

Federal Verification Policy: 2021-22
Chatham University

The United States Department of Education requires that students who are selected for Federal Verification provide documentation to verify the accuracy of the information submitted on the Free Application for Federal Student Aid (FAFSA) each year. Federal regulations include verification as part of the Federal Student Aid (FSA) Program requirements and it is required for applicants for most FSA programs except for students receiving only a parent or graduate PLUS loan, or an Unsubsidized Stafford loan. Each university is required to have policies for verifying the reported information. Federal regulations can be found at:

Federal Student Aid Handbook
Application & Verification Guide
Chapter 4: Verification, Updates, and Corrections
34 CFR 668.51-61

To apply for federal financial aid, a student submits a Free Application for Federal Student Aid (FAFSA) to the Central Processing System (CPS). The regulations in 34 CFR 668.51-61, govern the verification requirements, submitted by applicants for student financial assistance under the subsidized student financial assistance programs. Chatham University verifies those students who are selected for Verification by the Central Processing System. Federal Verification is performed on all applicants selected by CPS (unless those meeting exclusions above) and any application the University has reason to believe is incorrect or has conflicting documentation.

In accordance with the provisions of 34 CFR 668.51-61, the University has established and uses written policies and procedures for verifying an applicant's FAFSA information. These policies and procedures include—

- (1) The period in which applicants/students must submit verification documentation
- (2) The consequences for failing to submit those documents in time
- (3) The method used to notify applicants/students if their expected family contribution (EFC) and Title IV aid amounts change
- (4) The procedures the University or applicants/students follow to correct FAFSA data
- (5) The procedures the University will follow to refer an applicant/student to the Office of Inspector General.

► ***Institutional Responsibility:*** The University must require an applicant whose FAFSA information is selected for verification to submit supporting documentation to verify specified data elements of his/her FAFSA unless the applicant qualifies for a federal exclusion. (See Exclusions from Verification.) The University will also ensure once all necessary materials required for Verification are received; the process will be completed timely and accurately.

► ***Applicant Responsibility:*** If the University requests documents or information from an applicant, the applicant must provide the specified documents or information.

► **Standard Selection:**

The Central Processing System (CPS) selects which applications are selected for Verification. This information is then sent to the school electronically via the ISIR, which is the electronic version of the student's FAFSA. The school can make the determination which students are selected by a variety of fields on the student's ISIR record. This includes, the asterisk by the EFC, the Verification flag, as well as, the comments on the ISIR record, which indicate the student has been selected for verification.

► **Update or Correction Selection:**

An aid applicant should be aware that an update or correction to his/her FAFSA may trigger the CPS to select the application or additional data elements for verification. In this case, the University must require the applicant to submit any additional documentation needed to complete the verification process.

► **Institutional Selection:** The University has the authority and responsibility to select an application for Verification if there is reason to believe that an applicant's FAFSA information is inaccurate and/or contains conflicting information. The student will then be required to submit documentation to clarify the accuracy of the FAFSA data and/or to resolve the conflicting information and/or to verify specific data elements deemed necessary.

Exclusions from Verification: Federal regulations stipulate that the University need not verify an applicant if:

- a) the applicant dies;
- b) the applicant does not receive assistance under the title IV, HEA programs for reasons other than failure to verify FAFSA information;
- c) the applicant is eligible to receive only unsubsidized student financial assistance; or
- d) the applicant who transfers to the institution, had previously completed verification at the institution from which he or she transferred, and applies for assistance based on the same FAFSA information used at the previous institution, if the current institution obtains a letter from the previous institution—

- (1) stating that it has verified the applicant's information; and
- (2) providing the transaction number of the applicable valid ISIR.

Further, unless the University has reason to believe that the information reported by a dependent student is incorrect, it need not verify the applicant's parents' FAFSA information if:

- a) the parents are residing in a country other than the United States and cannot be contacted by normal means of communication;
- b) the parents cannot be located because their contact information is unknown and cannot be obtained by the applicant; or
- c) both of the applicant's parents are mentally incapacitated.

