

Verification, Updates, and Corrections

CHAPTER 4

Because students sometimes make errors on their application, there is a process for verifying applications and making corrections. The Central Processing System (CPS) selects which applications are to be verified, but you also have the authority to verify additional students.

You must verify applications selected by the CPS of students who will receive or have received subsidized student financial assistance, as defined below. Verification is not required for students who are only eligible for unsubsidized student financial assistance (however, see *Verification exclusions* later in this chapter for an important caveat). While graduate students are ineligible for most types of subsidized Title IV aid, they are eligible for Federal Work Study and would need to complete verification if they are selected and receive that aid. Students who are eligible for both subsidized and unsubsidized Title IV aid may not avoid verification by accepting only unsubsidized aid; they must complete verification to receive any Title IV aid. However, see “Disbursing unsubsidized aid” on page 106.

Verification regulations

34 CFR 668.51–61

REQUIRED POLICIES AND PROCEDURES

Your school must have written policies about

- the time period in which students must submit verification documentation,
- the consequences for failing to submit those documents in time,
- the method you use to notify students if their EFC and Title IV aid amounts change,
- the procedures you or students follow to correct FAFSA data, and
- the procedure you follow to refer a student to the Office of Inspector General (OIG) (see *Chapter 5*).

Policies and procedures

34 CFR 668.53

Subsidized student financial assistance programs—Title IV programs for which eligibility is determined by the EFC: the Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and Direct Subsidized Loan programs.

Unsubsidized student financial assistance programs—Title IV programs for which eligibility is not based on the EFC: the Teacher Education Assistance for College and Higher Education (TEACH) Grant, Direct Unsubsidized Loan, and Direct PLUS Loan programs.

The Iraq and Afghanistan Service Grant is a non-need-based grant and is not subject to verification.

34 CFR 668.52

Your school must provide, in a timely manner, students selected for verification a clear explanation of their role, including what documents they must submit, the deadlines they must meet, and the consequences of failing to meet them.

The FSA Assessments include [verification activities](#) that you can use to help you evaluate your verification process. Also, the Department has a list of [questions and answers about verification](#) online.

Verification selection and PJ

You must complete verification for a selected student before you exercise professional judgment (PJ) to adjust any values that are used to calculate the EFC. But making a PJ adjustment does not require you to verify an application that isn't selected.

Once the Department selects a FAFSA for verification, every subsequent transaction for that award year, even one resulting from PJ, will indicate that the student is selected for verification.

If a FAFSA that is not selected for verification is later corrected, that can result in the application being selected. However, when PJ is used (and coded correctly) to adjust an application that is not selected for verification, the CPS prevents the subsequent transaction from being selected for verification.

Verification items

34 CFR 668.56

APPLICATIONS AND INFORMATION TO BE VERIFIED

The Department's long-term goal is for a customized approach to verification. A menu of potential verification items for each award year will be published in the *Federal Register*, and the items to verify for a given application will be selected from that menu and indicated on the SAR/ISIR. Those output documents will continue to include only one verification flag to show students who were selected, and they will need to verify all the FAFSA items below that apply to them.

See the [May 24, 2019, Federal Register](#) for the verification items for 2020–2021, which are the same as last year's:

- Adjusted gross income (AGI)
- U.S. income tax paid
- Education credits
- Untaxed IRA distributions
- Untaxed pensions
- IRA deductions and payments
- Tax-exempt interest
- Income earned from work
- Household size
- Number in college
- High school completion status
- Identity/statement of educational purpose

The verification flag will have a value of “Y,” and next to the EFC will be an asterisk referring to a comment in the student section of the SAR that tells applicants they will be asked by their schools to provide documentation. A verification tracking flag will be set on the applicant’s Institutional Student Information Record (ISIR) to indicate placement in one of the 2020–2021 verification tracking groups.

School-selected verification

In some cases you, not the CPS, will select a student for verification. You must verify any information you have reason to believe is incorrect on an application. Also, you may at your discretion require a student to verify any FAFSA information and provide reasonable documentation according to consistently applied school policies. In either case you may, but are not required to, include any of the CPS verification items not already included. Whether you do that or not, students with these applications are considered selected for verification and, as with CPS-selected applications, all other verification requirements, such as deadlines, allowable tolerances, and interim disbursement rules, apply.

When schools choose to verify an item other than those the Department selects, they may delay disbursing Title IV aid until verification is completed if the school-selected item can affect the student’s Title IV eligibility, such as an item about dependency status. But schools cannot delay disbursing when the item has no bearing on Title IV aid, for example, if the school is verifying home equity to determine student eligibility for its own or state aid.

Verification tracking groups

Students who are selected for verification will be placed in one of the following groups to determine which FAFSA information must be verified.

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 high school completion status and identity/statement of educational purpose (SEP).

V5—Aggregate Verification Group. Students must verify high school completion status and identity/SEP in addition to the items in the Standard Verification Group.

Groups V2, V3, and V6 are reserved for future use by the Department.

Changing tracking groups

A student may move from Verification Tracking Group V1 or V4 to group V5 based on corrections made to her CPS record or on other information available to the Department. If verification was already completed for the previous group, the student is only required to verify the V5 information that was not already verified. If verification was not completed for the previous group, the student needs to verify the V5 information.

No disbursements of Title IV aid may be made until the V5 verification is satisfactorily completed. If the student doesn't complete verification, the school is not liable for any Title IV aid it disbursed prior to receiving the group V5 ISIR. The student is liable for the full amount because without verification there is no evidence she was eligible for that aid. See the [October 31, 2016, announcement](#) for more information about disbursements and potential return of funds when students are selected for verification.

Reporting results for groups V4 and V5

You must report the verification results of identity and high school (HS) completion status for any student for whom you receive an ISIR with tracking flag V4 or V5—as selected by the CPS, not your school—and request verification documentation. You 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 year, and the student identifiers. You will then enter one of the following numeric codes that most applies:

- 1—Verification completed in person, no issues found
- 2—Verification completed using notary, no issues found
- 3—Verification attempted, issues found with identity. (You received acceptable documentation of high school completion but not the SEP or documentation of identity, or the latter was unacceptable.)
- 4—Verification attempted, issues found with HS completion. (You received the SEP and acceptable documentation of identity, but you didn't get HS completion documentation or it was unacceptable.)
- 5—No response from applicant or unable to locate
- 6—Verification attempted, issues found with both identity and HS completion

You should report results no more than 60 days following your first request to the student for documentation of identity and high school completion. Inaccurate and untimely reporting may subject your school to findings as a result of your annual compliance audit or a program review. You should not wait until the award year ends before reporting these results. If there is a

change in a result you have already submitted, you can submit the new code using the above process, and you should make that change within 30 days. Because the FAA Access website does not store a list of these verification results for you to retrieve, we recommend you print and keep the confirmation page for your records.

