

ADM Policy #60-02-02 (2018) Verification Policy and Procedure

Policy Title: Verification Policy and Procedure

Policy Type: Administrative

Policy Number: ADM Policy #60-02-02

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Responsible Office: The Office of Financial Aid

Responsible Executive: Vice President for Enrollment Services

Applies to: All Students (and Parents) who are Recipients of Title IV Aid

POLICY STATEMENT

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 regulations in Subpart E (sections 51 to 61 of Part 668 of the Title 34 of the Code of Federal Regulations) govern the verification by institutions of information submitted by applicants for student financial assistance under the subsidized student financial assistance programs.

In accordance with the provisions of Subpart E, the College 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.

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DEFINITIONS

Central Processing System (CPS): The primary business function of the CPS is student application processing and eligibility determination for federal student financial assistance for postsecondary education.

Federal Expected Family Contribution (FM EFC): A measure of how much the student and his/her family can be expected to contribute to the cost of the student’s education for the award year based on the federal need analysis formula. Note: The College determines a student’s eligibility for need-based federal aid based on a student’s FM EFC.

Institutional Expected Family Contribution (IM EFC): A measure of how much the student and his/her family can be expected to contribute to the cost of the student’s education for the award year based on the institutional need analysis formula. Note: The College determines a student’s eligibility for need-based institutional aid based on a student’s IM EFC.

Institutional Student Information Record (ISIR): One of two output documents created by the CPS after processing a student’s FAFSA. The ISIR is made available electronically to the institutions listed on the student’s FAFSA and his/her state agency.

Federal subsidized student financial assistance programs: Title IV, HEA programs for which eligibility is determined on the basis of an applicant's FAFSA EFC. These programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Perkins Loan, and Direct Subsidized Loan programs.

Federal unsubsidized student financial assistance programs: Title IV, HEA programs for which eligibility is not based on an applicant's FAFSA EFC. For students attending Wiley College, these programs include the Direct Unsubsidized Loan and Direct PLUS Loan programs.

Student Aid Report (SAR): One of two output documents created by the CPS after processing a student’s FAFSA. The SAR is made available electronically to the student.

CONTACT(S)

The Office of Financial Aid officially interprets this policy. The Vice President for Enrollment Services is responsible for obtaining approval for any revisions as required by ADM Policy # 01 (2018). Questions regarding this policy should be directed to the Vice President for Enrollment Services.

STAKEHOLDER(S): Students and Parents

VERIFICATION: POLICY CONTENT

Responsibility

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 Subpart E, 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) for the student and Institutional Student Information Record (ISIR).

Customized Selection: The U.S. Department of Education's long-range goal for verification is a customized selection approach based on the data provided by each applicant on the FAFSA. When fully implemented, this process will identify, for a selected applicant, only the FAFSA information that requires verification based upon that applicant's data. Transition to a customized verification process is expected to continue over multiple award years. Moving toward this customized approach in the 2018- 19 award year, the CPS will also use a *Verification Tracking Flag* to place an applicant selected for verification into one of three Verification Tracking Groups. (See Information to be Verified.)

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 College must require the applicant to submit any additional documentation needed to complete the verification process. Upon receipt of an updated student record that has been selected for verification, the student will be notified. Institutional Student Information Records (ISIRs) are transmitted to the financial aid system

daily. Any additional funding will not be disbursed until the student has completed the verification process. If the student does not complete the verification process, he/she will be notified of the cancellation and return of his/her aid for the award year.

Institutional Selection: The College 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.

Exclusions from Verification: Federal regulations stipulate that the College need not verify an applicant's FAFSA information 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.
- e) the applicant was selected for verification after ceasing to be enrolled at the College and all (including late) disbursements were made

Further, unless the College 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 official documentation can be provided for the following —

- a) the parents are residing in a country other than the United States and cannot be contacted by normal means of communication. Official documentation will be required from the parent's employer to verify;
- b) both parents or the custodial parent has died;
- c) the parents cannot be located because their contact information is unknown and cannot be obtained by the applicant or Office of Financial Aid; or
- d) 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.

Wiley College policy regarding federal exclusions: Verification requirements will be waived for the federal exclusions listed above provided the College receives supporting documentation pertaining to the applicable exclusion by our published verification deadlines.

Notification

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

- a) the 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; and
- b) Wiley will send email notifications on a monthly basis to a student selected for verification by the CPS or by the College. Monthly notifications will begin in June 2018 and will continue until either the student has submitted all documents required for verification or the deadline for submission has been reached.

College email notifications sent to a student whose FAFSA information is selected for verification will include:

- a) a link to Wiley's student financial aid web site:
<https://www.wileyc.edu/financial-aid/>
- b) This site allows the student to view all documentation needed to satisfy the verification requirements and complete his/her financial aid file; and
- c) the student's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any actions required under this subpart and the consequences of failing to complete any required action.

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 most recent **Federal Register** lists these items for the 2018-19 award year. 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)	<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
V4	Custom Verification Group	<ul style="list-style-type: none"> High School Completion Status Identity/Statement of Educational Purpose
V5	Aggregate Verification Group	<ul style="list-style-type: none"> All items in V1 and V4

NOTE: Federal regulations stipulate that an institution may require an applicant to verify any FAFSA information that it specifies. On occasion, the College may therefore 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.

