

**AUSTIN COLLEGE
OFFICE OF FINANCIAL AID
VERIFICATION POLICY**

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), if student receives need-based aid.

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
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MES, Room 4122
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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;
- 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.

Selection of Applications to be verified at Austin College

It is the policy of the Office of Financial Aid Office at Austin College to verify all applicants for need-based aid selected for verification by CPS. **Non need-based applications do not need to be verified.** Federally accepted exclusions listed above will be honored.

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.

Marital Status Changes

An EFC will not be calculated if the applicant attempts to update marital status. Students can use FAFSA on the Web to update their marital status after submission of their FAFSA in Student Correction Entry.

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.

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.

Pell Grant

If a student becomes eligible for a Pell grant as a result of verification it will be disbursed after a corrected valid ISIR has been received. If a Pell grant is reduced as a result of verification the Pell award will be adjusted as well as the disbursements.

Verification Deadlines

Applicants selected for verification will be required to submit documentation to the Office of Financial Aid 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 Austin College Email as well as through Web Hopper. Students selected for verification are put on a communication track letting the student know what is required for verification and his/her responsibilities and consequences for the verification process.

All information required to complete the verification process or to resolve conflicting data must be submitted by the applicant's last day of attendance defined as the last day of the semester, last day of the award year or last day of attendance prior to withdrawing from the College. The consequences for not submitting required documentation by this deadline is that the student will forfeit all rights to any aid for which the student would be otherwise eligible for the semester/award year. In some instances it may be necessary to return disbursed aid to the appropriate aid program. In addition, financial aid is awarded on the basis of first come first serve and based on availability of funds at the time verification is completed.

The 45-day period during which a school may hold undisbursed Direct Subsidized Loan proceeds for a student completing verification is eliminated; the school must return the loan funds.

Applicant Correction and Notification Procedures

The Office of Financial Aid Office will electronically submit to the Central Processor (CPS) correction(s) to FAFSA data resulting from verification. The CPS will then send notification of the changes made by the College to the applicant as notification of these corrections. Applicant will be notified of award changes resulting from verification by the receipt of a revised award notification from the financial aid office via the applicant's Austin College email. A change in financial aid award(s) will also show on Web Hopper.

Time of Verification

It is the policy of the Office of Financial Aid at Austin College to complete the required verification steps, including the completion of any necessary corrections, before packaging aid to returning students.

New entering freshmen and transfers who are selected for verification may be packaged aid prior to completion of the verification process.

Students are highly encouraged to submit all required documents as soon as possible so that if there are changes that need to be made to the aid awarded that they can be notified as such.

If any new student or returning student selected for verification cannot submit tax data because a tax extension has been filed for October 15, but all other verification documents have been submitted, the financial aid office may go ahead and give an estimated aid package with the understanding that the awards are estimated and subject to change based on completion of verification. This is communicated to the student via email when the award notification is sent to the student.

IRS Data Retrieval

Data transferred from IRS is retained by CPS.

IRS Email notification – notifies applicants and their parents to use the tool. Estimated tax filer and actual tax filers are notified. CPS will be queried in mid-March for the first email notification and in early April for the second email notification.

CPS will set flags and comment codes to indicate that the student and/or parent transferred data with FAFSA on the Web.

Use of IRS Data Retrieval and Completing FAFSA on the Web

Beginning with the 2012–13 processing cycle, the U.S. Department of Education (ED) will more strongly encourage the use of the IRS data retrieval in the completion of the FAFSA on the Web (FOTW). The following table illustrates how ED's plan could impact various types of applicants. For additional information, see Dear Colleague Letter GEN-11-03.

Applicant Type	IRS Data Retrieval	Uses Data Retrieval	Doesn't Use Data Retrieval/Changes Data
Applicant completes tax return before completing FOTW	Applicant directed to use data retrieval process	Applicant satisfies verification requirements for transferred data	Applicant more likely to be selected for verification; if selected must explain why data from applicant more accurate than data obtained through retrieval and may have to submit data directly from IRS (transcript)
Applicant does not complete tax return before completing FOTW	Applicant encouraged to submit corrections using data retrieval process	Applicant satisfies verification requirements for transferred data	Applicant more likely to be selected for verification; if selected must explain why data from applicant more accurate than data obtained through retrieval and may have to submit documentation directly from IRS (transcript)
Applicant not eligible to use data retrieval process	Applicant not given option to use process	N/A	If selected for verification will need to submit documentation; school may request documentation directly from IRS (transcript)

IRS Tax Transcript Document Required

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

Only an IRS Tax Return Transcript is acceptable when information included on the FAFSA using the IRS Data Retrieval Process was subsequently changed.

