VERIFICATION POLICY

Each year, the U.S. Department of Education selects students for verification of the information provided on the student's Free Application for Federal Student Aid or FAFSA. 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, Collin College has established and uses written policies and procedures for verifying a student's FAFSA information.

These policies and procedures include—

- The time period within which a student must provide any documentation requested by the College.

- The consequences of a student's failure to provide the requested documentation within the specified time period.

- The method by which the College notifies the student of the results of its verification including if, as a result of verification, the student's SAI changes and results in a change in the amount of the student's assistance under the title IV, HEA programs.

- The procedures the College will follow itself or the procedures the College will require a student to follow to correct FAFSA information determined to be in error; and

- The procedures the College will follow for making referrals to the Office of Inspector General.

Institutional Responsibility: The College must require a student whose FAFSA information is selected for verification to submit supporting documentation to verify specified data elements of his/her FAFSA, unless the student qualifies for a federal exclusion. (See the section "Exclusions from Verification".)

Applicant Responsibility: If the College requests documents or information from a student under this Subpart E, the student must provide the specified documents or information if they wish to receive federal financial aid.

SELECTION OF APPLICANTS

Standard Selection: As stated previously, to apply for federal financial aid a student must submit a FAFSA to the FAFSA Processing System (FPS). The FPS selects which applications are selected for verification. The FPS sets a *Verification Flag* on the student's processed FAFSA report to indicate that the student's record has been selected for verification.

Customized Selection: The U.S. Department of Education's long-range goal for verification has been a customized selection approach based on the data provided by each applicant on the FAFSA. This process identifies, for a selected applicant, only the FAFSA information that requires verification based upon that applicant's data.
For the current award year, the FPS uses a *Verification Tracking Flag* to place an applicant selected for verification into one of three Verification Tracking Groups. (See the section "Information to be Verified".)

Update or Correction Selection: Students should be aware that an update or correction to his/her FAFSA may trigger the FPS to select the application or additional data elements for verification *at any time during the award year*, even if the initial FAFSA was not chosen. In addition, a student's verification tracking group could change on a subsequent transaction. In these cases, the College must require the student to submit any additional documentation needed to complete the verification process.

Institutional Selection: The College has the authority to select an application for verification if there is reason to believe that a student'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 a student's FAFSA information if—
- The student dies.
- The student does not receive assistance under the title IV, HEA programs for reasons other than failure to verify FAFSA information.
- The student is eligible to receive only unsubsidized student financial assistance; or
- The student 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:
  - ➢ Stating that it has verified the student's information; and
  - ➢ Providing the transaction number of the applicable valid ISIR.

   Note: Collin College does **not** accept verification completed by another institution for transfer students. These students are required to submit all required documentation and go through the verification process by us.

Unless the College has reason to believe that the information reported by a dependent student is incorrect, it need not verify the student's parents' FAFSA information if:

- The parents are residing in a country other than the United States and cannot be contacted by normal means of communication.
- The parents cannot be located because their contact information is unknown and cannot obtained by the student; or
- Both of the student'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 student's spouse's information if:

- The spouse is deceased.
- The spouse is mentally incapacitated.
- The spouse is residing in a country other than the United States and cannot be contacted by normal means of communication; or
- The spouse cannot be located because his or her contact information is unknown and cannot be obtained by the student.

Collin College policy regarding federal exclusions: Verification requirements will be waived for the federal exclusions listed above (with the exception of accepting another institution's verification results) 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:

- The FPS will notify the student on his/her FAFSA Submission Summary (FSS). Next to the SAI will be an asterisk referring to a comment in the student section of the FSS that tells the student that he/she will be asked by the College to provide documentation for verification; and

- Collin College's third-party verification vendor, Global FAS, will notify students via email of the requirement to log into the student processing portal (Global's custom portal for Collin College students) in order to view and provide needed documentation, and

- For files selected for verification by the FAO staff or chosen to be completed "in house" rather than through the third-party vendor, the College will notify students by an emailed missing information notification. The notifications will contain a link to the College's student web portal. This site allows the student to view and upload all documentation needed to satisfy the verification requirements as well as any other information/documentation required in order to complete his/her financial aid file.