Instead of using this individual method, you can submit verification results by uploading a flat file with the data for up to 2,000 students. Each record must contain only the nine-digit SSN, the two-character name ID, and the appropriate numeric result code from above. Each line of data must contain only one record. Do not use hyphens, empty lines, or spaces (unless the student does not have a last name, in which case enter two spaces). This is an example of two records reported via the flat file:

```
111223333BE1  
222334444OL5
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Verification exclusions

There are times when you don't need to verify a student's application. **Except in the case of the student's death, however—or post-enrollment situations where the student also does not intend to reenroll—none of the exemptions excuse you from the requirement to resolve conflicting information (see Chapter 5).** You should document the basis for an exclusion. Other information not excluded must still be verified according to all other requirements. You don't have to verify FAFSA information of a student in the following situations:

- Death of the student. You don't have to continue verification if you made an interim disbursement and the student died before verification was completed. You cannot make any additional disbursements, except for FWS funds already earned, to any of the student's beneficiaries. You cannot originate or disburse his Direct Subsidized Loan or consider any interim disbursement you made of Pell or FSEOG funds or provisional FWS employment to be an overpayment. See *Volume 5, Chapter 2*.
- Not an aid recipient. The student won't receive Title IV aid for reasons other than a failure to complete verification. This includes being ineligible for that aid and withdrawing without receiving it.
- The applicant is eligible to receive only unsubsidized student financial assistance. However, students selected for V4 or V5 verification should complete it in accord with the answer to DOC-Q18 on the [verification Q and A page](#).
- Applicant verified by another school. The student completed verification for the current award year at another school before transferring. Her FAFSA data must be the same as it was at the previous school, and you must get a letter from that school stating that it verified her application and providing the transaction number of the pertinent valid ISIR.
- Post enrollment. The student was selected for verification **after** ceasing to be enrolled at your school, she does not intend to reenroll for the award year, and no further (including late) disbursements will be made.

Verification exclusions

34 CFR 668.54(b)

Unless you have reason to believe it is inaccurate, you 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 you have reason to believe it is inaccurate, you 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.
- He is mentally incapacitated.
- He is residing in a country other than the United States and can't be contacted by normal means.
- He can't be located because the student does not have and cannot get his contact information.

Example: Ursula is attending Lem Community College, and her application is selected for verification. She provided her husband's information on the application but now explains that he recently moved out and she can't locate him. She also gives Lem documents to show that she's tried to locate her husband. Lem determines that Ursula doesn't need to verify her husband's tax and income information. Of course, she still needs to verify her own information.

Verification following disasters

The DCL [GEN-17-08](#) gives general guidance for awarding aid in federally declared disasters. It states that the Secretary will not enforce the verification requirements during the award year for applicants whose records were lost or destroyed because of a disaster as long as the school has tried to preserve and reconstruct any records. The school must document when it does not perform verification for this reason and use status code "S" when reporting the disbursement of Pell Grants to affected students. Also, the requirement for dependent students to submit a statement signed by a parent regarding household size and number in college is waived if the parents cannot provide the signature due to the disaster. The school must note why no parent was able to provide the statement.

Schools that experience a local disaster (rather than a federally declared one) that affects Title IV administration should consult their regional [school participation division](#).

Refer to the resources for higher education institutions on the Department's [Coronavirus webpage](#) for guidance pertaining to that national emergency.

Higher Education Relief Opportunities for Students (HEROES) Act

The relief described in GEN-17-08 applies specifically to disasters and is separate from relief under the HEROES Act, which allows the Secretary to modify or waive some statutory and regulatory requirements for those who

- are serving on active duty or performing qualifying National Guard duty during a war, other military operation, or national emergency;
- reside or are employed in an area declared a disaster by a federal, state, or local official in connection with a national emergency; or
- suffered economic hardship as a direct result of a war, other military operation, or national emergency, as determined by the Secretary.

Read the [electronic announcement](#), and read the [Federal Register notice](#) for the waivers and modifications due to expire on September 30, 2022.

DOCUMENTATION

The May 24, 2019, *Federal Register* gives the documentation required for verifying 2020–2021 application data, which depends on the item verified, as explained in this section. See [DCL GEN-19-02](#) for more guidance. The Department encourages students and parents to use the IRS Data Retrieval Tool (DRT) to import data from their tax return and not change it. It is the fastest, easiest, and most secure method of meeting verification requirements. Also, this chapter includes suggested text developed by the Department that, if you choose, you can use to create a verification document and to verify non-tax items, such as household size and number in college.

If you use a verification document, be sure that it is signed, that all required sections are completed, and that any relevant tax or alternative documents are attached. Copies are acceptable, and unless specifically noted in this chapter, a signature on a copy is as valid as an original signature (i.e., a handwritten or “wet” signature). If a copy of the tax return is used, the filer (or at least one of the filers of a joint return) must sign it or the tax preparer must provide his name and SSN, EIN, or PTIN.

The following chart shows the tax form line numbers for the most commonly reported items. This chart is a reference only; it is not a list of all the items the school must check on a tax return.

Line items from the 2018 1040 tax return	
<i>AGI</i>	7
<i>Income tax paid</i>	13 minus Schedule 2 line 46
<i>Deductible IRA/SEP</i>	Schedule 1 line 28 plus 32
<i>Tax-exempt interest income</i>	2a
<i>Untaxed portions of IRA distributions and pensions (excluding rollovers)</i>	4a minus 4b
<i>Education credits</i>	Schedule 3 line 50

**AGI and income
tax documentation**

34 CFR 668.57(a)

Documenting AGI, taxes paid, and other tax data with the DRT

As already noted, the importation of IRS tax data via the DRT is the best way to document that information. Students and parents do this either when initially filling out the FAFSA or later as a correction. For the retrieved data to be acceptable documentation of tax data, it is necessary that neither students nor parents change the data after it is transferred from the IRS—if the data was changed or if you have reason to believe the data transferred is incorrect, the student will need to provide a tax return transcript or a copy of the tax return. The IRS request field(s) on the ISIR will have a value of “02” when the data is unchanged. The following items are imported from IRS form 1040 to a student’s FAFSA via the DRT:

- Type of tax return filed
- Adjusted gross income
- Taxes paid
- Education credits
- IRA deductions
- Tax-exempt interest income
- Untaxed IRA distributions
- Untaxed pensions
- Income earned from work
- Tax return filing status

In the following situations, the IRS DRT is **not** available in the FAFSA online (all apply to both students and parents unless otherwise noted):

- The person did not indicate on the FAFSA that the tax return has been completed.
- The person filed a non-U.S. tax return.
- The marriage date is January 2019 or later.
- The person answered married on the FAFSA and filed the tax return either as head of household or married but filing a separate return.
- The first three digits of the SSN are 666.
- Neither married parent entered a valid SSN.
- An unmarried parent or both married parents entered all zeroes for the SSN.

Using the tax transcript

If students cannot or will not use the DRT, either at initial FAFSA filing or through online corrections, another way to document AGI, taxes paid, and untaxed income is by providing an IRS tax return transcript for the student and spouse or parents, as applicable. Before requesting a transcript, they should allow enough time to pass after filing the return; it takes the IRS 2 to 4 weeks to process returns filed electronically and 6 to 8 weeks for mailed returns. Tax transcripts submitted to your school for verification do not need to be signed by the tax filer (but it is encouraged) unless you have reason to doubt their authenticity.

Using a joint return to figure individual AGI and taxes paid

If the filer of a joint return has become widowed, divorced, or separated since filing the return, it may be necessary to determine the individual's income and taxes paid using the joint return and W-2 forms. If a W-2 is not available (the filer is self-employed for example) or if a duplicate copy from the employer who issued the original W-2 is not available in a timely manner, the school may permit the filer to provide a signed statement that certifies the base year AGI and U.S. taxes paid. If he has divorced and married someone new (see "Parent remarriage after applying" on page 104 if this occurred after completion of the application), then the new spouse's income and assets would also need to be included.

Add the income amounts from the individual's W-2 forms to any other income that can be extracted from the joint return. Any interest or business income earned on joint accounts or investments should be assessed at 50%. The same procedure should be used to divide business or farm losses. Also, if the AGI listed on the joint return was adjusted, you should reduce the individual's AGI by the portion of the adjustment that applies solely to him or her. An AGI figure can be calculated for the individual filer. A signed statement from the filer certifying that the data from the joint return were accurately assessed is sufficient documentation for this method.

Use one of the following methods to figure the individual's taxes paid:

- **Tax table (preferred method).** Using the IRS Tax Table or Tax Rate Schedule for the appropriate year, calculate the amount of tax that would have been paid if a separate return had been filed. Use the deductions the individual could have claimed if he or she had filed a separate return. (If itemized deductions were taken, count only the portion of those deductions that could have been claimed on a separate tax return.)
- **Proportional distribution.** Determine what percentage of the joint AGI was attributable to the individual, and then assess the joint taxes paid by that same percentage.

Example

Calculating the individual AGI from a joint return

