

# BREAKOUT SESSION #01

Verification and Conflicting Information: Basics and Beyond

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U.S. Department of Education

2024 FSA Training Conference for Financial Aid Professionals

# AGENDA

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1. 2024–25 Verification
2. 2025–26 Verification
3. Verification Basics
4. Special Cases
5. Conflicting Information
6. Scenarios
7. Resources

# 2024–2025 VERIFICATION

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# 2024–2025 VERIFICATION UPDATES

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Uses current selection methodology

No major changes to verification

Verification for confined or incarcerated applicants

**Resource:** DCL [GENERAL-23-11](#)

# INFORMATION TO BE VERIFIED FOR 2024–25

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## V1 - STANDARD

- Income information for tax filers
- Income information for tax filers with unique circumstances
- Income information for non-tax filers
- Family size

## V4 - CUSTOM

- Identity/Statement of Educational Purpose (SEP)

## V5 - AGGREGATE

- Income information for tax filers
- Income information for tax filers with special circumstances
- Income information for non-tax filers
- Family size
- Identity/Statement of Educational Purpose (SEP)

**Resources:** [09/19/2023 Federal Register Notice](#), DCL [GEN-23-12](#), [IRS Publication 17](#)

# 2025–2026 VERIFICATION

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# 2025–2026 VERIFICATION UPDATES

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Same selection methodology as 2024–25

No major changes to verification

Same requirements for verification of confined or incarcerated applicants

**Resources:** [9/04/2024 Federal Register Notice](#), [DCL GEN-24-10](#)

# VERIFICATION BASICS

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# VERIFICATION REPORTING

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- Schools are currently unable to report identity verification results through FPP.
- Schools will receive a list of students who need to undergo identity verification.
- This list will be delivered to your FTI mailbox every two weeks.
- Schools must verify all students included on the list.
- Schools should proceed with awarding and disbursing after verification.

**Resource:** [EA GENERAL-24-84](#)



# VERIFICATION AND R2T4

If a student withdraws then completes verification, the school must complete the verification process, perform an R2T4 calculation, and offer any Post Withdrawal Disbursement (PWD) as soon as possible.

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- A school must **notify** and **offer** any PWD of **loan** funds within 30 days of the date of determination.
  - Schools must **disburse** PWD **grant** funds to the student within 45 days of the date of determination.
  - Schools must **disburse** accepted PWD **loan** funds within 180 days.
  - Include only *Title IV* funds not subject to verification as **aid disbursed** or **aid that could have been disbursed**, unless a student turns in all documentation and the school can meet the R2T4 deadline.



# VERIFICATION AND R2T4 CONTINUED

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- Student is selected for verification after receiving a disbursement
- Student is selected for verification after withdrawing
- Verification is completed before the R2T4 deadlines
- Verification is completed after the R2T4 deadlines
- Verification is not completed



# INTERIM DISBURSEMENTS

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## WHEN?

- Allowed prior to completing verification, or after, before receiving corrected ISIR

## OPTIONS?

- Make one disbursement of Federal Pell Grant
- Permit Federal Work Study (FWS) employment for first 60 days after student enrolls in award year
- Originate, but not disburse a Direct Subsidized Loan

## POTENTIAL ISSUES?

- School is liable for any resulting overpayment due to an interim disbursement

## EFFECT ON R2T4?

- R2T4 calculation requirements
- No additional liability
- Schools may not make an interim disbursement after student has ceased attendance



# VERIFICATION AND SPECIAL AND UNUSUAL CIRCUMSTANCES

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- You must complete verification before exercising Professional Judgment (PJ).
- You are not required to verify any information you will remove as part of a PJ.
- You do not need to select a student for verification to process a PJ.
- A parent refusing to provide information on the FAFSA form or for verification does not qualify as an unusual circumstance.

