Introduction

This guide is intended for college financial aid administrators and counselors who help students begin the aid process—filing the Free Application for Federal Student Aid (FAFSA®) form, verifying information, and making corrections and other changes to the information reported on the FAFSA.

Throughout the Federal Student Aid Handbook we use “college,” “school,” and “institution” interchangeably unless a more specific use is given. Similarly, “student,” “applicant,” and “aid recipient” are synonyms. “Parents” in this volume refers to the parents of dependent students, and “you” refers to the primary audience of the Handbook: financial aid administrators at colleges. “We” indicates the U.S. Department of Education (the Department, ED), and “federal student aid” and “Title IV aid” are synonymous terms for the financial aid offered by the Department.

We appreciate any comments that you have on the Application and Verification Guide, as well as all the volumes of the FSA Handbook. We revise the text based on questions and feedback from the financial aid community, so please write us at fsaschoolspubs@ed.gov about how to improve the Handbook so that it is always clear and informative.

CHANGES FOR 2020–2021

Throughout the volume, we moved notes in the margins to the body of the page, and we updated the text to account for the elimination of IRS forms 1040A and 1040EZ and the changes to the 1040 form.

On the bottom of page 8 we noted that in February 2020 the FSAdownload site was retired and the entire IFAP website was modified, which may require schools to update links they have on their own sites.

On pages 18 and 19 we added a section explaining what to do when, in some foreign countries and in the employment of some international organizations, people do not have to file a tax return even though they earn incomes that under normal circumstances in the U.S. would require a return to be filed.

We added a sentence on page 21 stating that ABLE (Achieving a Better Life Experience) accounts are not included as an asset on the FAFSA.
On page 24 we noted that for items 44h and 92h, where the FAFSA instructs untaxed foreign income to be counted, this does not include foreign earned income that is not taxed. See the section on pages 18 and 19 referred to above.

We added to the note at the bottom of page 43 and directed readers to the section “Submitting changes via FAA Access to CPS Online or EDE” (which includes the revised guidance on page 107 mentioned below) in Chapter 4 for more information about submitting changes to the CPS.

We revised the footnote on page 45 to reflect the change to the criteria used to determine eligibility for the simplified needs and automatic zero EFC tests.

We added a paragraph on page 90 related to the COVID-19 virus and linking to announcements and other resources for schools to refer to for help in administering the Title IV programs in this national emergency.

We added a sentence on page 97 under “Filing extensions” about call-ups to active military duty or National Guard duty.

On pages 97 and 98 we added text explaining what schools can accept as an alternative to the IRS’s Verification of Non-filing (VNF) Letter and how much time must pass, at a minimum, after the request for the VNF before they can accept a signed statement in lieu of it.

At the top of page 107 we modified the guidance explaining the circumstances that apply when collecting documentation of changes to the FAFSA that you submit to the CPS for processing.

On page 127 we added a sentence informing schools that verification completion and PJ adjustments can be entered on the same transaction. However, this does not change the required order of those actions—schools must complete verification first to ensure that they have correct data, and then they can decide if and how they will exercise PJ.

On page 132, under “Discrepant tax data,” we removed the obligation of schools to know that a person could not be claimed as an exemption by more than one taxpayer since there are no more exemptions on the 1040 form. Note, however, that the obligation to know what a person’s tax-filing status should be still applies, and the rules for claiming dependents are relevant for that.