Eddy's application is selected for verification. He and his wife filed a joint return for 2018 and have since divorced. The AGI on Eddy's FAFSA matches the AGI of \$56,500 on the 2018 tax return, which means it's wrong because it includes his wife's income.

Eddy's W-2 shows that his income for 2018 was \$25,900, and the tax return shows \$400 in interest. Because it was interest on a joint savings account, the aid administrator adds \$200 of it to Eddy's income and submits \$26,100 as the corrected income via FAA Access.

Calculating the individual tax from a joint return

The aid administrator determines that Eddy's part of the \$56,500 AGI he and his wife reported is \$26,100. If he had filed his tax return as single, his standard deduction would have been \$12,000 (instead of \$24,000 for married filers). Eddy's income of \$26,100 minus \$12,000 for the standard deduction results in \$14,100 in taxable income.

The aid administrator uses the tax table to determine how much tax Eddy would have paid on this amount, taking into account any applicable credits reported on the original return. With a taxable income of \$14,100, the tax amount from the tax schedule is \$1,505.

To use the proportional distribution method instead, the aid administrator figures out what percentage of the joint AGI Eddy's income represents. The percentage is 46% ($26,100 \div 56,500$ is .4619). The aid administrator then multiplies the income tax paid as reported on the tax return (\$3,522 for this example) by this percentage. Eddy's income tax by using this method is \$1,620 ($.46 \times \$3,522$).

There are a few ways to request a tax return transcript: online at www.irs.gov, by calling 1-800-908-9946, or by mailing the paper Form 4506T-EZ, which can be printed out from the IRS website. To order a fiscal year tax transcript for verification, Form 4506-T must be used rather than Form 4506T-EZ. Phone requests are via an automated process instead of an IRS representative. With online requests, tax filers can get an electronic transcript (see below) or they can have the IRS mail them a paper transcript; non-online requests yield a mailed transcript. Schools can accept and copy transcripts originally obtained from the IRS.

The Get Transcript Online feature allows users to get the transcript in real time as a portable document format (PDF) file, which they can submit electronically to a school or print and submit as a hard copy. To use the Get Transcript Online tool, users must have (1) access to a valid email address, (2) a text-enabled mobile phone in their name, and (3) specific financial account numbers, such as a credit card number or an account number for a home mortgage or auto loan. The process will not cause charges to the card or the account. See the [July 26, 2016, announcement](#).

The IRS's Income Verification Express Service (IVES) allows a third party to receive a tax filer's transcript. The IVES participant submits a 4506-T or 4506T-EZ form, signed by the tax filer, and receives the transcript from the IRS, which charges a small fee for the service. Schools may [apply to participate in IVES](#). They may also use a transcript from another IVES participant (which is not considered a third-party servicer in this case) for verification as long as they have no reason to doubt its authenticity. Schools may not, however, pass on the charge for using this service to the student. See [GEN-14-05](#).

To combat identity theft, the IRS masks much of the personally identifiable information on the transcript. For example, only the last four digits of any SSN or account or telephone number are displayed. The option on forms 4506-T and 4506T-EZ to designate a third-party recipient of the transcript has been eliminated. As noted above, schools can elect to participate in IVES as a way of receiving transcripts directly from the IRS. Taxpayers will be able to have a "customer file number" of their choosing appear on a requested transcript, which will facilitate identification. This can be something like a student's college ID number or some other number (but **not** an SSN). See the [October 4, 2018, announcement](#) and the [IRS news release](#) for more.

See the [November 26, 2019, announcement](#) for the **tax transcript matrix**, a chart of the FAFSA and ISIR tax items used for verification and their corresponding line items from the various IRS tax returns and the tax transcript.

The tax return transcript may show a **per computer amount** for some tax data that is different from what the filer reported to the IRS. The per computer amount should be used because it corrects mathematic errors and is more accurate than what appears on the original return or was transferred via the DRT. This guidance still holds, but because the DRT reports per computer values for AGI, income tax paid, and education tax credits, there should not be many discrepancies between DRT data and the transcript. Also, if a transcript indicates "recomputed <tax return item> per computer," that amount may be ignored for verification.

Schools may accept for verification any IRS tax transcript that includes all of the necessary information: adjusted gross income, U.S. income tax paid, untaxed IRA distributions, untaxed pensions, education credits, IRA deductions and tax-exempt interest. Because the record of account and the Return Transcript for Taxpayer (RTFTP) include all of the above information, either may be used for verification. The Information Returns Processing Transcript Request—Wages (IRPTR-W) only provides wage information and therefore can only be used in lieu of a W-2 form. See the [February 23, 2017, announcement](#) for information about the documents obtained from the IRS that are used for verification: the tax return transcript, the record of account, the account transcript, and the wage and income transcript. The announcement also explains Form 13873, which students or parents might receive when requesting documents from the IRS.

Rollovers and verification

Qualified rollovers from one retirement account to another are not taxable, and they should not be counted as untaxed income (as indicated in *Chapter 2*). Since neither the DRT nor a tax transcript identifies rollovers, you must get documentation from the tax filer. This could be a signed statement with the rollover amount or a notation by the filer on the tax transcript that includes the word “rollover” beside any applicable item, similar to the instruction the IRS gives for Form 1040. The annotation must be signed and dated by the filer. For those who used the DRT, a signed confirmation that the IRA or pension distribution included a rollover would suffice; a tax transcript would only be needed if other IRS tax information was changed. See VI-Q4 on the [Q and A page](#).

Using the tax return

Although the DRT and tax transcript are preferable for completing verification, students can also submit a copy of the tax return and any applicable schedules. However, see the guidance under victims of identity theft later in this volume for an important caveat. The tax return will likely have been filed electronically with one of a variety of methods. These include do-it-yourself methods as well as completion by a tax preparer. Each method should permit printing of a paper copy of the return, though the e-file format might not contain every line item, showing instead only the data the tax filer provided. For example, if Item 2b, “Taxable interest,” does not appear on such a return, that means no taxable interest income was reported.

You can also accept an electronic copy of a return that was electronically signed if your school’s process for accepting such signatures complies with the Electronic Signatures in Global and National Commerce (ESIGN) Act. But a signature on Form 8879, the IRS e-file Signature Authorization, is not an acceptable substitute for a signature on the tax return.

For persons who have a tax professional prepare their return, instead of a copy of the return with the filer’s signature, you may accept one that has the name and PTIN of the preparer or has his SSN or EIN and has been signed, stamped, typed, or printed with his name and address. Note that the IRS requires paid preparers to have a PTIN.

If a person did not retain a copy of her 2018 tax information and it cannot be located by the IRS or the relevant government agency, she must submit a signed statement indicating that she did not keep a copy of her tax information as well as documentation from the taxing authority indicating that that information cannot be located. Also, you must accept for an IRS filer either a copy of Form W–2 for each source of employment income received for 2018 or, if she is self-employed, a signed statement certifying the amount of AGI and taxes paid. Accept a copy of a wage and tax statement or a signed statement certifying the amount of AGI and taxes paid for 2018 for someone who filed an income tax return with a government of a U.S. territory or commonwealth or a foreign central government.

If a W-2 is not available

If an individual who is required to submit an IRS Form W-2 did not save a copy, she should request a replacement W-2 from the employer who issued the original. A W-2 transcript from the IRS is also acceptable though it generally is not available until the year after the W-2 information is filed with the IRS (e.g., 2020 for 2018 information filed in 2019). If she is unable to obtain one in a timely manner, you may permit her to provide a signed statement that includes the amount of income earned from work, the source of that income, and the reason why the W-2 is not available in a timely manner.

Immigrants and tax filing

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 legal status, or entitle him 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.

See the IRS's *Publication 519, U.S. Tax Guide for Aliens* at www.irs.gov for more information.

Special situations

■ **Filing extensions.** Because the FAFSA uses prior-year tax data, even individuals who have an automatic six-month extension by the IRS should have completed their tax return by the time of verification. Therefore, they must verify income and tax information either by using the IRS Data Retrieval Tool or by submitting to the institution an IRS Tax Return Transcript. Only students and parents granted an extension beyond six months may submit the following for verification:

- a copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2018;

- verification of non-filing (see non-tax filers for more information) from the IRS dated on or after October 1, 2019;
- copies of all their W-2 forms (or equivalent); and
- if self-employed, a signed statement with the amounts of their AGI and U.S. income tax paid.

You may require those with a filing extension to use the DRT or submit to your school a tax transcript or return after it has been filed. If you do that, you must reverify the income information. If the student does not use the DRT or submit a tax transcript or return, see the guidance on page 108 on failing to complete verification. See DOC-Q16 on the [Q and A page](#).

For a person called up for active duty or qualifying National Guard duty during a war, another military operation, or a national emergency, a school must accept a statement from the person certifying that he has not filed an income tax return or a request for a filing extension because of that service.

- **Joint return filers who are no longer married.** When a dependent student's parents filed a joint return and have separated, divorced, married someone else, or been widowed, the student must submit a tax transcript or return **and** a copy of each W-2 form for the parent whose tax information is on the FAFSA. Similarly, an independent student must submit a tax transcript or return **and** a copy of each of her W-2 forms if she filed a joint return and is separated, divorced, or a widow.