# VERIFICATION AND DEPENDENCY STATUSES

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## VETERAN'S STATUS

- Can determine dependency status
- Student is Independent if VA match confirms
- No match
  - Schools must request documentation to verify status
- Request DD214 or similar document

## UNACCOMPANIED HOMELESS YOUTH OR AT RISK OF HOMELESSNESS

- Student self-certifies on FAFSA form and confirms determination
  - Student is considered independent
  - Documentation **not** required
- Student self-certifies on FAFSA form but does not confirm determination
  - School requests documentation and makes a case-by-case determination

**Resource:** EA [GENERAL-24-88](#)

# VERIFICATION AND DEPENDENCY STATUSES CONT.

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## ORPHAN, FOSTER CHILD, OR WARD OF THE COURT

- Any time after reaching age 13
- Schools may request documentation
  - Documentation considered to be adequate listed in FSAH, AVG, Chap. 2

## EMANCIPATION AND LEGAL GUARDIANSHIP

- Must be adjudicated by court, not attorney
- Schools may request documentation
- Court documents are considered acceptable documentation

# VERIFICATION DATA

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- 90.7% of applicants used FTI on the 2024–25 FAFSA® form
- Verification selection rates low for 2024–25, will remain low for 2025–26
- Used data from small number of applicants to train our Machine Learning Model (MLM)





# SPECIAL CASES

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# VERIFICATION FOR CONFINED OR INCARCERATED INDIVIDUALS

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- Confined or incarcerated students selected for verification are only required to verify:
  - Identity, **and**
  - Statement of educational purpose
- Required only for V4 or V5
- Verification not required for V1

**Resources:** [10/28/2022 Federal Register](#), DCL [GEN-23-05](#)



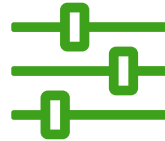
# JOINT FILERS NO LONGER MARRIED

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## REVIEW DOCUMENTATION

- IRS tax transcript; **or**
- Copy of income tax return and applicable schedules; **and**
- Copy of IRS Form W-2 for each source of employment or an equivalent document
- Tax return must be signed by at least one of the filers



## CALCULATE STUDENT'S INCOME AND ASSETS

- Individual's W-2s
- 50% of interest or business income earned
- 50% of business or farm profits or losses
- If AGI was adjusted, reduce individual's AGI by portion of adjustment



## DETERMINE INDIVIDUAL'S TAXES PAID

- Tax table
- Proportional distribution

# AMENDED RETURNS

Not transferred to the *FAFSA* form

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- If you are aware of an amended tax form you are required to:
  - Request appropriate documentation
  - Update or correct FAFSA form
  - Check the PJ flag on the ISIR
- Documentation
  - Signed copy of 1040X form and one of the following:
    - Original income and tax information from the IRS, **or**
    - IRS transcript listing tax account information, **or**
    - Signed copy of IRS Form 1040



# NON-U.S. TAX FILERS

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## FOREIGN TAX DOCUMENTATION

- Residents of another country, U.S. territory or commonwealth, or Freely Associated States (FAS)
- Documentation:
  - Foreign tax transcript
  - Signed copy of income tax return
  - Wage and tax statements
- Translation may be required
- Convert to U.S. dollars if necessary

**Resource:** [Foreign Exchange Rates](#)

# VICTIMS OF IRS TAX-RELATED IDENTITY THEFT

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## 2024–25 REQUIREMENTS

- Tax Return Database View (TRDBV) transcript from the IRS\*, **and**
- Statement signed and dated by tax filer indicating they were victim of identity theft, and IRS is aware

## 2025–26 REQUIREMENTS

- Copy of signed 2023 income tax return and applicable schedules, **and**
- IRS 4674C letter, or signed and dated statement indicating individual was victim of identity theft, and IRS is aware

\*If individual attempts but fails to obtain TRDBV transcript, can provide copy of tax return or another official IRS transcript or equivalent document.

