



VERIFICATION NOW & THEN

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AGENDA



- What is Verification
- Why is it Used
- What Items Must Be Verified for 2019/2010
- IRS Data Retrieval or A Tax Return Transcript
- What Documents Are Required
- Special Situations
- Changes for 2020/2021

AUDIENCE POLL

Whom Do You Verify?

- Only those selected by the Central Processor
- Every student
- All CPS selected plus others



WHAT IS VERIFICATION?



Because students sometimes make errors on their application, there is a process for verifying applications and making corrections. The Central Processing System (CPS) selects which applications are to be verified, but you also have the authority to verify additional students.

WHY IS VERIFICATION USED?



- *Confirms accuracy of FAFSA data*
- *Assures applicants receive the correct amount of Title IV funds*
- *Conflicting information requires resolution*

REQUIRED POLICIES & PROCEDURES



➤ We must have written policies about:

- the time period in which students must submit verification documentation,
- the consequences for failing to submit those documents in time,
- the method you will use to notify students if their EFC and Title IV aid amounts change,
- the procedures you or students will follow to correct FAFSA data,
- the procedure you will follow to refer a student to the Office of Inspector General (OIG)

Policies and procedures, 34 CFR 668.53

Application & Verification Guide, 2019-2020, <https://ifap.ed.gov/fsahandbook/attachments/1920FSAHbkAVGCh4.pdf>

WHAT ITEMS MUST BE VERIFIED



- V1 – Standard Verification Group
 - Tax Filer – data items required to be verified:
 - Adjusted gross income (AGI)
 - U.S. income tax paid
 - Education credits
 - Untaxed IRA distributions
 - Untaxed pensions
 - IRA deductions and payments
 - Tax-exempt interest
 - Income earned from work
 - Household size
 - Number in college
 - High school completion status
 - Identity/statement of educational purpose

TRACKING GROUPS



➤ V1 – Standard Verification Group

➤ Non-Tax Filer – data items required to be verified:

- Income earned from work
- Household size
- Number in college

➤ V4 – Custom Verification Group

- Students must verify high school completion status and identity/statement of educational purpose.

➤ V5 – Aggregate Verification Group

- Students must verify high school completion status and identity/statement of educational purpose (SEP) in addition to the items in the Standard Verification Group.

AUDIENCE POLL

Do You Require IRS Data Retrieval or a Tax Return?



- We require a tax return
- We require IRS Data Retrieval
- We require both
- We do not require either

REQUIRED DOCUMENTATION



- Documentation depends on the item to be verified
 - IRS Data Retrieval or a Signed Tax Return
 - Items imported from DRT:
 - Type of tax return filed
 - Filing status
 - AGI
 - U.S. taxes paid
 - Income earned from work
 - Exemptions
 - Education credits
 - IRA deductions
 - Tax-exempt interest income
 - Untaxed IRA distributions
 - Untaxed pensions

[Electronic Announcement](#), January 9, 2019, Changes to 2018-2019 and 2019-2020 Verification Requirements

REQUIRED DOCUMENTATION



- Tax Return Transcript
 - www.irs.gov or call 1-800-908-9946 or Form 4506-T

- Verification Document
 - Must be signed
 - All sections are complete

[Electronic Announcement](#), June 6, 2018, 2018-2019 FAFSA Verification-IRS Tax Return Transcript Matrix

SPECIAL SITUATIONS



- Filing Extension – PPY should have eliminated extension unless granted beyond six months
 - Must provide:
 - IRS Form 4868 - Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
 - IRS Approval of Extension beyond six months
 - Verification of Non-Filing from IRS dated after October 1, 2018
 - Copies of all W-2 Forms
 - If self-employed, a signed statement with amounts of AGI and U.S. income tax paid

- Filers of Joint Returns Who Are No Longer Married
 - Must provide:
 - IRS tax transcript or return
 - Copy of each W-2 Form for the parent whose tax info is on the FAFSA

SPECIAL SITUATIONS



➤ Non-Tax Filer

➤ Must provide:

- Verification of Nonfiling (VNF) Letter form IRS dated on/after October 1, 2018 attesting that a return was not filed
- W-2 Form for each source of income
- If a VNF is not obtainable, then a signed statement asserting that the person attempted to get the VNF with sources and amounts of income earned from work not on W-2 Forms certifying person has not and is not required to file a tax return

➤ Filers of non-IRS returns

➤ Must provide:

- Transcript from government of a foreign nation or a U.S. territory that has all of the filer's income & tax data to be verified, or copy of the tax return which must be signed by the filer

➤ Filers of Amended Returns

➤ Must provide:

- Either a signed IRS Form 1040X or an IRS tax return transcript (can be unsigned) or any other IRS transcript that includes all of the income and tax information required to be verified or a copy of the tax return

SPECIAL SITUATIONS



➤ Victims of Identity Theft

➤ Must provide:

- Tax Return DataBase View (TRDBV) transcript as well as a signed and dated statement indicating they were victims of tax-related identity theft

➤ Auto-Zero EFC

➤ Must provide:

- AGI if tax filers, income earned from work if non-tax filers, high school completion status and identify and sign a statement of educational purpose if in group V5

& THEN

2020-2021 Verification Changes



- Verification Tracking Groups – no change

- Items that may require verification – no change

- Acceptable Documentation Requirements
 - Signed copy of the income tax return for 2018, that the tax filer submitted to the IRS or other relevant tax authority including for amended tax filers and victims of identity theft

[GEN-19-02](#), 2020-2021 Award Year: FAFSA Information to be Verified and Acceptable Documentation

[Federal Register notice](#), (Vol. 84, No. 101 p. 24118-24122)

Electronic Announcement, July 31, 2019, 2020-2021 Verification Suggested Text Page

Thank You for
Your Attention

Questions???



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