- **For non-tax filers** you must receive a W-2 form for each source of employment income. You must also get a signed statement giving the sources and amounts of the person's income earned from work not on W-2s and certifying that the person has not filed and is not required to file a tax return. Students may sign on a nonfiling spouse's behalf. For residents of the Freely Associated States (the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia), a copy of the wage and tax statement from each employer and a signed statement identifying all of the person's income for the year is acceptable. Persons from a U.S. territory or commonwealth or a foreign country who are not required to file a tax return can provide the signed statement certifying their income.

You must also require the person (except dependent students) to submit a "Verification of Nonfiling (VNF) Letter" from the IRS dated on or after October 1, 2019, attesting that she did not file a 2018 IRS tax return. She can get this by sending IRS Form 4506-T and checking box 7. Also acceptable is some other IRS document that clearly states the IRS does not have a tax record for the year, such as a return transcript with the message "no record of return filed" or "no transcript on file." Messages that aren't as clear, such as "could not be processed," are not acceptable alternatives. See the [February 23, 2017, announcement](#) for more information. Persons subject to foreign tax codes would submit a comparable document; see DOC-Q30 on the [Q and A page](#). Note that verification of nonfiling only shows that a person did not file a tax re-

turn, not that she was not required to file one. See *Chapter 5* if a person whose financial information was on the FAFSA did not file a tax return when it appears she was required to, and see DOC-Q29 on the above webpage about non-tax filers who lack any identifying number (e.g., SSN) needed to get a confirmation of nonfiling from the IRS.

- **Individuals who can't get a VNF letter** from the IRS (or other tax authority) may instead submit a signed statement as long as the school has no reason to question the student's or family's good-faith effort to acquire the letter. Form 4506-T states that most requests are processed within 10 business days, so at least that amount of time should elapse before schools resort to a signed statement. Also, since a VNF must be dated on or after October 1, 2019, the statement cannot be signed and used before then either.

The statement must assert that the person attempted but was unable to get the VNF. For non-tax filers, the statement must also confirm that they have not filed and are not required to file a tax return for the relevant year, and it must list the sources and amounts of income earned from work. For extension filers, the statement must also confirm that they have not yet filed a return for the tax year and must list the sources and amounts of income; if they are self-employed, it must include the amount of AGI and U.S. income tax paid. Note that in both cases—for non-tax filers and extension filers—the other required documentation (e.g., W-2 forms) must still be provided.

- **For filers of non-IRS tax returns**, you may accept a transcript from a government of a foreign nation or a U.S. territory or commonwealth that has all of the filer's income and tax data to be verified. Or you may accept a copy of the tax return, which must be signed by the filer or one of the filers of a joint return. Use the income and tax data that most closely corresponds to what is on the IRS tax return, and convert monetary amounts into U.S. dollars as appropriate. If you question the accuracy of the information on the signed copy of the return, the filer must provide you with a copy of the tax account information issued by the tax authority. See DOC-Q28 on the [Q and A page](#).
- **Filers of amended returns.** Students or parents who file an amended return (IRS Form 1040X) can use the DRT though the ISIR will show an IRS Request Flag value of 07 (see page 13). Because the tax return transcript does not reflect changes to the original return by the filer or the IRS, it is by itself not sufficient. So when an amended return was filed, you must submit any changes to nondollar items and to single monetary items of \$25 or more. To complete verification you will need a signed copy of the 1040X form that was filed as well as either
 - IRS DRT information on an ISIR record with all the information from the original tax return or
 - any IRS transcript (which does not have to be signed) that includes all the income and tax information required to be verified or a signed copy of the tax return.

Note that there may be rare cases when a student, spouse, or parent did not file a 1040X with the IRS but had their tax and income information amended by the IRS. In such a case a school may accept one of the items mentioned above plus documentation showing the IRS's change(s).

- **Victims of identity theft** who cannot get a return transcript or use the DRT submit a Tax Return DataBase View (TRDBV) transcript as well as a signed and dated statement indicating that they were victims of tax-related identity theft and that the IRS is aware of it. They do this by calling the IRS's Identity Protection Specialized Unit (IPSU) at 800-908-4490. After the IPSU authenticates the tax filer's identity, she can ask the IRS to mail her the TRDBV transcript, which is an alternate paper transcript that will look different than a regular transcript but that is official and can be used for verification. Unless you doubt its authenticity, you don't need to get an IRS signature or stamp or any other validation. See [DCL GEN-14-05](#) for a sample TRDBV transcript. Those who cannot obtain a TRDBV transcript may instead submit a copy of the tax return or another official IRS transcript or equivalent IRS document if it includes all of the income and tax information required to be verified. Note that filers must first attempt to get a TRDBV before they can use a copy of the tax return or another transcript. Then, as long as the school has no reason to doubt the victim of identity theft or the accuracy of the document, it can be used to complete verification.

- **Students eligible for an automatic zero EFC.** A dependent student in this category who is placed in Verification Tracking Group V1 or V5 must verify his parents' AGI if they were tax filers and their income earned from work if they were non-tax filers (who must also follow the guidance given for non-filers). He must also verify high school completion status and identity and sign a statement of educational purpose if in group V5. An independent student must verify
 1. his and, if applicable, his spouse's AGI if they were tax filers;
 2. their income earned from work if they were non-tax filers;
 3. his high school completion status and identity and sign a statement of educational purpose if in group V5; and
 4. the number of household members to determine if the student has any dependents other than a spouse.

All students eligible for an auto zero EFC who are placed in Verification Tracking Group V4 must verify high school completion status and identity and sign a statement of educational purpose.

Household size

To document the household size, the student needs to provide a statement signed by him and, if dependent, at least one parent that gives the name, age, and relationship to the student of each person in the household.

You don't have to verify household size in the following situations:

- For a dependent student, the household size reported is two with a single, divorced, separated, or widowed parent or is three with parents who are married or are unmarried and living together

Household size documentation

34 CFR 668.57(b)

- For an independent student, the number reported is two if he is married or one if he is single, divorced, separated, or widowed

Keep in mind that household size needs to align with the answers to the relevant dependency status questions, such as the one about having dependents other than a spouse. If verification reveals that answers do not match, the FAFSA needs to be corrected so that they do.

Number in college documentation

34 CFR 668.57(c)

Number in college

You can document this item with a statement signed by the student (and, if she is dependent, at least one parent) that gives the name and age of each person in the household (excluding the parents of a dependent student) who is enrolled at least half time in a degree or certificate program at an eligible college. The statement must also give the name of each college, and it can be written to document household size as well. Completion of the Department's verification suggested text can satisfy both items.

If you have reason to doubt the enrollment information reported, you must obtain from each school a statement that the named person will attend there on at least a half-time basis. You don't have to get such a statement if the person has not yet registered, is attending less than half time, or will be attending your school.

If you have reason to doubt whether a reported school is Title IV eligible, you must insure it is, such as by checking to see if it has a federal school code.

You don't have to verify the number in college if the reported number enrolled is one (the student only).

High school completion

Students must provide one of the following documents that indicate their high school completion status at the beginning of the 2019–2020 year:

- A copy of a high school diploma
- A copy of a final, official high school transcript that shows the date when the diploma was awarded
- A copy of the “secondary school leaving certificate” or similar document from the proper government agency for students who completed secondary school in a foreign country. If your college doesn't have the expertise to evaluate foreign secondary school credentials or chooses not to do so, there are evaluation services available.
- A copy of a General Educational Development (GED) certificate or GED transcript that indicates the student passed the exam
- Certification of a passing score on a test that the student's state authorizes and recognizes as the equivalent of a high school diploma. This includes tests similar to the GED, such as the High School Equivalency Test or the Test Assessing Secondary Completion. Test transcripts are acceptable documentation if they indicate that the final score is a passing score or that the student's state considers the test results to meet its high school equivalency requirements.

- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree at any participating school. You do not have to collect proof of high school status for graduate students if admission into their program required the completion of at least two years of undergraduate coursework.
- For a student who has not completed high school and is seeking enrollment in a program that leads to at least an associate degree or its equivalent, documentation from the high school that he excelled academically and from your school that he meets your written policy for admitting such students. This should be a rare occurrence.
- For homeschooled students, a copy of a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent) if state law requires homeschooled students to get that credential. If it is not required, a transcript or the equivalent signed by the parent or guardian that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.
- For students in an “eligible career pathway program,” documentation that they passed an approved ATB test or completed at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by your school. See the ATB section below.

