

**AUSTIN COLLEGE
FINANCIAL AID OFFICE
VERIFICATION POLICY
2023-24**

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.

Schools must verify all FAFSAs selected by Central Processing System (CPS), if student receives need-based aid.

Any instance of suspected fraud or criminal conduct by an applicant should be reported to the [Office of the Inspector General of the Department of Education](#).

U. S. Department of Education
Office of Inspector General Hotline
400 Maryland Avenue, S.W.
Washington, D.C. 20202-1500
Phone: 202-205-8762
OIG Hotline: 1-800-647-8733
Fax: 202-245-7047

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 file the Free Application for Federal Student Aid (FAFSA) and are selected for verification by CPS;
- Applicants for whom the institution has inconsistent data and/or who are selected by institutional criteria.

Verification is not required in the following situations:

Applicants not selected for the verification process (assuming no conflicting data) include the following:

- Death of a student;
- Student does not receive any need-based federal aid;
- Student is only eligible for non-need based federal aid (unsubsidized loan and/or parent PLUS Loan unless the student the student is selected for V4 or V5 verification then verification is required;
- Student was verified by another school in the current award year;
- Post enrollment where the student was selected for verification **after** ceasing to be enrolled at Austin College, the student does not intend to reenroll for the award year, and no further (including late) disbursements will be made.

Unless we have reason to believe it is inaccurate, we don't have to verify the reported FAFSA information of the **parents of a dependent student** if any of the following apply (including in cases where there is only one parent):

- Both of the parents are mentally incapacitated.
- Both parents or the custodial parent has died.
- They are residing in a country other than the United States and can't be contacted by normal means.
- They can't be located because the student does not have and cannot get their contact information.

Unless we have reason to believe it is inaccurate, we don't have to verify the reported FAFSA information of the **spouse of an independent student** if any of the following apply:

- The spouse has died.
- The spouse is mentally incapacitated.
- The spouse is residing in a country other than the United States and can't be contacted by normal means.
- The spouse can't be located because the student does not have and cannot get his or her contact information.

Selection of Applications to be verified at Austin College

It is the policy of the Financial Aid Office to verify all applicants for need-based aid who are selected for verification by CPS. CPS will let us know the verification track for each student selected (V1, V4, V5). Non-need-based applicants do not need to be verified. Federally accepted exclusions listed above will be honored.

V1—Standard Verification Group. Students in this group must verify the following if they are **tax filers**:

- Adjusted gross income
- U.S. income tax paid
- Untaxed portions of IRA distributions
- Untaxed portions of pensions
- IRA deductions and payments
- Tax-exempt interest income
- Education credits
- Household size
- Number in college

Students who are **not tax filers** must verify the following:

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

V4—Custom Verification Group. Students must verify identity/statement of educational purpose (SEP).

V5—Aggregate Verification Group. Students must verify identity/SEP in addition to the items in the Standard Verification Group (V1).

Reporting results for groups V4 and V5

Austin College must report the verification results of identity for any student for whom we (1) receive an ISIR with tracking flag V4 or V5—*as selected by the CPS, not your school*—and (2) request verification documentation. We report this information on the FAA Access to CPS Online website: select the Identity Verification Results option from the main menu, enter your school identifiers, the award year, and the student identifiers. For the 2022–2023 award year, we then enter one of the following numeric codes that most applies:

- 1-Verification completed in person, no issues found
- 2-Verification completed remotely, no issues found
- 3-Verification attempted, issues found with identity. (You did not receive acceptable documentation for the SEP or identity.)
- 4-No longer valid – do not use for 2023–2024 and beyond. (Value used prior to 2023–2024 award year to identify when high school completion status issues existed but there were no issues with identity.)
- 5-No response from applicant or unable to locate
- 6-No longer valid – do not use for 2023–2024 and beyond. (Value used prior to 2023–2024 award year to identify when both high school completion status and identity issues existed.)

Verification Deadlines

Applicants selected for verification will be required to submit documentation to the Financial Aid Office 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 Financial Aid Self-Service. 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 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 Financial Aid Office will electronically submit to the Central Processor (CPS) correction(s) to FAFSA data resulting from verification. CPS will then send notification of the changes made by the College to the applicant as notification of these corrections. An applicant will be notified via their AC email pointing students to their Financial Aid Self-Service in Web Hopper if their financial aid awards have changed as a result of verification .

