertise to make that determination themselves may use a foreign diploma evaluation service.

### ***Identity and Statement of Educational Purpose***

- Students should appear in person at the school and present a valid, government-issued photo identification (ID) such as a passport or a driver license or other state-issued ID. We must maintain an annotated copy of that ID that includes the date it was received and the name of the person at the school who is authorized to receive it.
- Students must also sign a statement of educational purpose that certifies who they are and that the federal student aid they may receive will only be used for educational purposes and for the cost of attending the school for the current academic year.
- A student who is unable to appear at the school must sign and submit the statement of educational purpose, and they must submit a copy of their ID with the statement signed by a notary public confirming that the student appeared before them and presented the ID confirming his identity. \*we must receive the original wet ink copy, cannot be faxed or emailed\*

### ***Tax Filers (From IRS Data Retrieval)***

Adjusted gross income (AGI), taxes paid, specific untaxed income items from tax return, untaxed IRA distributions, untaxed pensions, education credits, IRA deductions, and tax exempt interest.

### ***Nontax Filers***

If an institution questions a claim that the tax filer has not, will not, and is not required to file an Internal Revenue Service (IRS) income tax return, the institution must require the applicant to submit a “Verification of Non-filing” from the IRS that the tax filer did not file an IRS income tax return. The request for “Verification of Non-filing” can be obtained by the tax filer using IRS Form 4506-T and checking box 7. IMPORTANT: According to the IRS, a response to the request for a “Verification of Non-filing” for the tax year will not be issued until after June 15 each year.

### **Discretionary Verification of Non-Required Items and Acceptable Documentation**

The TTUHSC Financial Aid Office may choose to verify non-required data elements in addition to the required verification items. The institution has full discretion as to which applicants must provide documentation for any additional data elements and what constitutes acceptable documentation. Written statement on the Verification Form is acceptable documentation. Possible discretionary verification items and acceptable documentation might include but are not limited to the following:

- Welfare Benefits (other than welfare benefits which are prohibited by law from inclusion) - Documentation from the paying office; or a signed statement confirming the amount.
- Worker's Compensation - Documentation from the applicant's employer; or a signed statement confirming the amount from the applicant.
- Veterans' Non-educational Benefits - Documentation from the Department of Veterans' Affairs; or a signed statement confirming the amount from the applicant.
- Housing, food, and other living allowances - Signed statement confirming the amount from the applicant.
- Cash Support - Signed statement confirming the amount from the applicant.
- Untaxed Portion of Pensions - Signed copy of the 1040 or 1040A.
- Rollover – if untaxed pension is reported on the tax return for student or parent, the amount will be clarified to determine if it is a rollover. A signed copy of the tax return will need to be provided to exclude the rollover amount. The rollover amount will be removed with initial review.
- Tax-Exempt Interest Income - Signed copy of the 1040 or 1040A.
- Other Untaxed Income and Benefits - Signed statement confirming the amount from the applicant.

### **Verification Tolerance Options**

It is the policy of the HSC Office Financial Aid to submit all discrepancies to CPS. During the process of verification, discrepancies may be discovered between the dollar amount reported on the application and the dollar amount reported on the back-up documentation. The difference between the two amounts may or may not cause the application to be corrected. The following tolerance options may be used to determine whether or not corrections are necessary. For all subsidized student financial assistance programs, the school will submit to CPS any changes to a non-dollar item or a single dollar item of \$25 or more.

### **Processing Required Corrections**

If it is determined through the process of verification that the application must be reprocessed, corrections will be made through CPS. Once the corrected ISIR has been received, eligibility for aid will be determined and aid awarded accordingly.

### **Interim Disbursements and Loan Certification Prior to Completion of Verification**

It is the policy of HSC Office Financial Aid not to disburse any monies or certify any loans until verification has been completed.

### **Required Items to Document**

Though an application may not be chosen for verification, the applicant may have a situation that requires some type of confirmation or documentation before processing can continue. If the CPS was unable to make a satisfactory match with available resources, a "C" will appear by the student's EFC on the SAR. A comment explaining the flag (C) will be in Section I of the SAR. The following items may cause a "C" to appear on the SAR:

- Unconfirmed Selective Service Registration Status
- Unconfirmed INS Eligible Non-Citizen Status
- Title IV Default
- Over Payments
- Veteran Status
- Drug Abuse Hold
- Social Security Number Discrepancy
- Citizenship Status

Documentation must be secured by the HSC Office Financial Aid and placed in the student's file before further processing can continue. For information concerning appropriate documentation, refer to the current Federal Student Financial Aid Handbook. In addition, if the applicant is a recipient of Veterans Educational Benefits, the amount of these benefits may be confirmed before processing can continue. Questions regarding Veterans Benefits are resolved through the Military & Veterans Programs (MVP) Office.

### **Overpayments, Fraud, and Abuse**

If corrections resulting from the verification process decrease an applicant's award and create an overpayment situation, the HSC Office Financial Aid will adjust the award according and Student Business Services will send notification of this situation to the applicant and attempt to collect the overpayment. Award amounts are returned to the Department of Education by the Financial Aid Office and the student is billed through Student Business Services.

The HSC Office of Financial Aid will report to the Office of Inspector General all instances of suspected fraud where a financial aid applicant, employee, or other individual has misreported and/or altered documentation for the purpose of increasing aid eligibility or fraudulently obtaining federal funds.