Lastly, unless the institution has reason to believe that the information reported by an independent student is incorrect, it need not verify the applicant's spouse's information if:

- a) the spouse is deceased;
- b) the spouse is mentally incapacitated;
- c) the spouse is residing in a country other than the United States and cannot be contacted by normal means of communication; or
- d) the spouse cannot be located because his or her contact information is unknown and cannot be obtained by the applicant.

► Verification requirements will be waived for the federal exclusions listed above provided the University receives supporting documentation pertaining to the reporting documentation pertaining to the applicable exclusion by our published verification deadlines.

Notification and Verification Process:

A student whose FAFSA information is selected for verification will be notified by the following:

- a) CPS will notify the student on his/her Student Aid Report (SAR).
 - 1. Next to the EFC will be an asterisk referring to a comment in the student section of the SAR that tells the applicant that he/she will be asked by the University to provide documentation for verification; and
- b) Chatham University will send email notifications to students notifying them of verification requirements
 - 1. First-year students are contacted with reminders/outreach
 - 2. Returning students are also contacted as they are getting closer to the start of the term

When students do not complete, they are notified via e-mail and letter their responsibilities with respect to completing all requirements for financial aid, including the consequences of failing to complete any required action or delaying their completion of any requirements.

Information to be Verified:

Each award year, the Secretary of Education publishes in the Federal Register a notice announcing the FAFSA information that an institution and an applicant may be required to verify. The notice also specifies what documentation is acceptable for verifying FAFSA information. The Federal Register lists these items for the 2021-22 award year.

(During the 2021-22 FAFSA year, there was a waiver process that stated that certain students did not need to complete V1 verification that was published on July 13, 2021. Here is a link to that waiver process: <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-07-13/changes-2021-2022-verification-requirements>)

The individual verification items that an applicant must verify are based upon the *Verification Tracking Group* to which the applicant is assigned as listed in the chart below:

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group (Tax Filers)	Adjusted Gross Income (AGI) US Income Tax Paid Education Credits Untaxed Portion of IRA Distribution Untaxed Portion of Pensions IRA Deductions and Payments Tax Exempt Interest Income Income earned from work Household Size Number in College
V1	Standard Verification Group (Non-Tax Filers)	Income Earned from Work Household Size Number in College Verification of Non-Tax Filing
V4	Custom Verification Group	High School Completion Status Identity/Statement of Educational Purpose
V5	Aggregate Group	All items in V1 and V4

Acceptable Documentation

The documentation required for verification varies according to the specific FAFSA information being verified. A student selected for verification will need to submit the following acceptable documentation to the University to complete the verification process.

<i>FAFSA Information</i>	<i>Acceptable Documentation</i>
Household Size Number in College	Verification Worksheet Verification Worksheet
AGI and US Income Taxes Paid	IRS DRT, Signed 2019 Federal Tax Return, or 2019 Federal Tax Return Transcript IRS DRT Signed 2019 Federal Tax Return, or 2019 Federal Tax Return Transcript
Non-Tax Filer Statement	Non-Tax Filer Form, IRS Non-Filer Letter for independents and parents, 2019 W2 Form if income earned
High School Completion	High school transcript with graduation date; HS diploma; GED; homeschooled credential; academic transcript showing two-year program completion
Identity/Statement of Purpose	Original government-issued photo identification (ID); such as passport or a driver's license and original Identify Statement of Completion
Other Documentation	Other documentation as specified by CPS or the Financial Aid Office

If the Financial Aid Office determines the income verified does not appear to provide sufficient financial support for the number household family members reported, the applicant and, if appropriate, the applicant's parents or spouse must explain how the family was financially supported during the 2019 calendar year. Typically, this will require completion of the "Living Expense Form," to show how they supported themselves during the calendar year.