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 a student may be required to verify. The notice also specifies what documentation is acceptable for

verifying FAFSA information. The **Federal Register** lists the items below (or similar) for the current award year. The individual verification items that a student must verify are based upon the *Verification Tracking Group* to which the student is assigned as listed in the chart below:

Verification Tracking	Verification Tracking	FAFSA Information Required
V1	Standard Verification Group (Tax filers)	• Adjusted Gross Income • Income Earned from Work • U.S. Income Tax Paid • Untaxed Portions of IRA Distributions • Untaxed Portion of Pensions • IRA Deductions & Payments • Tax Exempt Interest Income • Education Credits • Family Size
	Standard Verification Group (Non-Tax Filers)	• Income Earned from Work • Family Size
V4	Identity Verification Group	• Identity/Statement of Education Purpose
V5	Aggregate Verification	• All items in V1 and V4

NOTE: Federal regulations stipulate that an institution may require a student 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 (i.e., the verification tracking group). 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.

FAFSA Information	*Acceptable Documentation*
Family Size	FA-DDX (unchanged) or Collin College Verification Worksheet or meets exclusion*
Tax Data	FA-DDX (unchanged) or IRS Tax Return Transcript**
Non-Filer Work Income	Verification of non-filing (with exception of dependent students) and IRS W-2 Forms or statement of earnings for each source of income for the tax year
Rollovers (Untaxed portions of IRA Distributions or Untaxed Portions of Pensions	A signed and dated statement confirming the amount of the rollover. This is required whether or not the information is transferred directly from the IRS.
Identity/Statement of Education Purpose	Original valid (unexpired) government-issued photo identification (ID) such as a passport or a driver's license and Identity and Statement of Educational Purpose Form
Foreign Earned Income Exclusion	IRS Tax Return Transcript (even if FA-DDX transferred data)
Other Information	Other documentation as specified by the FPS or the College

Exclusions for verifying family size are:

- For independent students:

  - Married and HH size is 2 – number in college is 1
  - Not married and HH size is 1 – number in college is 1

- For dependent students:

  - ➢ Parents married and HH size is 3 – number in college is 1
  - ➢ Parent not married and HH size is 2 – number in college is 1

Under the following conditions the FA-DDX will not transfer data from the IRS (all apply to both students and parents):

- The person did not indicate on the FAFSA that the tax return has been completed.

- The applicant or applicant's parents had a change in marital status after the end of the IRS tax year on December 31, 20XX.

- The first three digits of the SSN are 666.

- The person has been a victim of identity theft (See Victim of Identity Theft below.).

- The person filed a tax filing extension with the IRS (See Tax Filing Extensions below***).

- The person filed a Puerto Rican or foreign tax return (See Foreign Tax Filers below.)

- Neither married parent entered a valid SSN on the FAFSA.

- A non-married parent or both married parents entered all zeros for the SSN on the FAFSA

**IRS Tax Return Transcript: If a student or parent did not have tax data transferred via the FA-DDX, they must provide an income tax transcript obtained from the IRS that lists tax account information of the tax filer for the appropriate tax year. If the individual cannot obtain an IRS tax return transcript and can provide evidence of such, the student or parent can submit a signed tax return with all applicable schedules.

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:

- Get Transcript by Mail – Go to www.irs.gov, click "Get Your Tax Record." Click "Get Transcript by Mail." Make sure to request the "Return Transcript" for the appropriate tax year and **NOT** the "Account Transcript." The transcript is generally received within 10 business days from the IRS's receipt of the online request.

- Get Transcript Online – Go to www.irs.gov, click "Get Your Tax Record." Click "Access tax records and transcripts in your Individual Online Account." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." Follow the instructions to create an ID.me account if you do not already have one. If you need help creating an ID.me account or verifying your identity, visit the ID.me IRS Help Site.

- <u>Automated Telephone Request</u> – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.

- <u>Paper Request Form</u> – IRS Form 4506-T-EZ or IRS Form 4506-T. The transcript is generally received within 10 business days from the IRS's receipt of the paper request form.

*** Tax Filing Extensions: For an individual who is required to file an IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension, you must collect:

- A signed statement listing the sources of any income received for the appropriate tax year and the amount of income from each source.

- A copy of the IRS's approval of an extension beyond the automatic six-month extension.

- A copy of IRS Form W-2 for each source of employment income received during the appropriate tax year or an equivalent document; and

- If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for the appropriate tax year.