If your school has already received one of these documents as part of the admission process, you do not need to ask for another. If you successfully verified a student's high school completion in a prior year, you do not need to do it again. Some schools collect seventh semester high school transcripts prior to students receiving an actual diploma, or they collect high school transcripts for some but not all of their students because they may have special programs that admit students without a high school diploma. In both cases, schools must collect separate documentation that shows the date when the diploma was awarded.

When documentation of high school completion is unavailable—e.g., the school is closed and no information is available from another source such as the school district or state department of education, or the parent or guardian who homeschooled the student is deceased—you may accept alternative documentation, such as a military *DD Form 214 Certificate of Release or Discharge from Active Duty* that indicates that the student is a high school graduate or equivalent.

Students' self-certification is not acceptable except in rare cases when a **refugee, asylee, or victim of human trafficking** cannot obtain documentation of high school completion from her home country. Then schools may accept self-certification in accordance with the guidance of Q & A FHD-Q2/A2 at www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html.

ATB alternatives for high school completion

Legislation provided ability-to-benefit (ATB) alternatives to a high school diploma for students enrolled in a career pathway program on or after July 1, 2014. See [DCL GEN-16-09](#) for more information, including a definition of career pathway program and a list of Q's and A's.

Students who were enrolled in a Title IV program prior to July 1, 2012, and were eligible for aid under the old ATB provisions retain their eligibility regardless of whether they are in a career pathway program. See GEN-12-09 regarding the grandfathered ATB provisions, and see the announcement of June 24, 2015, for a current list of approved ATB tests.

For students who establish Title IV eligibility under an ATB alternative, your school should have already obtained or be in the process of obtaining documentation necessary to support his eligibility. Therefore, no further high school completion documentation should be needed from the student.

Identity and statement of educational purpose

Students should appear in person at your school and present a valid, unexpired,¹ government-issued photo identification (ID) such as a passport or a driver's license or other state-issued ID. You must maintain an annotated copy of that ID that includes the date it was received and the name of the person your school authorized to receive it.² Note that an ID issued by a state university or college is not sufficient for this purpose.

Students must also sign (it must be a “wet” signature) a statement of educational purpose that certifies who they are and that the federal student aid they may receive will only be used for educational purposes and for the cost of attending the school for the 2020–2021 year. Unlike the other text at the end of the chapter, the text for this statement is not suggested—**you must use the exact language given** (the student's identification number is optional though if collected elsewhere on the same page as the statement). After examining the statement, you may convert it into an electronic record. You must keep that or the original for at least the required Title IV record retention period.

A student who is unable to appear at your school must go to a notary public and sign the statement of educational purpose. He must then submit to your office that statement (again, with the “wet” signature), a certification from the notary that he appeared before her and presented a government-issued photo ID confirming his identity, and a copy of the same ID. Currently the Department does not authorize the use of online notary services as an alternative to traditional, in-person notary services.

The **REAL ID Act** affects people entering certain restricted areas where identification is required: federal facilities, nuclear power plants, and federally regulated commercial airplanes. Because there are currently no restrictions under the act on agencies accepting an ID that is not compliant with the act (typically one marked “not for federal identification”) for other purposes, such an ID is acceptable for verification of identity/statement of educational purpose. It must be a government-issued ID that has not expired and includes the student's photo and name.

¹ The ID just needs to be unexpired at the time it is checked. For proving identity, it does not matter if the ID is due to expire during the award year.

² The school may determine which of its staff are authorized to review an applicant's identity. We do recommend that the person(s) be full-time staff and that the school keep a record of who they are.

INTERIM DISBURSEMENTS

Interim disbursements are allowed either prior to completing verification or after verification but before receiving the corrected SAR or ISIR. If you have no reason to question the accuracy of the information on the FAFSA, prior to completing verification you may at your discretion

1. make one disbursement of Pell and FSEOG funds for the applicant's first payment period;
2. permit FWS employment for the first 60 consecutive days after the student enrolls for the award year; or
3. originate but not disburse a Direct Subsidized Loan.

If verification results in changes to the FAFSA information that you determine will not alter award amounts, you may at your discretion take actions 1–3 as well as disburse a Direct Subsidized Loan prior to receiving the corrected *valid SAR or ISIR* (defined as a SAR or ISIR on which all the information reported on a student's FAFSA is accurate and complete as of the date the application is signed; see 34 CFR 668.2).

Overpayments from interim disbursements

If prior to verification you make an interim disbursement of Pell or FSEOG funds, your school is liable for any overpayment that results. If you can't eliminate it by reducing subsequent disbursements or having the student return the money, your school must use its own funds to reimburse the appropriate program by the earlier of 60 days after the student's last day of attendance or the last day of the award year.

If prior to verification your school permits provisional FWS employment of students for up to 60 days, it is liable for any overpayment it can't recover by adjusting other aid, and it must reimburse the FWS account from its own funds. Students must be paid for all work performed out of your school's payroll account—they can't be required to repay FWS wages earned except when they are proven guilty of fraud.

If you make an interim disbursement after completing verification but prior to receiving a correct valid SAR or ISIR, and you fail to receive the SAR or ISIR within the deadlines discussed later in this chapter, your school must use its own funds to reimburse the appropriate program and ensure that the student is paid under its own payroll account for all work performed.

Schools that can't make interim disbursements

Schools on the Heightened Cash Monitoring 2 (HCM2) and Reimbursement payment methods (see *Volume 4, Chapter 1*) must, as part of their request for Title IV funds from the Department, submit documentation showing that students were eligible to receive the funds disbursed to them (and for which the schools are seeking reimbursement). Because final determination of student eligibility includes completing verification, HCM2 and reimbursement schools are not able to make interim disbursements.

Interim disbursements

34 CFR 668.58

Recovery of funds from interim disbursements

34 CFR 668.61

Updating information

34 CFR 668.55

UPDATING INFORMATION

Generally, a student cannot update information that was correct 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 the student’s family sold some stock after she signed the FAFSA and spent the money on an unreported asset such as a car, she can’t update her information to show a change in assets. After the FAFSA is signed, only certain items can be updated under the following conditions:

1. **All applicants whose dependency status changes** must update that and the related FAFSA information throughout the award year except when the update is due to the student’s marital status changing.
2. **All applicants selected by the Department or a school for verification of household size or number in college** must update those numbers to be correct as of the date of verification unless the update is due to a change in the student’s marital status. Documenting household size or number in college is not required in a subsequent verification in the same year if the information has not changed.

At your discretion you may update under either 1 or 2 even if the update is due to a change in the student’s marital status if you deem it necessary to address an inequity or to reflect more accurately his ability to pay. Such a decision must be on a case-by-case basis, and you must document your reasons for it. You must also update all other pertinent information, such as spousal income and taxes paid, to be consistent with the new marital status. Do this first if the student is selected for verification, and then complete verification of the updated application. If you change his status to unmarried and that makes him dependent (because he was independent only due to marriage), his FAFSA must be updated with his parents’ information. Your school may have a policy of not considering such updates after a specific census date.

Note, however, that you cannot update the marital status of an already independent student whose dependency status has not changed because of her marriage or divorce and who was not selected for verification. In such a case you must select the student for verification if you want to exercise your discretion to update her marital status and all other associated information.

Parent remarriage after applying

While the applicant does not typically update household size or number in college because of a change in his marital status, if he is a dependent student and his parent remarries between application and verification, he must update household size to include the new stepparent. However, the student would not count the new stepparent’s income and assets. A school can use professional judgment to include the stepparent’s income or to otherwise account for the change. See HEA Sec. 475(f)(3) and 34 CFR 668.55(b).

CORRECTING ERRORS

As explained in the last section, you only make updates in specified situations, but for students who are not selected for verification, you or they must correct and submit for processing any errors reported on the original FAFSA that would change the EFC or that determine the students’ eligibility for aid.

For students who are selected for verification and receiving subsidized student aid, changes that result to any non-dollar item and to any dollar item of \$25 or more must be submitted for processing. See the section on changes in a selected applicant's FAFSA.

CHANGES IN A SELECTED APPLICANT'S FAFSA

To receive subsidized student aid, students or the school must submit for processing any changes resulting from verification to a non-dollar item or a single dollar item of \$25 or more. Also, if you are required to submit *any* change through CPS because of verification, you must submit *all* changes, including amounts that are below \$25.

Campus-Based and DL changes

When students receive subsidized student aid other than Pell Grants and there is a change, adjust the package on the basis of the EFC on the corrected valid SAR or ISIR. If there was an interim disbursement, comply with the relevant rules if the package must be reduced. If there was a regular disbursement and the package must be reduced, comply with FSEOG overpayment rules or with the rules for dealing with excess loan proceeds for Direct Subsidized Loans.

Pell changes