IRS Data Retrieval Tool (DRT): The IRS DRT is the fastest, easiest, and most secure method of meeting verification requirements. To verify tax data, the U.S. Department of Education and the University encourage students and parents to use the IRS DRT to import data from their tax return directly to the FAFSA, either at the initial FAFSA filing or through the FAFSA correction process. For the retrieved data to be acceptable documentation of tax data, it is necessary that neither the student nor the parents change the data after it is transferred from the IRS.

IRS Tax Return Transcript: If a student or parent cannot or will not use the IRS DRT, they must provide the Tax Return Transcript obtained from the IRS or a signed copy of their Federal Tax Return that was processed by the IRS that lists tax account information of the tax filer for tax year 2019.

► **Requesting a Tax Return Transcript, Wage and Income Transcript, and Verification of Nonfiling Letter:** A student or parent may request an IRS Tax Return Transcript and the Wage and Income Transcript from the IRS, free of charge, in one of the following ways:

- a) online by downloading an immediate PDF at <http://www.irs.gov/Individuals/Get-Transcript>;
- b) by mail after submitting an online request at <http://www.irs.gov/Individuals/GetTranscript>, or after calling the IRS at 1-800-829-1040; or
- c) by using the IRS2Go App available at:
 - Apple Online Store at <https://itunes.apple.com/us/app/irs2go/id414113282?mt=8>
 - Google Play <https://play.google.com/store/apps/details?id=gov.irs>.

► **Victims of Identity Theft:** When the IRS determines a tax filer has been or likely was a victim of identity theft, it will not allow him/her to use the IRS DRT process or get a tax return transcript until the matter has been resolved, which can take up to a year for complex cases. For a tax filer who is a victim of identity theft, the University will accept for verification a signed copy of the 2019 paper tax return that was filed, as well as a copy of IRS Form 14039 (Identity Theft Affidavit), if submitted to the IRS (meaning stamped by the IRS).

Sometimes the IRS does not require the tax filer to submit a Form 14039, or if he/she did submit the form, a copy may not have been saved. In these cases, the tax filer must provide the University with a copy of a police report that was filed about the theft or a signed and dated statement that he/she was a victim of identity theft, that the IRS is investigating the matter, and that he/she either did not keep a copy of Form 14039 or the IRS did not require the submission of the form.

A victim of IRS identity theft who is not able to obtain a 2019 IRS Tax Return Transcript or use the IRS 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 2019 IRS income tax return information.

► **Filing an Amended Return:** A student or parent who files an amended return cannot use the IRS DRT process to verify the FAFSA. Instead he/she may submit to the Financial Aid Office:

- a 2019 IRS Tax Return Transcript, and
- a signed copy of the amended 2019 tax return (1040X) that was filed and stamped by the IRS or done with a tax preparer and has the tax preparer's PTIN on the form.

► **Tax Filing Extensions:** Families who file an extension will need to provide the following documentation to complete the Verification process:

1. IRS Form 4868 Application for Automatic Extension of Time to File US Individual Income Tax Return for the appropriate tax year
2. Copy of all W-2 forms for the appropriate tax year
3. If self-employed – signed statement of their adjusted gross income and US taxes paid
4. Completed Verification Worksheet

Students will not be re-verified once they have filed their tax returns. This will complete the verification process, and the students will be packaged.

► **Foreign Tax Filers:** A student or parent who filed an income tax return other than an IRS form, such as a foreign or Puerto Rican tax form, must use the income and tax information (converted to U.S.

dollars) from the lines of that form that correspond most closely to the income information reported on a U.S. income tax return to complete the FAFSA. Foreign tax filers cannot use the IRS DRT and, therefore, must submit signed copies of their 2018 foreign tax returns translated into English with U.S. dollar equivalencies to the Financial Aid Office.

► **Non-filers:** A student or parent who is not required to file a U.S tax return is required to submit the Nontax Filer Form for the 2019 tax year and copies of all 2019 W-2 Forms to verify income earned from work. Additionally, the student (if independent) or parent will need to provide a copy of their Verification of Non-Filing Letter. Dependent student who did not file do not need to provide a letter from the IRS.