# CONFLICTING INFORMATION

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# CONFLICTING INFORMATION OVERVIEW

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## RESPONSIBILITIES

School must:

- have systems in place to identify conflicting information.
- resolve conflicting information before disbursing aid or making a PJ decision.
- reconcile conflicting information and take the appropriate actions if you identify discrepancies after making disbursements.

## EXCEPTIONS

Do not need to resolve conflicting information if:

- student dies during award year.
- student no longer enrolled and will not re-enroll.
  - If student enrolls at later date, must resolve conflicting information.

## EXAMPLES

- Discrepancies regarding student's high school diploma, academic progress, enrollment status, or tax filing status.
- Information from other offices (admissions, registrar, academic affairs, etc.)



# POTENTIAL CONFLICTING INFORMATION

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**Question:** If a student's ISIR contains both FTI and manually entered tax and income information, but only the manually entered information was used to calculate the student's SAI, is this conflicting information?

**Answer:** It depends. Let's look at some examples.



# CONFLICTING INFORMATION SCENARIOS

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## MARITAL STATUS DISCREPANCY

- **Scenario:** Parent's self-reported marital status is "divorced" but FTI shows tax filing status as "married filing jointly".
- **Solution:** Self-reported data is correct. Not conflicting information.

## NON-FILER WITH FTI ON ISIR

- **Scenario:** Student manually indicated did not file tax return, but FTI data is reported on ISIR.
- **Solution:** Existence of FTI on ISIR indicates that student is tax filer. This is conflicting information that school must resolve.

## AGI = GRANTS + SCHOLARSHIPS

- **Scenario:** Student manually reported taxable grants and scholarships is same as their AGI.
- **Solution:** School must use available information to determine if this is conflicting information.

# NOT CONFLICTING INFORMATION

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Issues identified in EAs [GENERAL-24-29](#) and [GENERAL-24-28](#) are not conflicting information for 2024–25 award year:

1. Data for education tax credits transferred via the FA-DDX prior to March 30, 2024
2. Discrepancies with amended and updated tax return data transferred via the FA-DDX
3. Issues resulting from discrepant instructions on the FAFSA form for individuals required to manually provide income and tax information
4. Known issues resulting from calculation errors with the FAFSA Processing System (FPS)

**Resources:** EA [GENERAL-24-71](#), [Technical Frequently Asked Questions and Known Issues](#)

# SCENARIOS

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# SCENARIO 1

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Leo's father's FTI was transferred from the IRS into Leo's 2024–25 FAFSA form. The FTI indicated the father's tax filing status was "married filing jointly" so Leo's father was asked if he filed his 2022 tax return with his current spouse. Because Leo's father responded "No", the form prompted him to enter his tax information manually. Leo's school received an ISIR with both FTI and manually entered tax information and the manually entered information was used to calculate Leo's SAI and determine his Pell eligibility.

Is this an example of conflicting information?

YES  NO

**No. Leo's father's manually reported tax information was correctly used for Leo's SAI calculation and Pell eligibility. It is not conflicting information that both FTI and manually entered information are on Leo's ISIR.**

# SCENARIO 2

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Shelby is an independent student and has been selected for Verification Tracking Group V1. Her ISIR contains FTI, but she manually indicated on her FAFSA form that she did not file taxes.

Can her school use the FTI data for verification purposes and consider her financial information as verified?

YES  NO

**No. The FPS does not use FTI in the SAI and Pell Grant eligibility calculations if a student manually indicated “did not file” on the FAFSA form. This is conflicting information that must be resolved.**

