

Verification Guide Policy and Procedures

To apply for federal financial aid, a student submits a Free Application for Federal Student Aid (FAFSA) to the Central Processing System (CPS). Because students sometimes make errors on their application, there is a process for verifying applications and making corrections. The HEA Code of Federal Regulations (34 CFR 668.51-61) governs the verification by institutions of information submitted by applicants for student financial assistance under the subsidized student financial assistance programs.

In accordance with these regulations, Ancilla has established and uses written policies and procedures for verifying an applicant's FAFSA information. These policies and procedures include—

- (1) The time period within which an applicant must provide any documentation requested by the College;
- (2) The consequences of an applicant's failure to provide the requested documentation within the specified time period;
- (3) The method by which the College notifies an applicant of the results of its verification if, as a result of verification, the applicant's EFC changes and results in a change in the amount of the applicant's assistance under the title IV, HEA programs;
- (4) The procedures the College will follow itself or the procedures the College will require an applicant to follow to correct FAFSA information determined to be in error; and
- (5) The procedures the College will follow for making referrals to the Office of Inspector General.

▶ **Institutional Responsibility:** The College 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.)

▶ **Applicant Responsibility:** If the College requests documents or information from an applicant under this, the applicant must provide the specified documents or information.

Selection of Applicants

▶ **Standard Selection:** As stated previously, to apply for federal financial aid a student submits a FAFSA to the Central Processing System (CPS). The CPS selects which applications are selected for verification. Data-based statistical analysis is used to select for verification those applicants with the highest probability of error on their FAFSA submissions. The CPS sets a Verification Flag on the student's processed FAFSA report to indicate that the student's record has been selected for verification. The processed FAFSA is also known as the Student Aid Report (SAR). CPS will also use a Verification Tracking Flag to place an applicant selected for verification into one of six Verification Tracking Groups

▶ **Institutional Selection:** Ancilla Financial Aid 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.

▶ **Update or Correction Selection:** An aid applicant should be aware that if an update or correction is submitted by the institution to CPS, this may trigger CPS to select the application for additional data elements for verification. In this case, Ancilla will require the applicant to submit any additional documentation needed to complete the verification process.

Notification

A student whose FAFSA information is selected for verification will be notified of his/her selected status as follows:

a) CPS will notify the student on his/her Student Aid Report (SAR). 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 College to provide documentation for verification.

- b) The applicant will receive from the school a *Verification Notice* and appropriate *Verification Worksheet* when selected for verification.
- c) After the verification documents have been reviewed and any conflicting information has been resolved, the school/third-party servicer will then make corrections to the ISIR and resubmit as applicable. If there are no corrections, the third-party servicer will process the student for FSA funding.
- d) If a student is selected and placed in a V4 or V5 verification group, and all documents are collected the school/third-party servicer will then report this information on the FAA Access to CPS Online website.

Information to be verified

For 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 2018-2019, the Federal Register lists the items to verify based upon the Verification Tracking Group to which the applicant is assigned. They are listed in the chart below:

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group (Tax Filers)	<ul style="list-style-type: none"> • Adjusted Gross Income • U.S. Income Tax Paid • Untaxed Portions of IRA Distributions • Untaxed Portion of Pensions • IRA Deductions & Payments • Tax Exempt Interest Income • Education Credits • Number of Household Members • Number in College
V1	Standard Verification Group (Non-Tax Filers)	<ul style="list-style-type: none"> • Income Earned from Work • Number of Household Members • Number in College • Verification of Non-filer Status
V2	Not currently in use	
V3	Not currently in use	
V4	Custom Verification Group	<ul style="list-style-type: none"> • High School Completion Status • Identity/Statement of Education Purpose
V5	Aggregate Verification Group	All items in V1 and V4
V6	Not currently in use	

NOTE: Federal regulations stipulate that an institution may require an applicant to verify any FAFSA information that it specifies. On occasion, the Ancilla Financial Aid office may require a student to verify any FAFSA information and to provide any reasonable documentation.

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 College to complete the verification process. If a student is unable to submit any of the required documents, he/she should contact the Financial Aid Office to discuss possible alternative acceptable documentation.

FAFSA Information	Acceptable Documentation
Household Size*	Ancilla Independent/Dependent Verification Worksheet
Number in College	Ancilla Independent/dependent Verification Worksheet
AGI & U.S. Tax Paid	IRS DRT** or IRS Tax Return Transcript***
Untaxed Income (Tax Return Data)	IRS DRT** or IRS Tax Return Transcript***
Non-Filer Work Income	Ancilla Independent/ Dependent Verification Worksheet & 2016 IRS W-2 Forms along with Verification of Non-filer status letter from IRS
High School Completion	High School Diploma or transcript; GED certificate or transcript; homeschooled credential or transcript; or academic transcript showing two-year program completion
Identity/Statement of Education Purpose	Original government-issued photo identification (ID) such as a passport or a driver's license and 2018-19 Identity and Statement of Educational Purpose
Other Information	Other documentation as specified by the CPS or Ancilla

*Household Size: For 2018-2019, 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.

**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 College 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 a transcript obtained from the IRS that lists tax account information of the tax filer for tax year 2016.