If FAFSA data change, recalculate the Pell Grant according to the EFC on the corrected valid SAR or ISIR. You can only pay an increased Pell Grant if you have that output document and it supports an increased Pell award.

If the Pell Grant is reduced and the student received an interim disbursement, adjust following disbursements as necessary. Failing that, the student should reimburse the Pell Grant Program, or, if he does not return the overpayment, your school must reimburse the Pell program with its funds. If the student received Pell Grant money as a regular disbursement, he is responsible for repaying the overpayment. See *Volume 5, Chapter 1* for information on overpayments.

Selection after disbursement

A student's application might be selected for verification after corrections are submitted and the student has been paid based on the previous unselected CPS transaction. You must verify his application before making further disbursements. If verification does not justify aid already disbursed, then the student is responsible for repaying all aid for which he is not eligible, though he may keep any Direct Loan money he received and FWS wages he earned. See page 108 for what happens if he fails to complete verification.

Example: Owen is attending Guerrero University. His application isn't selected for verification, and he receives aid in the fall. In December, Owen submits a correction on his SAR that causes the ensuing transaction to be selected for verification. The aid administrator at Guerrero tells Owen he needs to submit verification documents if he wants his aid for the spring and if he wants to keep the Pell funds he received for the fall, but Owen doesn't turn in the documents. Owen doesn't have to repay the Stafford loan he got in the fall, but he does have to return the Pell Grant, and Guerrero must cancel his aid package for the spring.

Changes to FAFSA information

34 CFR 668.59

When there is an overaward from a regular disbursement, the following individual program regulations apply:

Pell Grants: 34 CFR 690.80

FSEOG: 34 CFR 673.5(f)

Subsidized DL: 34 CFR 685.303(e)

Disbursing unsubsidized aid

For students who are selected for Group V1 and are eligible for both subsidized and unsubsidized aid, a school may, on a case-by-case basis and with proper documentation, disburse Direct Unsubsidized and PLUS loans prior to completing verification that will be delayed. To avoid exceeding the student's financial need, the school must consider the subsidized aid she will receive and adjust the aid amounts after verification if necessary.

If the student never completes V1 verification, the Direct Unsubsidized and PLUS loan aid that was disbursed may be kept. If it's determined that the student was ineligible when she received aid, see the relevant guidance on returning aid in such situations in *Volume 4, Chapter 3*.

After documentation is complete

When you've obtained all necessary verification documents from the student, you should compare them to the SAR or ISIR you are reviewing for payment. If all the student's information is correct or has been corrected and there are no outstanding issues or conflicting information that you have not resolved, you may award and disburse aid for which the student is eligible.

Sometimes schools ask if even further verification is needed to resolve discrepancies between the ISIR and what the student provided for verification. The answer is no, unless you have reason to doubt the accuracy of the verification information. Acceptable documentation either confirms that an item was right on the ISIR, or it is used to correct that item. That is the purpose of verification; continued fact-finding is not necessary.

HOW TO SUBMIT CORRECTIONS AND UPDATES

Corrections and updates can be submitted by the student on the SAR or the web or by the school using FAA Access to CPS Online or the Electronic Data Exchange (EDE). In addition to the following information, see also "Corrections and Updates" in the 2020–2021 *ISIR Guide*.

Using the online FAFSA

Any student who has an FSA ID—regardless of how he originally applied—may correct any of his own data in the [online FAFSA](#). If dependent students need to change parental data, a parent must either sign electronically with her own FSA ID or print out and sign a signature page.

Submitting changes via FAA Access to CPS Online or EDE

Your school can submit corrections and updates electronically through [FAA Access to CPS Online](#) or EDE even if the original application wasn't submitted with that method. If your school isn't listed on the transaction you want to correct, the student will have to give you the DRN printed on the SAR or SAR Acknowledgement so that you can add your school in the next available institution field and then get electronic access to the resulting corrected transaction. If all the fields are filled, the student will have to tell you which school to replace with yours.

Corrections and updates sent by a school must be based on reliable documentation in its possession that supports the changes to applicant data or signed documentation from the student or parent of a dependent student. Examples of reliable documentation include applications for admission, acceptance letters, course registration information, or academic transcripts. Examples of signed documentation from a student or parent on which corrections and updates may be based include Part 2 of the SAR, a copy of the correction or update, student/parent statement, verification documents, or copies of tax returns or transcripts. Unlike those for the original application, these do not have to be wet signatures.

The CPS will process the change, send an ISIR to the school, and send the student a one-page SAR acknowledgement or, if the CPS has her email address, an email with a link to her SAR information on the web.

Using the SAR to make corrections

Students who received a paper SAR may make corrections or updates on it, then sign and return it to the FAFSA processor at the address given at the end of the SAR (of course, students with FSA IDs can instead use the online FAFSA). One parent must also sign if the student is dependent and parent data was changed, unless the only corrections are to the institution or housing codes, the address, or telephone number.

If the student applied electronically through a school or received an email link to SAR information on the web but would like to make corrections with a paper SAR, she can have one mailed to her by calling the FSAIC at 1-800-4-FED-AID and providing her name, SSN, and date of birth.

Adding schools and changing a student's address

As with other changes, a student can add schools or change her address, email address, or telephone number online or on a paper SAR. But she can also update these items over the phone by calling 1-800-433-3243 and providing her DRN. You can submit those changes for her through FAA Access to CPS Online, although, as noted before, if your school was not listed on the student's application, you will need her DRN to add your school.

The FAFSA has limited space for a student to list schools that will receive the application data: four schools can appear on the paper application, ten with either the online FAFSA, FAA Access, or EDE. If the student wants information sent to more schools, he can use any of the methods listed previously to replace some or all of the original schools, though the replaced schools will not receive an ISIR. For example, if the student originally listed 10 schools on the application and then replaced two schools with two new ones, those that were replaced would not receive an ISIR from this correction or any subsequent correction on which they did not appear.

Corrections by phone limited to processor errors

As noted, a student with a DRN can change his address and school listings by calling the Federal Student Aid Information Center, but most other corrections can't be made over the phone—they have to be done on the SAR or through the online FAFSA or FAA Access. There is only one exception: when the information the student submitted on a paper FAFSA or SAR was not scanned or input correctly.

If a student contacts the FSAIC and an operator can verify by viewing the image file of the document that an answer to an item was not correctly recorded by the FAFSA processor, the operator can correct that error.

The correction will be transmitted to the CPS, a corrected ISIR will be available to the student's schools within 72 hours, and he will receive a corrected SAR in the mail within 10 days. The student doesn't have to sign for this correction because he has already signed the original paper document that has the correct information.

Signatures

Any required signatures, such as those on worksheets or on copies of tax returns, must be collected at the time of verification—they can't be collected after the verification deadline for that award year.

For verification documentation, a school may collect an electronic signature for an applicant, parent, or spouse if the process includes an assurance of the identity of the person signing. This is often accomplished with a PIN or password that is assigned only after the identity of the person receiving the PIN or password has been authenticated.

DEADLINES AND FAILURE TO SUBMIT DOCUMENTATION

You must require students selected for verification—either by your school or the Department—to submit the documentation by the date specified by your school (for Campus-Based and DL) or the Department (for Pell).

Campus-Based and DL

If a student doesn't provide verification documentation within a reasonable time period that your school has established, you cannot

- disburse more FSEOG funds,
- employ or permit further FWS employment, or
- originate or disburse any additional Direct Loans (subsidized, unsubsidized, or PLUS).

The student must also repay any FSEOG funds she received that year.

If she fails to complete verification within the time period established by your school and if you received any Direct Subsidized Loan funds for the student that you did not disburse, you must return some or all of those funds under the excess cash tolerance regulation [see 34 CFR 668.166(b) and *Volume 4, Chapter 1*].

Notwithstanding this, if the student provides the documentation after your school's deadline, you may, at your discretion, still provide aid.

Pell Grants

A student selected for verification may submit a valid SAR or a school can receive a valid ISIR after the Pell deadline but before the verification deadline published in the *Federal Register*. If a student does not provide the

Failure to submit documentation

34 CFR Pell Grants 668.60(c)

34 CFR Campus-Based/DL 668.60(b)

verification documentation or you do not receive the valid SAR or ISIR (if necessary) within this additional time, he forfeits his Pell Grant for the award year and must return any Pell money already received for that year.

Verification completed within additional time period for Pell
34 CFR 668.60(c)(1)

Other considerations

The Department may determine not to process the FAFSA of an applicant who has been requested to provide documentation until he does so or the Department decides there is no longer a need for it.

A Pell applicant selected for verification must complete the process by the deadline published in the *Federal Register*. The [notice for 2019–2020](#) was published on November 1, 2019, and the deadline for that year is September 19, 2020, or 120 days after the last day of the student’s enrollment, whichever is earlier. When the notice for 2020–2021 is published, the corresponding deadline date is expected to be September 18, 2021. Campus-Based and Stafford Loan applicants must complete verification by the same deadline or by an earlier one your aid office establishes.