- Some individuals may be required to submit additional documentation

Deadlines and Failure to Submit Documentation:

Deadlines for the 2021-22 academic year dates are as follows:

Fall 2021: December 10, 2021

Spring 2022: April 22, 2022

Summer 2022: August 5, 2022

If the Office of Financial Aid does not have a valid, corrected ISIR on file (one in which all information is accurate and complete) for a student prior to end of the term, the student will no longer be eligible once the term is over. Even if the student has submitted all Verification paperwork, we are not able to make corrections to the ISIR, once the term(s) is over. (The student also will not be permitted to register for future terms with a balance on his/her account). If the student does not provide the verification documentation by the deadline or the University does not receive a valid processed FAFSA by the deadline:

1. the aid could be canceled for the award year (or term if the student is enrolling in one term only)
2. Student will not receive a financial aid award or any federal financial aid disbursement until verification is complete.

If the student provides the documentation after the deadline, The Office of Financial Aid will reevaluate the students' eligibility for aid on a case by case basis.

Updating FAFSA Information:

► Generally, a student cannot update FAFSA information that was correct as of the date the application was signed because the FAFSA is a "snapshot" of the family's financial situation as of that date. After the FAFSA is signed, only certain items can be updated under the conditions listed below.

(1) Dependency Status Change: If a student's dependency status changes at any time during the award year, the student must update FAFSA information, except when the update is due to a change in the student's marital status.

(2) Verification of Household Size or Number in College: An applicant whose FAFSA information is selected for verification of household size or number in college must update those items to be correct as of the date of verification, except when the update is due to a change in the student's marital status.

(3) Marital Status Change: The University may require a student to update FAFSA information under paragraph (1) or (2) of this section for a change in the student's marital status if the University determines that the update is necessary to address an inequity or to reflect more accurately the student's ability to pay

Correcting Errors on the FAFSA:

Although a student cannot update FAFSA information that was filed correctly, except under limited conditions as listed-above, errors made on the original FAFSA must be corrected.

As stated previously, to apply for federal aid a student submits a Free Application for Federal Student Aid (FAFSA) to the Central Processing System (CPS). Generally, the FAFSA is submitted through the online process and the student receives from the CPS an electronic summary of his/her processed FAFSA known as the Student Aid Report (SAR).

Upon receipt of the SAR, the student should review all information listed on the SAR and submit for processing any errors reported on the original FAFSA to the CPS. In addition, customized Verification Worksheets are sent via an e-mail trigger from Campus Vue upon receipt of the FAFSA for students selected for verification. The student and parent(s) should complete the documentation as soon as possible and return it to the Financial Aid Office. Please note the deadlines listed above.

An electronic summary of a student's original FAFSA and any corrected FAFSA information will be sent from the CPS to the University. Once received, all FAFSA data, Verification Worksheets, and any supplemental verification documents will then be reviewed by the Financial Aid Office to verify the accuracy of the student's FAFSA information and to calculate his/her eligibility for need-based financial aid.

► If a student's FAFSA information changes because of the University's verification process, the Office of Student Financial Assistance will:

- a) submit for processing changes to the FAFSA information determined to be in error*;
- b) recalculate the student's Federal Pell Grant on the basis of the recalculated EFC;
- c) adjust the student's financial aid package based on the recalculated EFC; and notify the student via e-mail of the change to his/her EFC

Referral of Fraud Cases:

The Office of Financial Aid will report any suspected fraud or falsified information (on the part of the student, the parent, and preparer of financial aid applications or related parties) to the U. S. Department of Education and all other related parties for immediate action. Examples of such information include false claims of independent student status, false claims of citizenship, use of false identities, forgery of signatures or certificates, and false statements of income. This information will be forwarded to authorized agencies in addition to the U.S Department of Education for investigation such as the Office of Inspector General at 1-800-MIS-USED (1-800-647-8733) or by email at oig.hotline@ed.gov; web: <http://www.ed.gov/about/offices/list/oig/hotline.html>. Anyone who suspects fraud or abuse may make a confidential report contacting the Office of Inspector General.