

Policies for the Office of Student Financial Aid

Subject

Verification (D-1)

Office of Student Financial Aid/Scholarships

August 2015

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Verification is the process of checking the validity of the information submitted by students to the US Department of Education on the Free Application for Federal Student Aid. The application information is submitted back to students and financial aid administrators in the form of a Student Aid Report (SAR/ISIR). The actual process involves information reported on the ISIR being compared to required documentation reported by parent and/or student.

The verification procedures are governed by the Higher Education Act of 1995, as amended, and Subpart E of 34 CFR Part 668 "Verification of Student Aid Applicant, Information Regulations," published in the Federal Register on April 28, 1994 and November 29, 1994, and June 30, 1995.

Verification is only required for certain applicants, but a financial aid administrator may elect to verify the SAR/ISIR of any student who applies for federal student aid if the institution has reason to believe that an applicant's FAFSA information is inaccurate. Federal verification is performed on all applicants selected by the Central Processing System. Students who are manually selected for verification will follow the same requirements as those students selected by CPS. In addition, verification must be completed for a student selected for verification prior to Title IV funds being awarded. Verification must be completed for a selected student before a FAA can exercise professional judgment to adjust any values that are used to calculate the EFC.

Any of the following SAR/ISIR's must be verified:

- Those selected by the Department of Education
- Those selected by the school
- Those with conflicting information - the requirement to resolve conflicting information is separate and distinct from the verification requirements and procedures; it supersedes all verification rules.
- Anytime an administrator makes a change to the ISIR, the student must be selected for verification

There are SAR/ISIRs selected for verification that may not have to be verified or are exempt from a portion of the verification requirements due to unusual circumstances as stated by the Department of Education.

The Verification Process

1. The verification process begins when the Financial Aid Office requests needed verification forms. A request email for any missing forms or documents, or required information is sent to the student. Emails will be sent to both student and personal email for missing document request. Deadlines of up to 45 days are often given to the student to assist with timely processing and packaging of financial aid, but verification will be completed at any time the student submits the required documents for the aid year being processed, within the awarding deadlines published each year by the Department of Education. Students are notified of missing information, by email, that if forms are not submitted for verification, their aid cannot be processed. Once forms requested for verification are received, the paperwork is forwarded to the verification department.
2. The files selected for verification are placed in a central file as ready to verify or incomplete. Each verification officer will pull files for verification out of the verification drawers.

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3. The verification officer then obtains a Verification Checklist Form. The officer documents the student's name, Social Security Number, and dependency status (dependent/independent). The Checklist has three categories of information. These are designated "Parent", "Student", and "Banner", respectively.
 - A. "Items to be verified" are determined by the "Application Verification Guide" published by the Department of Education each year. Typical items to be verified can include the following, but not limited to:
 - Adjusted Gross Income
 - Household Size
 - Number Enrolled in Post-Secondary Education
 - Certain Untaxed Income and Benefits
 - Child Support Received/Child Support Paid
 - Untaxed Payments to IRA/Keogh Plans
 - Interest on Tax-Free Bonds/Untaxed Income
 - U.S. Income Tax Paid
 - Program(SNAP-Food Stamps) if included in the ISIR
 - Untaxed Pensions
 - B. The "Parent" or "Student" Data category is completed with the following information taken from the student's Verification Worksheet:
 - Household Size
 - Applies to dependent student
 - Applies to independent student
 - Number Enrolled in Post-Secondary Education
 - Applies to dependent student
 - Applies to independent student
 - C. The following information can be taken from the IRS 1040 Transcript, IRS Data Retrieval process and W-2's.
 - Student's Adjusted Gross Income
 - Applies to independent student
 - Applies to dependent student
 - Student Federal Income Tax Paid
 - Applies to dependent student
 - Applies to independent student
 - Parent's Adjusted Gross Income
 - Applies to dependent student
 - Parent's Federal Income Tax Paid
 - Applies to parents of dependent student
 - Non-Taxable Income
 - May apply to parent(s) of dependent student(s)
 - May apply to dependent student
 - May apply to independent student

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D. The “Banner “category is completed with information taken from the information the student reported on the FAFSA.

E. Documentation that could be requested during verification include, but not limited to:

- 1040 IRS Transcript - is acceptable for verifying these data items:
 - Adjusted Gross Income
 - Federal Taxes Paid
 - Untaxed Payments to IRA/Keogh
 - Interest on Tax-Free Bonds
 - Taxable Social Security Benefits

- Verification Worksheets - May be used to verify:
 - Household size
 - Number Enrolled in Post-Secondary Education
 - Child Support Received
 - Child Support Paid
 - Food Stamp benefits
 - Some Sources of Untaxed Income

- W-2’s for Student, Spouse and/or Parent:
 - Wages Earned from Work
 - Tax Deferred Pension

Note: If the officer determines that “conflicting information” exists, the file will be placed in the problem file and the information needed will be indicated on appropriate screens in Banner database for others to view. An email requesting the missing information will be sent to the student. Emails will be sent continuously to the student for documents that have not been satisfied on RRAAREQ during the award year until the information is submitted or until the award year deadline has been reached. Students may also view Verification and document status when logged into their MyNSU/NSU Connect accounts. Students in the problem file will be referred to that verification officer.

4. Regardless if corrections are made or not, the verification process requires the Verification Officer to report the student’s verification status for the SAR selected to be verified. The code used to report verification status is; V – Verified.

The student’s financial aid is ready to be processed and packaged for appropriate award programs, if all paper work is complete and student has been verified, if selected.

Office policy:

All verification should be completed up to 45 days of receipt of all documents required to perform verification. (Except in extreme circumstance with prior approval by the Director of Financial Aid)

Student files must be returned to the file-room immediately upon completion of verification, or determination that verification cannot be completed. Student files should not be kept in the office for an extended period of time.

If any verification documents are received in the OFSA from a student that was not selected by CPS must be school selected for verification.