Verification is complete when you have all the requested documentation and a valid ISIR or SAR (one on which all the information is accurate and complete). This includes any necessary corrections, which must be made by the *Federal Register* deadlines for submitting paper or electronic corrections.

Late disbursements

Generally a student ceases to be eligible for aid once he has finished the term and is no longer enrolled. However, he may submit verification documentation and receive a late disbursement after that time if the Department processed a SAR or ISIR with an official EFC while he was still enrolled. For information on *post-withdrawal* disbursements, see *Volume 5*.

Late disbursements
34 CFR 668.164(g)

Verification status codes

When you disburse a Pell Grant, you must report the student’s verification status through Common Origination and Disbursement (COD) even if he wasn’t selected for verification.

V—You have verified the student. This includes students selected by the CPS and those your school chose to verify based on its own criteria.

W—The student was selected for verification by the CPS or your school, and you chose to pay a first disbursement of Pell without documentation. **This code must be updated once verification is complete, or COD will reduce the Pell Grant to zero.** In April 2019, messages were sent to schools that still reported a “W” status code for 2018–2019 student records warning that disbursements made in these cases would be considered overawards and reduced to \$0. Of course, some of these students might not yet have reached the verification deadline, in which case schools can resubmit their disbursement record. See the [April 12 announcement](#).

S—The CPS selected the student for verification, but you did not verify him because he satisfied one of the exclusions described earlier in the chapter (except the post-enrollment exclusion; see “Blank” next).

Blank—Report a blank if you have not performed verification for other reasons, i.e., because neither the CPS nor your school selected the student or because the student was selected by the CPS after ceasing to be enrolled at your school and all (including late) disbursements were made. A blank also applies when you disbursed aid on an initial transaction not selected for verification, a later transaction is selected, and the student never completes verification.

SUGGESTED VERIFICATION TEXT

We are providing suggested text for the 2020–2021 verification items that were identified in the May 24, 2019, *Federal Register* notice and in Dear Colleague Letter GEN-19-02. This suggested text fulfills verification requirements, but schools do not have to use it, except as noted below. Instead, they may develop and use their own (or someone else’s) text, forms, documents, statements, and certifications that are specific to the items required to be verified for a particular student or group of students. However, schools must not put the seal of the Department of Education on any verification documents.

The one exception is that schools must use the exact language provided in the “Statement of Educational Purpose” for students who are placed in verification tracking groups V4 or V5. This does not include the accompanying notary’s certificate of acknowledgment; for that the school may use some other form, such as the one its state uses.

For more information, including copies of the suggested text, see the [July 31, 2019, announcement](#) on the IFAP website.

2020–2021 Suggested Verification Text

Verification of 2018 Income Information for Student Tax Filers

Important Note: The instructions below apply to the student and spouse, if the student is married. Notify the financial aid office if the student or spouse filed separate IRS income tax returns for 2018 or had a change in marital status after December 31, 2018.

Instructions: Complete this section if the student and spouse filed or will file a 2018 IRS income tax return(s). *The best way to verify income is by using the IRS Data Retrieval Tool (IRS DRT) that is part of FAFSA on the Web at FAFSA.gov.* In most cases, no further documentation is needed to verify 2018 income information that was transferred into the student's FAFSA using the IRS DRT if that information was not changed.

Check the box that applies:

- The student has used the IRS DRT in *FAFSA on the Web* to transfer 2018 IRS income tax return information into the student's FAFSA.
- The student has not yet used the IRS DRT in *FAFSA on the Web*, but will use the tool to transfer 2018 IRS income tax return information into the student's FAFSA.
- The student is unable or chooses not to use the IRS DRT in *FAFSA on the Web*, and instead will provide the institution with a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules.**

A **2018 IRS Tax Return Transcript** may be obtained through:

- 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" 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 "Get Transcript Online." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-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.

If the student and spouse filed separate 2018 IRS income tax returns, the IRS DRT cannot be used and the **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** must be provided for each.

_____ Check here if a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** is provided.

_____ Check here if a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** will be provided later.

2020–2021 Suggested Verification Text

Verification of 2018 Income Information for Parent Tax Filers

Important Note: The instructions below apply to each parent included in the household. Notify the financial aid office if the parents filed separate IRS income tax returns for 2018 or had a change in marital status after December 31, 2018.

Instructions: Complete this section if the parents filed or will file a 2018 IRS income tax return(s). *The best way to verify income is by using the IRS Data Retrieval Tool (IRS DRT) that is part of FAFSA on the Web at FAFSA.gov.* In most cases, no further documentation is needed to verify 2018 income information that was transferred into the student's FAFSA using the IRS DRT if that information was not changed.

Check the box that applies:

- The parents have used the IRS DRT in *FAFSA on the Web* to transfer 2018 IRS income tax return information into the student's FAFSA.
- The parents have not yet used the IRS DRT in *FAFSA on the Web*, but will use the tool to transfer 2018 IRS income tax return information into the student's FAFSA.
- The parents are unable or choose not to use the IRS DRT in *FAFSA on the Web*, and instead will provide the institution with a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules.**

A **2018 IRS Tax Return Transcript** may be obtained through:

- 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" 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 "Get Transcript Online." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-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.

If the parents filed separate 2018 IRS income tax returns, the IRS DRT cannot be used and the **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** must be provided for each.

_____ Check here if a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** is provided.

_____ Check here if a **2018 IRS Tax Return Transcript(s) or a signed copy of the 2018 income tax return and applicable schedules** will be provided later.

2020–2021 Suggested Verification Text

Verification of 2018 Income Information for Individuals with Unusual Circumstances

Individuals Granted a Filing Extension by the IRS

An individual who is required to file a 2018 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2018, must provide:

- A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2018;
- Verification of Non-filing (VNF) Letter (confirmation that the tax return has not yet been filed) from the IRS dated on or after October 1, 2019 or a signed statement certifying that the individual attempted to obtain the VNF from the IRS and was unable to obtain the required documentation;
- A copy of IRS Form W–2 for each source of employment income received or an equivalent document for tax year 2018 and,
- If self-employed, a signed statement certifying the amount of the individual's Adjusted Gross Income (AGI) and the U.S. income tax paid for tax year 2018.

Note: An individual granted a filing extension beyond the automatic six-month extension may be required to submit tax information using the IRS Data Retrieval Tool, by obtaining a transcript from the IRS, or by submitting a copy of the income tax return and the applicable schedules that were filed with the IRS that lists 2018 tax account information.

Individuals Who Filed an Amended IRS Income Tax Return

An individual who filed an amended IRS income tax return for tax year 2018 must provide a signed copy of the 2018 IRS Form 1040X, "Amended U.S. Individual Income Tax Return," that was filed with the IRS or documentation from the IRS that include the change(s) made by the IRS, in addition to one of the following:

- IRS DRT information on an ISIR record with all tax information from the original tax return;
- A **2018 IRS Tax Return Transcript** (that will only include information from the original tax return and does not have to be signed), or any other IRS tax transcript(s) that includes all of the income and tax information required to be verified; or
- A signed copy of the 2018 IRS Form 1040 and the applicable schedules that were filed with the IRS.

2020–2021 Suggested Verification Text

Individuals Who Were Victims of IRS Tax-Related Identity Theft

An individual who was the victim of IRS tax-related identity theft must provide:

- A Tax Return DataBase View (TRDBV) transcript obtained from the IRS, or if unable to obtain a TRDBV, an equivalent document provided by the IRS or a copy of the signed 2018 income tax return and applicable schedules the individual filed with the IRS; **and**
- A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS is aware of the tax-related identity theft.

Individuals Who Filed Non-IRS Income Tax Returns

- A tax filer who filed an income tax return with a tax authority other than the IRS may provide a signed copy of his or her income tax return that was filed with the relevant tax authority. However, if we question the accuracy of the information on the signed copy of the income tax return, the tax filer must provide us with a copy of the tax account information issued by the relevant tax authority before verification can be completed.

2020–2021 Suggested Verification Text

Verification of 2018 Income Information for Student Non-tax Filers

The instructions and certifications below apply to the student and spouse, if the student is married. Complete this section if the student and spouse will not file and are not required to file a 2018 income tax return with the IRS.

Check the box that applies:

- The student and spouse were not employed and had no income earned from work in 2018.
- The student and/or spouse were employed in 2018 and have listed below the names of all employers, the amount earned from each employer in 2018, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2018 IRS W-2 forms issued to the student and spouse by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2018
<i>(Example) ABC's Auto Body Shop</i>	Yes	\$4,500.00
Total Amount of Income Earned From Work		\$

Provide documentation from the IRS or other relevant tax authority dated on or after October 1, 2019 that indicates a 2018 IRS income tax return was not filed with the IRS or other relevant tax authority, or a signed statement certifying that the individual attempted to obtain confirmation of non-filing from the IRS or other relevant tax authority and was unable to obtain the required documentation.

- _____ Check here if confirmation of non-filing or a signed statement is provided.
- _____ Check here if confirmation of non-filing or a signed statement will be provided later.