<i>FAFSA Information</i>	<i>Acceptable Documentation</i>
Household Size*	Wiley College Verification Worksheet (2018-2019)
Number in College	Wiley College Verification Worksheet (2018-2019)
AGI & U.S. Tax Paid	IRS DRT**, or IRS Tax Return Transcript***; or a signed paper copy of 2016 IRS tax return

Untaxed Income (Tax Return Data)	IRS DRT**; or IRS Tax Return Transcript***; or a signed paper copy of 2016 IRS tax return
Non-Filer Work Income	Wiley College Verification Worksheet (2018-2019) & 2016 IRS W-2 Forms; or Wiley College Non-Tax Filer Statement & 2016 IRS W-2 Forms
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 2018-2019 Identity and Statement of Educational Purpose document
Other Information	Other documentation as specified by the CPS or the College

***Household Size:** For 2018-19, 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.

Note: For assistance with the IRS DRT process, a student may find useful videos on the YouTube website: https://www.youtube.com/results?search_query=irs+drt

Under the following conditions the IRS DRT is NOT available (all apply to both students and parents):

- a) the person did not indicate on the FAFSA that the tax return has been completed;
- b) the applicant or applicant's parents had a change in marital status after the end of the 2016 IRS tax year on December 31, 2016;
- c) the first three digits of the SSN are 666;
- d) the person has been a victim of identity theft (See Victim of Identity Theft below.);
- e) the tax return was amended (See Filing an Amended Return below.);
- f) the person filed a tax filing extension with the IRS (See Tax Filing Extensions below.);
- g) the person filed a Puerto Rican or foreign tax return (See Foreign Tax Filers below.);
- h) the person is married and filed the tax return either as head of household or married filing separately;
- i) in all instances, when the dependent student's legal parents are unmarried and living together;
- j) neither married parent entered a valid SSN on the FAFSA;
- k) a non-married parent or both married parents entered all zeros for the SSN on the FAFSA; or
- l) the person filed the tax return as married and has now separated, divorced, married

someone else, or been widowed.

*****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 <http://www.irs.gov/Individuals/Get-Transcript>;
- b) by mail after submitting an online request at <http://www.irs.gov/Individuals/Get-Transcript>;
- c) by submitting a telephone request by calling 1-800-908-9946
- d) by mail after submitting a paper request form (IRS Form 4506T-EZ or IRS Form 4506-T)

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 transcript obtained from the IRS by calling the IRS's Identity Protection Specialized Unit (IPSU) toll-free number at 800-908-4490; and
- a statement signed and dated by the tax filers indicating that they were victims of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

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 will only include information from the original tax return and does not have to be signed), or any other IRS tax transcript(s) that include all of the income and tax information required to be verified; and
- a signed copy of the amended 2016 tax return (IRS Form 1040X) that was filed with the IRS.

On occasion, the College may also require that the student or parent submit an IRS tax account summary of the amended 2016 tax return.

Tax Filing Extensions: A student or parent who has been granted a tax filing extension beyond the automatic six-month 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 before any aid is disbursed to the student's account. Wiley 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 an 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.

Signed 2016 IRS Tax Return: In extremely rare circumstances in which the DRT and tax transcript are unavailable, the College will accept a signed paper copy of the 2016 IRS tax return.

Non-filers: An independent student or parent(s) who is not required to file a U.S tax return is required to submit the Wiley College Verification Worksheet for 2018-19 or Wiley College 2016 Non- Tax Filer's Statement 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 request for "Verification of Nonfiling Letter" 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.

For subsidized federal aid programs, excluding the Federal Pell Grant Program: A student enrolled in the fall 2018 term must submit required verification documentation before aid is applied to his/her account. A student who begins enrollment in the spring 2019 term must submit required verification documentation before aid is applied to his/her account. A student who begins enrollment in the summer 2018 term must submit required verification documentation before aid is applied to his/her account.

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**. As of this writing the notice for 2018-2019 has not been published, but the deadline is expected to be September 22, 2019, 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 considered to be 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, 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 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. In addition, customized Wiley College Verification Worksheets will be sent via email or mailed to the home address of students selected for federal verification. The student and parent(s) should complete the documentation upon receipt and return it to the Financial Aid Office by U.S. mail, email, or fax. For enrollment beginning in the fall 2018 term, all verification documents must be received by the College prior to August 15th to avoid incurring late fees on the student’s account.

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, Wiley 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 on the basis of the recalculated EFC;***
- c) adjust the student's financial aid package on the basis of the recalculated EFC; and***
- d) notify the student in writing (by U.S. mail or email) of any change to his/her financial aid package.***

****Note: Although the College 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 U.S. mail or email) 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.

PUBLICATION

REVIEW SCHEDULE

- Next Scheduled Review: 07/01/2019
- Approval by, date: Executive Cabinet, 11/13/2018
- Revision History: Unknown
- Supersedes: Unknown

RELATED DOCUMENTS

FORMS

2018-2019 Professional Judgement
2018-2019 Verification of Selective Service Registration or Exemption
2018-2019 Verification of Separation
2018-2019 Dependent V1 Worksheet
2018-2019 Dependent V4 Worksheet
2018-2019 Independent V1 Worksheet
2018-2019 Independent V4 Worksheet
2018-2019 Parent Non-Tax Filer Statement
2018-2019 Student Non-Tax Filer Statement
2018-2019 Unusual Enrollment History Form
2018-2019 Statement of No Parental Support