Please note – an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency is permitted to submit a statement certifying that he or she has not filed an income tax return or a request for a filing extension because of that service.

Note about Tax Filing Extensions: Since the Dept. of Education now requires students and parents to submit tax information for 2 years prior to the FAFSA year, there should be no circumstances where someone still hasn't filed their tax return. The IRS only allows extensions for a maximum of 6 months.

Tax Related Identity Theft: ED has made a change on the documentation requirements for individuals who are the victim of IRS tax-related identity theft. For these individuals, you must collect:

- A copy of the signed income tax return and applicable schedules filed with the IRS; and

- An IRS 4674C Letter (letter from the IRS acknowledging the identity theft) OR a statement signed and dated by the tax filer indicating that he or she was the victim of IRS tax-related identity theft and that the IRS has been made award of the tax-related identity theft.

Amended Returns: For an individual who filed an amended return with the IRS, you must collect a signed copy of the 1040X that was filed with the IRS that includes the changes made to the tax filer's tax information as well as one of the following:

- Income and tax information from the IRS or an IRS record with all tax information from the original return.

- A transcript obtained from the IRS that lists tax account information of the tax filer(s); or

- A signed copy of the IRS Form 1040 and the applicable schedules that were filed with the IRS.

In some cases, the IRS may have made changes to amend the tax return information. For these cases, a 1040X will not exist. Instead, the filer should provide a copy of the IRS letter outlining the changes that were made. They must still provide one of the items listed in the 3 bullets above.

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 submit their foreign tax return (if they were able to obtain one without paying for it) and 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 a 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 foreign tax returns translated into English with U.S. dollar equivalencies to the Financial Aid Office.

Non-filers: A student or parent who is not required to file a U.S tax return is required to submit the Verification Worksheet for the appropriate year <u>and</u> copies of all 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:

- The amount of income earned from work.
- The source of that income; and
- The reason the IRS Form W-2 is not available in a timely manner.

If an independent student or parent(s) claims that they will not and are not required to file an IRS income tax return, the College <u>must require</u> the student/parent to submit a "Verification of Non-Filing" from the IRS that the tax filer did not file an IRS income tax return. The request for "Verification of Non- Filing" can be obtained by the tax filer requesting an IRS Tax Return Transcript as outlined above.

Dependent students only do not need to submit the verification of non-filing letter.

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 including Campus Based aid and Direct Loan aid (but excluding the Federal Pell Grant Program): Students must provide verification documentation prior to the last day of the student's enrollment.

For the Federal Pell Grant Program: For Pell Grant applicants, the Financial Aid Office must have verification documents and a valid output document no later than 120 days after the last day of enrollment or the Dept. of Ed's deadline in September, whichever is earlier.

Failure to submit required documents by the deadline will result in the student's ineligibility for financial aid for the award year.

UPDATING FAFSA INFORMATION

Generally, a student cannot update FAFSA information that was <u>correct</u> 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.

- **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.

- **Verification of Family Size:** A student whose FAFSA information is selected for verification of family size 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.

- **Marital Status Change:** The College may require a student to update FAFSA information (under either situation listed above) 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. These decisions will be made on a case-by-case basis and the reason documented in the file.

CORRECTING ERRORS ON FAFSA INFORMATION

If discrepancies are found between the documents submitted for verification and the information on the FAFSA data received by the school (ISIR), the following procedures will be used for making the corrections:

- **FAFSA data**– corrections to any item(s) is, in most cases, submitted directly through FAA Access. On occasion, the Financial Aid Advisor or other staff may recalculate the SAI in Banner. In these cases, the corrections will be sent to the FPS, typically within 24 hours.

- **Award changes** – If corrections to the ISIR due to verification result in a change in the student's award, the student will be sent a revised award letter notification by email.

*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 FPS. In such cases, the College will notify the student in writing (by email) as to which data items must be corrected by the student and submitted for processing to the FPS.

SUBSEQUENT ISIR TRANSACTIONS

If the Financial Aid Office receives a subsequent ISIR transaction that is flagged for verification after the student's file has already been awarded, the new ISIR transaction must be verified. Any changes to data elements that result in a change in SAI must be verified by requesting additional documentation and placing a hold on any undisbursed financial aid until resolved.