**Resource:** EA [GENERAL-24-71](#)

# RESOURCES

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# RESOURCES 1

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- Verification 2024–25
  - [DCL GEN-23-11](#) FAFSA Simplification Act Changes Implementation 2024–25
  - [DCL GEN-23-12](#) 2024–2025 Award Year: FAFSA Information to be Verified and Acceptable Documentation
  - [September 19, 2023 Federal Register Notice](#) Free Application for Federal Student Aid (FAFSA) Information to Be Verified for the 2024–2025 Award Year
  - [IRS Publication 17](#) for the 2022 Tax Year
  - [Application and Verification Guide, Chapter 4](#) Acceptable Documentation
  - [EA GENERAL-24-11](#) 2024-25 Award Year Flexibilities and Department Letters to Presidents
- Verification 2025-26
  - [DCL GEN-24-10](#) 2025–2026 Award Year: FAFSA Information to be Verified and Acceptable Documentation
  - [9/04/2024 Federal Register Notice](#) Free Application for Federal Student Aid (FAFSA®) Information To Be Verified for the 2025–2026 Award Year
  - [IRS Publication 17](#) for the 2023 Tax Year



# RESOURCES 2

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- Verification Basics
  - [OPE Program Integrity Q&As – Verification](#)
  - [EA GENERAL-24-88](#) Reminder – Unaccompanied Homeless Youth Determinations
- Verification Reporting
  - [EA GENERAL-24-84](#) NSLDS Post-screening & Additional Identity Verification for the 2024–25 Cycle (Updated July 16, 2024)
- Verification and R2T4
  - [FSA Handbook, Volume 5, Chapter 1](#) Verification
  - [FSA Handbook, Volume 5, Chapter 2](#) Post-Withdrawal Disbursements
- Verification and special and unusual circumstances
  - [Application and Verification Guide, Chapter 2](#) Unaccompanied Homeless Youth
  - [Application and Verification Guide, Chapter 5](#) Special Cases

# RESOURCES 3

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- Verification for Confined or Incarcerated Individuals
  - [10/28/2022 Federal Register](#) Pell Grants for Prison Education Programs
  - [34 CFR 668.8](#) Eligible programs (PEP)
  - [DCL GEN-23-05](#)
  - Knowledge Center [Prison Education Programs](#)
  - FSA Training Center, Learning Tracks – Grants and Work Study, [Prison Education Programs](#)
  - [Prison Education Programs Q&A](#)
- Special Cases
  - [FSA Handbook, Application and Verification Guide, Chapter 4](#) Joint filers
  - [FSA Handbook, Application and Verification Guide, Chapter 4](#) Non-U.S. tax filers
  - [EA GENERAL-24-49](#) Information on identifying reprocessed ISIRs
  - [Foreign Exchange Rates](#)

# RESOURCES 4

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- Information on non-U.S. tax filers
  - [Apply for Financial Aid, Filling Out the FAFSA Form](#) U.S. Territories and the FAFSA *form*
  - [How do I fill out the FAFSA form using a non-U.S. tax return?](#)
  - [How do I fill out a FAFSA form using a foreign tax return?](#)
  - [Foreign Exchange Rates](#)
- Conflicting Information
  - [Application and Verification Guide, Chapter 5](#) Conflicting Information
  - [EA GENERAL-24-71](#) Resolving Conflicting Information (Updated August 1, 2024)
  - [Technical Frequently Asked Questions and Known Issues](#)

# QUESTIONS?

**Contact Customer Support**

Please complete the Customer Support form if you have account access, policy questions, general questions or feedback regarding the FSA Partner Connect website. If you need immediate assistance, please contact the School Relations Center at the number below during normal business hours.

Contact Customer Support	
All fields marked with an asterisk ( * ) are required.	
* First Name	* Last Name
<input type="text"/>	<input type="text"/>
* Email Address	
<input type="text"/>	
* Topic	
Policy Guidance	
* Question/Feedback	
<input type="text"/>	
<input type="button" value="Clear"/>	<input type="button" value="Submit"/>

FSA Partner and School Relations Center	
<b>Phone</b>	<b>Phone Support Hours</b>
1-800-848-0978	Monday - Friday: 8:00 A.M. to 8:00 P.M. Eastern Time

Use [Contact Customer Support](#) form.

Choose “Policy Guidance” in the Topic drop-down menu.

**THANK  
YOU!**

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