Time of Packaging Aid and Selected for Verification

It is the policy of the Financial Aid Office at Austin College to complete the required verification steps, including the completion of any necessary corrections, before packaging aid to returning students. New incoming freshmen and transfers selected for verification are usually 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 student selected for verification cannot submit tax data because a tax extension was filed for the October 15th tax filing deadline, 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. Aid awarded under this provision will not be disbursed until verification is complete.

Forms and Documentation Collection Procedures

The basic verification forms are requested via student's Austin College email and include:

- Confirmation of Number in Household
- Confirmation of Number in College
- IRS Tax Transcript (if IRS Data Retrieval Tool was not use) for tax filers or a signed copy of the federal tax return
- Copies of student and parents' (if student is dependent) W-2s

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.

Immigrants and Tax Filing Requirements

Immigrants are not exempt from tax filing. The IRS is more concerned whether a person is a resident or nonresident—rather than legal or illegal alien. An alien is anyone who is not a U.S. citizen or national. A resident alien is one who either is a permanent resident or has resided in the U.S. for a specific minimum amount of time (has met the substantial presence test). All others are nonresident aliens. Resident aliens' income is generally subject to tax in the same manner as U.S. citizens', and they file Form 1040. Nonresident aliens who are required to file a return submit Form 1040NR or 1040NR-EZ; both forms are acceptable documentation for verification.

Immigrants who do not have an SSN and are unable to get one can apply with the IRS for an individual taxpayer identification number (ITIN). The ITIN is only for tax purposes. It does not authorize a person to work, endorse his or her legal status, or entitle him or her to the earned income credit or Social Security benefits. It is not to be used as an identifier in place of the SSN on the FAFSA form.

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. Students who meet these criteria are independent.

Completion of Verification Prior to Professional Judgment Adjustment

Verification must be completed for a selected student prior to exercising professional judgment authority to adjust a student's Expected Family Contribution. If a student was not selected for verification it is not necessary to complete verification prior to exercising professional judgment.

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.

IRS Tax Transcript Document Serves as:

- 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;
- acceptable documentation when information included on the FAFSA using the IRS Data Retrieval Process was subsequently changed;
- acceptable documentation when a married independent applicant and spouse filed separate tax returns;
- acceptable documentation when the parents of a dependent student filed separate tax returns;
- acceptable documentation when an applicant or applicant's parent had a change in marital status after the end of the tax year on December 31.

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

Items to be Verified and Acceptable Documentation

All Applicants

- Number in College
 - 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 2022-23 award year and the name of the eligible institution(s) that each household member is or will be attending
- Number in Household
 - Report applicant, if dependent, parent(s) and any siblings or others who live with or will be receiving more than half their support from the applicant's parent(s) from July 1, 2023 to June 30, 2024 or;
 - Report applicant, if independent, and spouse, if married, and any children or others who live with or will be receiving more than half their support from the applicant from July 1, 2023 to June 30, 2024

Tax Filers (from IRS Data Retrieval)

- Adjusted Gross Income (AGI)
- U.S. Income Tax 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 2021
- A signed statement certifying
 - That the individual has not filed and is not required to file an income tax return for tax year 2021
 - The sources of income earned from work as reported on the FAFSA and amount of income from each source for tax year 2021 that is not on W-2s

Discretionary Verification of Non-Required Items and Acceptable Documentation

The 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 who 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
- Housing, Food, and Other Living Allowances - signed statement confirming the amount from the applicant
- Cash Support - signed statement confirming the amount from the applicant
- Other Untaxed Income and Benefits - signed statement confirming the amount from the applicant

Use of IRS Extension for Filing Form

For students or parents who file a tax extension, an estimated financial aid award may be done clearly identifying that the awards are estimated and subject to change once final verification is completed. Student or parents must submit a copy of their tax extension form.

Verification Tolerance Options

It is the policy of the Financial Aid Office 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 Colleague or directly onto FAA Access. 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 Financial Aid Office 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 Federal 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 Financial Aid Office before further processing can continue. For information concerning appropriate documentation, refer to the current Federal Student Financial Aid Handbook.

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 to the appropriate aid program. The Business Office will bill the student for any balance now owed on their student account. The student is notified via their Austin College email of any changes.

The Financial Aid Office 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 [Austin College website](#).

Last updated 10/2023