► Requesting a Tax Return Transcript: A student or parent may request an IRS Tax Return Transcript from the IRS, free of charge, in one of the following ways:

- a) Online by downloading an immediate PDF at www.irs.gov
- b) By mail after submitting an online request at www.irs.gov

► **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 College will accept for verification a Tax Return Data Based View (TRDBV) transcript along with a signed and dated statement from the tax filers that they are victims of IRS tax-related identity theft and that the IRS has been made aware of this. The tax filer should also provide the College with a copy of IRS Form 14039, Identity Theft Affidavit, if he/she submitted that form to the IRS.

► **Filing an Amended Return:** A student or parent who files an amended return cannot use the IRS DRT process. Instead he/she may submit to the Financial Aid Office an IRS Tax Return Transcript that lists tax account information of the tax filer and a signed copy of the amended 2016 tax return (1040X) that was filed with the IRS.

► **Tax Filing Extensions:** A student or parent who has been granted a tax filing extension must provide a copy of IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return. The tax filer must also provide copies of all 2016 IRS W-2 Forms and a signed draft copy of the 2016 federal tax return to the Financial Aid Office. Ancilla may also require submission of a copy of the completed (and signed) tax return before aid is disbursed to the student's account.

► **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 process and, therefore, must submit signed copies of their 2016 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 Ancilla College Verification Worksheet for 2018-2019 and copies of all 2016 IRS W-2 Forms to verify income earned from work. If an individual who is required to submit an IRS W-2 Form is unable to obtain one in a timely manner, the College may permit that individual to provide a signed statement that includes:

- a) the amount of income earned from work;
- b) the source of that income; and
- c) the reason that the IRS Form W-2 is not available in a timely manner.

The College requires independent students or parent(s) of dependent students to submit a "Verification of Non-Filing" from the IRS that the tax filer did not file a 2016 IRS income tax return. The request for "Verification of Non-Filing" can be obtained by the tax filer requesting an IRS Tax Return Transcript as outlined above.

Deadlines and Failure to Submit Documentation

A student whose FAFSA information has been selected for verification must submit all documentation required for verification to the Financial Aid Office by specific deadlines according to the type of subsidized federal aid received and his/her period of enrollment. In general, students will not be awarded any type of federal and state subsidized aid until the verification process is complete.

Campus Documentation Deadline:

It shall be the policy of Ancilla College to set the deadline date for receiving documentation for files chosen for verification by either the DOE or the institution to be the end of the 8th week of the semester (fall or spring) depending which term the student first enrolls for the year. The date will be prorated for enrollment in only a 1st or 2nd module, or enrollment in the summer term and modules. Generally, students should submit complete documents required for verification at least four (4) weeks before the beginning of a semester or enrollment period.

Semesters currently equal 16 weeks

- Proration of the deadline will occur for enrollment in only a modular session or summer term and modules

- 8-week module - deadline is end of the 4th week of the module
- 12-week summer term – deadline is end of the 6th week
- 6-week summer module – deadline is end of the 3rd week

Non-Negotiable Deadline:

► For subsidized federal aid programs, excluding the Federal Pell Grant Program: All required documentation needs to be submitted by the end of the loan period and/or award year.

If the student does not provide the verification documentation by the deadline, the College may cancel his/her subsidized federal aid (excluding the Federal Pell Grant Program) for the award year.

If the student then provides the documentation after the deadline, the College will reevaluate the student's eligibility for subsidized aid and will award aid based on the availability of federal funds at the time of documentation submission.

► For the Federal Pell Grant Program: A Pell applicant selected for verification must complete the verification process by the deadline published in the Federal Register or 120 days after the last day of the student's enrollment, whichever is earlier. The verification process is complete when the College has received all requested documentation and a valid processed FAFSA report is on file including any necessary corrections to the report.

If the student does not provide the verification documentation or the College does not receive the valid processed FAFSA report by the deadline, the student forfeits his/her Pell grant for the award year.

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. For example, if a student's family sold some stock after signing the FAFSA and spent the proceeds on an automobile or home improvement, the student cannot update the FAFSA to reflect a change in assets. 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. Students that are married after completing the FAFSA he status may update their dependency 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.

(3) Marital Status Change: The College 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 College determines that the update is necessary to address an inequity or to reflect more accurately the student's ability to pay.

Correcting Errors on FAFSA Information

► 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.

An electronic summary of a student's original FAFSA and any corrected FAFSA information will be sent from the CPS to the College. Once received, all FAFSA data, Ancilla College Verification Worksheets, and any supplemental verification

documents will then be reviewed by the College 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 as a result of the College's verification process, the College will:

- a) Submit for processing changes to the FAFSA information determined to be in error;
- b) Recalculate the student's Federal Pell Grant based on the recalculated EFC;
- c) Adjust the student's financial aid package based on the recalculated EFC

Note: Although Ancilla will be able to submit most changes to FAFSA information, on occasion it may be necessary for the student to submit changes directly to the CPS. In such cases, the College will notify the student in writing (by email or phone) as to which data items must be corrected by the student and submitted for processing to the CPS.

Referral of Fraud Cases

Students and parents are advised that the College must and will refer to the Office of Inspector General (OIG) any credible information indicating that an applicant for Federal Student Aid may have engaged in fraud or other criminal misconduct in connection with FAFSA applications. Common misconduct includes false claims of independent status, false claims of citizenship, use of false identities, forgery of signatures of certifications, and false statements of income. Note that fraud is the intent to deceive as opposed to a mistake on an application