2020–2021 Suggested Verification Text

Verification of 2018 Income Information for Parent Non-tax Filers

The instructions and certifications below apply to each parent included in the household. Complete this section if the parents will not file and are not required to file a 2018 income tax return with the IRS.

Check the box that applies:

- Neither parent was employed, and neither had income earned from work in 2018.
- One or both parents were employed in 2018 and have listed below the names of all employers, the amount earned from each employer in 2018, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2018 IRS W-2 forms issued to the parents by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2018
<i>(Example) ABC's Auto Body Shop</i>	Yes	\$4,500.00
Total Amount of Income Earned From Work		\$

Provide documentation from the IRS or other relevant tax authority dated on or after October 1, 2019 that indicates a 2018 IRS income tax return was not filed with the IRS or other relevant tax authority, or a signed statement certifying that the individual attempted to obtain confirmation of non-filing from the IRS or other relevant tax authority and was unable to obtain the required documentation.

- _____ Check here if confirmation of non-filing or a signed statement is provided.
_____ Check here if confirmation of non-filing or a signed statement will be provided later.

2020–2021 Suggested Verification Text

Number of Household Members and Number in College (Independent Student)

Number of Household Members: List below the people in the student's household. Include:

- The student.
- The student's spouse, if the student is married.
- The student's or spouse's children if the student or spouse will provide more than half of the children's support from July 1, 2020, through June 30, 2021, even if a child does not live with the student.
- Other people if they now live with the student and the student or spouse provides more than half of the other person's support and will continue to provide more than half of that person's support through June 30, 2021.

Number in College: Include in the space below information about any household member who is, or will be, enrolled at least half time in a degree, diploma, or certificate program at an eligible postsecondary educational institution any time between July 1, 2020, and June 30, 2021, and include the name of the college.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship	College	Will be Enrolled at Least Half Time (Yes or No)
		<i>Self</i>		

Note: We may require additional documentation if we have reason to believe that the information regarding the household members enrolled in eligible postsecondary educational institutions is inaccurate.

2020–2021 Suggested Verification Text

Number of Household Members and Number in College (Dependent Student)

Number of Household Members: List below the people in the parents' household. Include:

- The student.
- The parents (including a stepparent) even if the student doesn't live with the parents.
- The parents' other children if the parents will provide more than half of the children's support from July 1, 2020, through June 30, 2021, or if the other children would be required to provide parental information if they were completing a FAFSA for 2020–2021. Include children who meet either of these standards, even if a child does not live with the parents.
- Other people if they now live with the parents and the parents provide more than half of the other person's support and will continue to provide more than half of that person's support through June 30, 2021.

Number in College: Include in the space below information about any household member, excluding the parents, who is, or will be, enrolled at least half time in a degree, diploma, or certificate program at an eligible postsecondary educational institution any time between July 1, 2020, and June 30, 2021, and include the name of the college.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship	College	Will be Enrolled at Least Half Time (Yes or No)
		<i>Self</i>		

Note: We may require additional documentation if we have reason to believe that the information regarding the household members enrolled in eligible postsecondary educational institutions is inaccurate.

2020–2021 Suggested Verification Text

High School Completion Status

Provide one of the following documents to indicate the student's high school completion status when the student begins college in 2020–2021:

- A copy of the student's high school diploma.
- For students who completed secondary education in a foreign country, a copy of the "secondary school leaving certificate" or another similar document.
- A copy of the student's final official high school transcript that shows the date when the diploma was awarded.
- A State certificate or transcript received by a student after the student passed a State-authorized examination that the State recognizes as the equivalent of a high school diploma (GED test, HiSET, TASC, or other State-authorized examination).
- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree.
- For a student who was homeschooled in a State where State law requires the student to obtain a secondary school completion credential for homeschooling (other than a high school diploma or its recognized equivalent), a copy of that credential.
- For a student who was homeschooled in a State where State law does not require the student to obtain a secondary school completion credential for homeschooling (other than a high school diploma or its recognized equivalent), a transcript, or the equivalent, signed by the student's parent or guardian, that lists the secondary school courses the student completed and includes a statement that the student successfully completed a secondary school education in a homeschool setting.

A student who is unable to obtain the documentation listed above must contact the financial aid office.

2020–2021 Required Verification Text

Note: Institutions must use the exact language in the Statement of Educational Purpose as provided below

**Identity and Statement of Educational Purpose
(To Be Signed at the Institution)**

The student must appear in person at _____ to
(Name of Postsecondary Educational Institution)

verify his or her identity by presenting an unexpired valid government-issued photo identification (ID), such as, but not limited to, a driver's license, other state-issued ID, or passport. The institution will maintain a copy of the student's photo ID that is annotated by the institution with the date it was received and reviewed, and the name of the official at the institution authorized to receive and review the student's ID.

In addition, the student must sign, in the presence of the institutional official, the Statement of Educational Purpose provided below.

**Identity and Statement of Educational Purpose
(To Be Signed in the Presence of a Notary)**

If the student is unable to appear in person at _____
(Name of Postsecondary Educational Institution)

to verify his or her identity, the student must provide to the institution:

- (a) A copy of the unexpired valid government-issued photo identification (ID) that is acknowledged in the notary statement below, or that is presented to a notary, such as, but not limited to, a driver's license, other state-issued ID, or passport; and
- (b) The original Statement of Educational Purpose provided below, which must be notarized. If the notary statement appears on a separate page than the Statement of Educational Purpose, there must be a clear indication that the Statement of Educational Purpose was the document notarized.

Statement of Educational Purpose

I certify that I _____ am the individual signing
(Print Student's Name)

this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending _____ for 2020–2021.

(Name of Postsecondary Educational Institution)

(Student's Signature)

(Date)

(Student's ID Number)

Texto de verificación requerida para 2020–2021

Nota: Las instituciones deben utilizar el lenguaje exacto en la Declaración de Propósito Educativo que se presenta a continuación

Verificación de Identidad y Declaración de Propósito Educativo (Para ser firmadas en la institución)

El estudiante debe comparecer en persona en _____ para
(Nombre de la institución educativa postsecundaria)

verificar su identidad mediante la presentación de una identificación con fotografía (ID) válida emitida por el gobierno que no haya expirado, como una licencia de conducir, otro tipo de identificación emitida por el estado o pasaporte, entre otros. La institución conservará una copia de la identificación con fotografía del estudiante en la cual se anotará la fecha en la que se recibió y revisó, y el nombre del funcionario de la institución autorizado a recibir y revisar las identificaciones de los estudiantes.

Además, el estudiante debe firmar, en presencia del funcionario de la institución, la Declaración de Propósito Educativo proporcionada a continuación.

Verificación de Identidad y Declaración de Propósito Educativo (Para ser firmadas en presencia de un notario)

Si el estudiante no es capaz de comparecer en persona en _____
(Nombre de la institución educativa postsecundaria)
para verificar su identidad, el mismo debe proporcionar a la institución:

- (a) una copia de la de identificación con fotografía (ID) válida emitida por el gobierno que no haya expirado, que se reconoce en la declaración del notario que aparece a continuación, o que se presenta ante un notario, como una licencia de conducir, otro tipo de identificación emitida por el estado o pasaporte, entre otros; y
- (b) la Declaración de Propósito Educativo original proporcionada a continuación debe ser notarizada. Si la declaración del notario aparece en una página separada de la Declaración de Propósito Educativo, se debe indicar de manera clara que la Declaración de Propósito Educativo era el documento notarizado.

Declaración de Propósito Educativo

Certifico que yo, _____, soy el individuo que firma esta
[Imprimir nombre del estudiante]

Declaración de Propósito Educativo, y que la ayuda financiera federal estudiantil que yo pueda recibir sólo será utilizada para fines educativos y para pagar el costo de asistir a _____ para 2020–2021.
[Imprimir nombre de institución educativa postsecundaria]

[Firma del estudiante]

[Fecha]

[Número de identificación del estudiante]

2020–2021 Suggested Verification Text

Sample of a Notary’s Certificate of Acknowledgement

Notary’s certification may vary by State

State of _____

City/County of _____

On _____, before me, _____,
(Date) (Notary’s name)

personally appeared, _____, and proved to me
(Printed name of signer)

on the basis of satisfactory evidence of identification _____
(Type of unexpired government-issued photo
ID provided)

to be the above-named person who signed the foregoing instrument.

WITNESS my hand and official seal

(seal)

(Notary signature)

My commission expires on _____
(Date)

2020–2021 Suggested Verification Text

Certification and Signature (Independent Student)

Certification and Signature

Each person signing below certifies that all of the information reported is complete and correct.

WARNING: If you purposely give false or misleading information, you may be fined, sent to prison, or both.

Print Student's Name

Student's ID Number

Student's Signature (Required)

Date

Spouse's Signature (Optional)

Date

2020–2021 Suggested Verification Text

Certifications and Signatures (Dependent Student)

Certifications and Signatures

Each person signing below certifies that all of the information reported is complete and correct. The student and one parent whose information was reported on the FAFSA must sign and date.

WARNING: If you purposely give false or misleading information, you may be fined, sent to prison, or both.

Print Student's Name

Student's ID Number

Student's Signature (Required)

Date

Parent's Signature (Required)

Date