



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

July 17, 2012

GEN-12-11

Subject: 2013-2014 Award Year: FAFSA Information to be Verified and Acceptable Documentation

Summary: This letter adds to the important 2013-2014 award year verification information described in the Federal Register notice published on July 12, 2012.

Dear Colleague:

Final regulations published on October 29, 2010, require the Department to publish an annual Federal Register notice announcing the Free Application for Federal Student Aid (FAFSA) information that an institution and an applicant may be required to verify for an applicant selected for verification by the Department, and the acceptable documentation for that information (see 34 CFR 668.56 and 668.57). On July 12, 2012, the Department published the required notice in the Federal Register for the 2013-2014 award year.

2013-2014 FAFSA Information to be Verified

The July 12, 2012, Federal Register notice lists the FAFSA information that may need to be verified for applicants who complete a FAFSA for the 2013-2014 award year. Information is to be verified by the applicant and, if appropriate, his or her parent(s) or spouse. The 2013-2014 verification items include the same verification items that are in place for the 2012-2013 award year, plus two additional items as follows:

- High School Completion Status – For the 2013-2014 award year, certain applicants will be required to verify their high school completion status – high school diploma, recognized equivalent of a high school diploma, or homeschool.
- Identity/Statement of Educational Purpose – For the 2013-2014 award year, certain applicants will be required to verify their identity and resubmit a Statement of Educational Purpose, as was originally provided as part of the FAFSA submission.

The July 12, 2012, Federal Register notice describes these two new 2013-2014 verification items and the acceptable documentation for that verification.

Acceptable Documentation

As required by the regulations, the July 12, 2012, Federal Register notice includes the acceptable documentation for the FAFSA information that may need to be verified for applicants for the 2013-2014 award year. As noted above, the 2013-2014 verification items include the same verification items that are in place for the 2012-2013 award year. However, institutions should carefully review the Federal Register notice because there are some differences in the acceptable documentation requirements between 2012-2013 and 2013-2014.

Customized Verification

The Department's long-range goal for verification is to develop a customized selection approach based on the data provided by each applicant on the FAFSA. When fully implemented, this process will identify, for a selected applicant, only the FAFSA information that requires verification based upon that applicant's data. A transition period to move to this customized verification process started in the 2012-2013 verification selection process, and will continue into the 2013-2014 process. Transition to a customized verification process is expected to continue over multiple award years.

2013-2014 Verification Selection Process and ISIR Flags

Like the 2012-2013 award year verification process, data-based statistical analysis will continue to be used to select for verification those applicants with the highest probability of error on their FAFSA submissions. As has been the case for the past several years, for the 2013-2014 FAFSA verification process, the Central Processing System will set a Verification Flag on the applicant's Institutional Student Information Record (ISIR) to indicate that the FAFSA was selected by the Department for verification. In addition, as we move toward customized verification, for the 2013-2014 award year, we will also use Verification Tracking Flags to place an applicant selected for verification into one of five Verification Tracking Groups. The individual verification items, from the July 12, 2012, Federal Register notice, that an applicant must verify are based upon the Verification Tracking Group to which the applicant is assigned – see the chart below.

2013-2014 Verification Tracking Groups
FAFSA Information Required to be Verified

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> ▪ 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 ▪ Number of Household Members ▪ Number in College ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps) ▪ Child Support Paid <p>Non-Tax Filers</p> <ul style="list-style-type: none"> ▪ Income Earned from Work ▪ Number of Household Members ▪ Number in College ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps) ▪ Child Support Paid
V2	SNAP Verification Group	<ul style="list-style-type: none"> ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
V3	Child Support Paid Verification Group	<ul style="list-style-type: none"> ▪ Child Support Paid by the student (or spouse), the student's parent, or both

2013-2014 Verification Tracking Groups - continued

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V4	Custom Verification Group	<ul style="list-style-type: none"> ▪ High School Completion Status ▪ Identity/Statement of Educational Purpose ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps) ▪ Child Support Paid
V5	Aggregate Verification Group	<ul style="list-style-type: none"> ▪ High School Completion Status ▪ Identity/Statement of Educational Purpose <p>Tax Filers</p> <ul style="list-style-type: none"> ▪ 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 ▪ Number of Household Members ▪ Number in College ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps) ▪ Child Support Paid <p>Non-Tax Filers</p> <ul style="list-style-type: none"> ▪ Income earned from work ▪ Number of Household Members ▪ Number in College ▪ Supplemental Nutrition Assistance Program (SNAP-Food Stamps) ▪ Child Support Paid

Technical specifications for the ISIR record layout and the Verification Tracking Flag values will be provided in subsequent electronic announcements and technical releases.

IRS Data Retrieval Tool

Applicants selected for verification who retrieve and transfer their income tax return information unchanged using the Internal Revenue Service (IRS) Data Retrieval Tool – either when initially completing the FAFSA using FAFSA on the Web (FOTW), or through the corrections process of FOTW – are considered to have verified the FAFSA IRS information (Adjusted Gross Income, taxes paid, and the applicable untaxed income items and education credits, if any). However, if changes were made to the transferred information, or if the institution has reason to believe that the information transferred is inaccurate, the applicant must provide other acceptable documentation as specified in the Federal Register notice.

It is important to tell applicants that using the IRS Data Retrieval Tool, either when initially completing a FAFSA or by using the corrections functionality of FOTW, provides them with the fastest, easiest, and most secure solution for meeting verification requirements.

IRS Tax Return Transcript Required

Under certain conditions, some applicants who were selected for verification and did not use the IRS Data Retrieval Tool must submit to their institution an IRS Tax Return Transcript of 2012 tax year information for the applicant, his or her spouse, and his or her parents, as applicable. These conditions are as follows:

- When the applicant (or parent) did not use the IRS Data Retrieval Process – either at initial FAFSA filing or through the FOTW correction process.
- When information obtained by using the IRS Data Retrieval Tool was changed before submission of the FAFSA or the FAFSA correction.
- When information obtained by using the IRS Data Retrieval Tool was changed after submission of the FAFSA or the FAFSA correction.
- When a married independent applicant and spouse filed separate tax returns.
- When the married parents of a dependent student filed separate tax returns.
- When an applicant or the applicant's parent had a change in marital status after the end of the 2012 IRS tax year on December 31, 2012.

- When the applicant, or parent or spouse, as applicable, filed an amended tax return. Under this condition, both an IRS Tax Return Transcript and an IRS Tax Account Transcript are required to complete verification. An IRS Record of Account can also be provided as it includes information that is on both the IRS Tax Return Transcript and IRS Tax Account Transcript.

IRS Tax Return Transcripts submitted to the institution for verification need not be signed by the tax filer.

See the attachment to this letter for information on how tax filers may request an IRS Tax Return Transcript, an IRS Tax Account Transcript, and an IRS Record of Account free from the IRS.

In limited circumstances, an institution may accept a signed copy of a 2012 income tax return if, using guidance that may be provided by the Department, the institution determines that obtaining an IRS Tax Return Transcript is not possible and the institution documents the reason for allowing the applicant to submit a copy of the income tax return.

With your support, we are confident that the changes to the verification process for the 2013-2014 award year will continue to reduce burden on applicants, their families, and institutions, while also maintaining the integrity of the Title IV federal student aid programs.

Sincerely,

A handwritten signature in black ink, reading "David A. Bergeron". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David A. Bergeron
Acting Assistant Secretary
Office of Postsecondary Education

Attachment