Only an IRS Tax Return Transcript is acceptable when a married independent applicant and spouse filed separate tax returns.

Only an IRS Tax Return Transcript is acceptable when the parents of a dependent student filed separate tax returns.

Only an IRS Tax Return Transcript is acceptable when an applicant or applicant's parent had a change in marital status after the end of the tax year on December 31.

In limited circumstances, if the institution determines that obtaining an IRS Tax Return Transcript is not possible, the institution may accept a signed copy of the income tax return, but it must document the reason for allowing an applicant to do so.

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

Forms and Documentation Collection Procedures

A student's file does not progress through the awarding cycle until all required forms, including the basic verification forms, are submitted and completed. Forms and additional information is available at the following sites:

<http://www.austincollege.edu/admission/financial-aid/forms-documents/>

<http://www.austincollege.edu/admission/financial-aid/federal-verification-fafsa-data/>

The basic verification forms requested via email to the student's Austin College email include:

- "Confirmation of Number in Household" form;
- IRS Tax Transcript if IRS Data Retrieval Tool was not utilized;
- Copies of student and parents' (if student is dependent) W-2s.
- Food Stamp documentation
- Child Support paid
- Confirmation of Living Expenses and Income

In the event additional documentation is needed to verify a student's individual circumstance, a specific request for the needed document will be computer generated through the communication tracking system, through a hand-written request at the time verification is performed or directly emailing the student. 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.

Items to be Verified and Acceptable Documentation

All Applicants

- Number in College
 - Not required if number reported is one.
 - 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 2014-15 award year and the name of the eligible institution(s) that each household member is or will be attending.
- Number in Household
 - Not required if dependent student household size reported is two and the parent is single, separated, divorced, or widowed; or three if the parent is married.
 - Not required if independent student household reported is one and the applicant is single, separated, divorced, or widowed; or two if the applicant is married.
- Food Stamps (SNAP), if receipt reported on FAFSA
 - Documentation 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 in 2013.
- 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 to who child support was paid
 - The name of the children for who child support was paid

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
 - Tax exempt Interest

Nontax Filers

- Copy of IRS Form W-2 for each source of employment income received for tax year 2013
- A signed statement certifying
 - That the individual has not filed and is not required to file an income tax return for tax year 2013
 - The sources of income earned from work as reported on the FAFSA and amount of income from each source for tax year 2013 that is not on W-2s

Discretionary Verification of Non-Required Items and Acceptable Documentation

The Office of 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.
- Tax-Exempt Interest Income - Signed copy of the 1040 or 1040A.
- Other Untaxed Income and Benefits - Signed statement confirming the amount from the applicant.

Use of IRS Extension for Filing Form

It is the policy of the Office of Financial Aid Office at Austin College to require the IRS Extension for Filing (Form 4846 or Notice of Approval) as proof that the parent(s) have filed an extension. In some cases, an estimated financial aid award will be done clearly identifying that the awards are estimated and subject to change once final verification is completed.

Verification Tolerance Options

It is the policy of the Office of Financial Aid at Austin College 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 submitted 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. The school will submit to CPS any changes to a non-dollar item or a single dollar item of \$25 or more. Although the school is not required to do a correction for a change to a single dollar item of \$25 or more, the financial aid office submits all discrepancies.

Processing Required Corrections

If it is determined through the process of verification that the application must be reprocessed, corrections will be made through Datatel or directly onto FAAccess. An adjustment may be made to the financial aid awards at the time verification is completed; however, the funds will not be disbursed until a corrected ISIR has been received.

Interim Disbursements and Loan Certification Prior to Completion of Verification

Interim disbursements are allowed either prior to verification or after verification before receiving a corrected ISIR. If there is no reason to question the accuracy of the information on the FAFSA, prior to completing verification, the Office of Financial Aid may, at its discretion (1) make one disbursement of Pell, Perkins, and SEOG funds for the first payment period, (2) permit FCWS employment for the first 60 consecutive days after the student enrolls for the award year, or (3) originate but not disburse a Direct Subsidized Loan.

Required Items to be documented

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
- Drug Abuse Hold
- Social Security Number Discrepancy
- Citizenship Status

Documentation must be secured by the Office of Financial Aid 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 Registrar's Office.

Overpayments, Fraud, and Abuse

If corrections resulting from the verification process decrease an applicant's award and those funds have already been disbursed the funds will be returned (using institutional funds) to the appropriate aid program. The Business Office will bill the student for any balance now owed on his/her student account. The student is notified via their Austin College email of any changes.

The Office of Financial Aid at Austin College 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.

Notification of Verification Policy and Procedures

This verification policy will be made available to all applicants via the Student Financial Aid website.