Verification

Kim Wells/October 2016
U.S. Department of Education
IASFAA Conference

Agenda

- Tracking groups & documentation
- What to expect for 2017-18
- Resources
Tracking Groups

- V1 – Standard Verification Group
- V2 – Reserved
- V3 – Reserved
- V4 – Custom Verification Group
- V5 – Aggregate Verification Group
- V6 – Reserved

V1 – 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

Documentation
- IRS DRT
- Tax Return Transcripts
- Alternate documentation where allowed (e.g. amended returns, foreign returns, etc.)
V1 – Non-Tax Filers

• Income earned from work

Documentation
• Signed statement certifying
  • Individual has not filed and not required to file a 2015 tax return
  • Sources of income earned from work and amounts of income from each source for tax year 2015
• Copy of IRS Form W–2 for each source of employment income received for tax year 2015

V1 – Non-Tax Filers

• If school questions claim that tax filer is not required to file, must require applicant to submit “Verification of Nonfiling Letter”
  • Form 4506-T and checking box 7
  • “Verification of Nonfiling Letter” for 2015 tax year generally not issued until after June 15, 2016
**V1 – All Applicants**

- Number in Household and Number in College

**Documentation**

- Household size – signed statement (name, age, relationship)
  - Not required if
    - Dependent household size reported is two (if parent is single) or three (if parents are living together, whether married or not)
    - Independent household reported is one (if applicant is unmarried) or two (if applicant is married)
- Number in College – signed statement (name of household member attending at least half-time and eligible institution name)
  - Not required if reported number is one (student)

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**V4 – Custom**

- High School Completion Status
- Identity/Statement of Educational Purpose
High School Completion Status

• High school completion status

Documentation
• High school diploma or
• Final official high school transcript showing date diploma awarded or
• “Secondary school leaving certificate” for students who completed secondary education in foreign country and unable to get copy of high school diploma/transcript or
• Form DD-214

• If prior to student being selected for verification, a school already obtained HS completion status records for other purposes, the institution may rely on those records as long as it meets ED HS completion criteria

High School Completion Status

• Recognized equivalent of a HS diploma

Documentation
• Copy of the student’s General Educational Development (GED) certificate, an official GED transcript that indicates the student passed the exam, or a state-authorized HS equivalent certificate OR
• Academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree OR
• Student excelled academically in HS and met all criteria to be admitted into a two-year degree program or higher
High School Completion Status

- Test transcripts of State-authorized examinations

Documentation

- Test transcripts of State-authorized examinations (e.g., GED test, HiSET, TASC, or other State-authorized high school equivalency examinations) are acceptable documentation of high school completion ONLY IF
  - Official test transcript specifically indicates that a State has determined that test results are considered by State to meet its requirements of high school equivalency OR
  - Official test transcript includes language that final score is passing score

High School Completion Status

- Homeschooled

Documentation

- Credential, transcript, or the equivalent, signed by the parent or guardian, that lists the secondary school courses completed by the applicant and documents the successful completion of a secondary school education OR
- A secondary school completion credential for homeschool provided for under State law
Identity/Statement of Educational Purpose

Students that appear in person

Documentation

- Present to an institutionally authorized individual
  - Unexpired valid government-issued photo ID AND
  - Signed statement of educational purpose provided by ED, *(cannot be modified)*
- Maintain an annotated copy of identification
  - Date documentation was received AND
  - Name of institutionally authorized individual that obtained documentation

Student unable to appear in person

Documentation

- Must provide the school —
  - A copy of an unexpired valid government-issued photo identification AND
  - An original, notarized statement of educational purpose signed by the applicant *(cannot be faxed or scanned)*
    - Maintain a copy in the file
- After examining original Statement of Educational Purpose for accuracy and completeness, school may convert it into an electronic record
V5 – Aggregate

- High School Completion Status
- Identity/Statement of Educational Purpose

AND

- All items indicated-Tax Filer (V1)
- All items indicated-Non-Tax Filer (V1)

Changes for 2017-18

- If school verified any of following items in 2016-17 award year, documentation collected then may satisfy verification requirement for 2017-18 provided it still meets requirements

<table>
<thead>
<tr>
<th>Adjusted Gross Income (AGI)</th>
<th>U.S. Income Tax Paid</th>
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<tbody>
<tr>
<td>Untaxed Portion of IRA Distributions</td>
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<tr>
<td>IRA Deductions and Payments</td>
<td>Tax-exempt Interest Income</td>
</tr>
<tr>
<td>Education Credits</td>
<td>Income Earned from Work (non-tax filers)</td>
</tr>
</tbody>
</table>
Changes for 2017-18

• Changes to acceptable documentation
  • Nontax filers and filers who received an extension but have yet to file taxes must provide confirmation of nonfiling letter dated on/after Oct. 1, 2016
  • May be obtained
    • www.irs.gov
    • Form 4506-T and checking box 7

Get Transcript Online Tool

• Users can go to www.irs.gov and register to receive transcript online

• Users must have
  • Access to valid email address
  • Text-enabled mobile phone in user’s name
  • Specific financial account information (e.g., credit card, mortgage account number, etc.)
  • IRS will send user a confirmation code via email and authentication code via text
Verification – Resources

• 2017-18
  • Electronic announcement published July 29, 2016 (suggested text)
  • Federal Register Notice published April 1, 2016
  • Dear Colleague Letter GEN-16-07 published April 5, 2016
  • Program Integrity Q & A Website (verification topic)

Questions
ED Contacts

Research and Customer Care Center
1-800-433-7327
fssa.customer.support@ed.gov

Reach FSA  1-855-FSA-4-FAA

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<tr>
<th>Campus-Based Call Center</th>
<th>eZ-Audit</th>
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<tr>
<td>COD</td>
<td>School Eligibility Services Group</td>
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<td>CPS/SAIG</td>
<td>Foreign Schools Participation Division</td>
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<td>Research and Customer Care Center</td>
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<td>G5</td>
<td>Nelnet Total &amp; Permanent Disability</td>
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Contacts

Suzanne Scheldt
suzanne.scheldt@ed.gov
206.615.2583

Kim Wells
kimberly.wells@ed.gov
206.615.2174
Training Feedback

To ensure quality training we ask all participants to please complete an online session evaluation

• Go to https://www.surveymonkey.com/r/KimberlyWells

• Additional feedback about training can be directed to joann.borel@ed.gov

Thank You!