



# Verification Changes and New Comment Codes

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# Verification Changes

What's New...

# Verification Changes

- ▶ Prior-Prior Tax Year Data
- ▶ Confirmation of Non-Filing
- ▶ V6 Verification Group
- ▶ Child Support and SNAP Benefits
- ▶ High School Completion Status

# Prior-Prior Tax Year Data

- ▶ 2015 tax data will once again be used
- ▶ Items which were verified in 2016-2017 that may be re-used to satisfy a 2017-2018 verification requirement:
  - ▶ AGI
  - ▶ US Income Taxes Paid
  - ▶ Untaxed Portions of IRA Distributions
  - ▶ Untaxed Portions of Pensions
  - ▶ IRA Deductions and Payments
  - ▶ Tax Exempt Interest Income
  - ▶ Education Tax Credits
  - ▶ Income Earned from Work
  - ▶ Documentation of High School Completion

# Confirmation of Non-Filing

- ▶ For non-filing students (and parents) selected for verification, the Department is requiring confirmation from the IRS that a tax return was not filed.
- ▶ 4506-T - Request for Tax Transcript w/ Box 7 Checked

# V6 Verification Group

- ▶ Household Resources Verification Group
- ▶ Reserved for “future use”
- ▶ Joins the ranks of V2 and V3 verification groups
- ▶ V1, V4, and V5 groups are active for 2017-2018

# Child Support and SNAP Benefits

- ▶ No longer considered to be verifiable items in V1, V4, and V5
- ▶ Fields will remain on the FAFSA
- ▶ Still able to question under conflicting information, but not under verification

# High School Completion Status

- ▶ For former military members who are unable to obtain documentation of their high school diploma (or equivalent), institutions may accept a DD-214 (Certificate of Release or Discharge from Active Duty) if it indicates the individual is a high school graduate or equivalent.



# Verification Tracking Flag Review

## V1 - Standard Verification Group

### ▶ Tax Filers

- ▶ AGI
- ▶ US Income Taxes Paid
- ▶ Untaxed Portions of IRA Distributions
- ▶ Untaxed Portions of Pensions
- ▶ IRA Deductions and Payments
- ▶ Tax Exempt Interest Income
- ▶ Education Tax Credits

### ▶ Non-Tax Filers

- ▶ Income Earned from Work

### ▶ Tax and Non-Tax Filers

- ▶ Number of Household Members
- ▶ Number in College

# Verification Tracking Flag Review

## V4 - Custom Verification Group

- ▶ High School Completion Status
- ▶ Identity/Statement of Educational Purpose

# Verification Tracking Flag Review

## V5 - Aggregate Verification Group

### ▶ Tax Filers

- ▶ AGI
- ▶ US Income Taxes Paid
- ▶ Untaxed Portions of IRA Distributions
- ▶ Untaxed Portions of Pensions
- ▶ IRA Deductions and Payments
- ▶ Tax Exempt Interest Income
- ▶ Education Tax Credits

### ▶ Non-Tax Filers

- ▶ Income Earned from Work

### ▶ Tax and Non-Tax Filers

- ▶ Number of Household Members
- ▶ Number in College
- ▶ High School Completion Status
- ▶ Identity/Statement of Educational Purpose

# New Comment Codes

More New Things...

# New Comment Codes 395 & 396

- ▶ Only applicable to 2017-2018 and will be removed for 2018-2019
- ▶ 395: The amount you have reported for your income has changed from the amount you reported on your last year's FAFSA. Review Items 36, 39 and 45a through 45j and make any necessary corrections.
- ▶ 396: The amount you have reported for your income taxes paid has changed from the amount you reported on your last year's FAFSA. Review Item 37 and make a correction if necessary.

# New Comment Codes 397 & 398

- ▶ Only applicable to 2017-2018 and will be removed for 2018-2019
- ▶ 397: The amount you have reported for your income and your spouse's income has changed from the amount you reported on your last year's FAFSA. Review Items 36, 39, 40 and 45a through 45j and make any necessary corrections.
- ▶ 398: The amount you have reported for your income taxes paid and your spouse's income taxes paid has changed from the amount you reported on your last year's FAFSA. Review Item 37 and make a correction if necessary.

# New Comment Code 399

- ▶ Only applicable to 2017-2018 and will be removed for 2018-2019
- ▶ 399: Your Financial Aid Administrator may contact you to resolve any issues related to differences in the 2015 income information you reported on your 2016-2017 FAFSA and 2017-2018 FAFSA.
- ▶ Will trigger C-Code

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, layered effect. The rest of the background is plain white.

What Else is New...

(Sigh)



# Warning Edits

- ▶ “Live” pop-up edits will warn applicants if one or more of the income or tax amounts they have input into the 2017-2018 FAFSA differs from the amounts used on the 2016-2017 FAFSA.
- ▶ Recipients of warning edits will reduce the likelihood of submitting conflicting information between the two years.
- ▶ If the applicant disregards the pop-up edits, their SAR and ISIR will be flagged with new edit and comment codes to resolve the conflicts.
  - ▶ Comments 395-399

# When Warning Edits Are Not Triggered

- ▶ If the 2016-2017 FAFSA was completed using estimated income/taxes
- ▶ If there has been a change in the student's dependency status in between aid years
- ▶ If there has been a change in either the student's or parents' marital status between the two years

# CPS Identification

- ▶ Upon submission of a 2017-2018 FAFSA, CPS will perform a comparison to the applicant's last 2016-2017 ISIR transaction and the 2017-2018 ISIR.
- ▶ The review will determine if there is conflicting income and/or tax information between the two ISIRs.
- ▶ The review will also determine if any identified conflicting information would, once resolved, produce a significant change to the EFC.
- ▶ If so, CPS will flag the ISIR as requiring institutional resolution of the conflicting information.

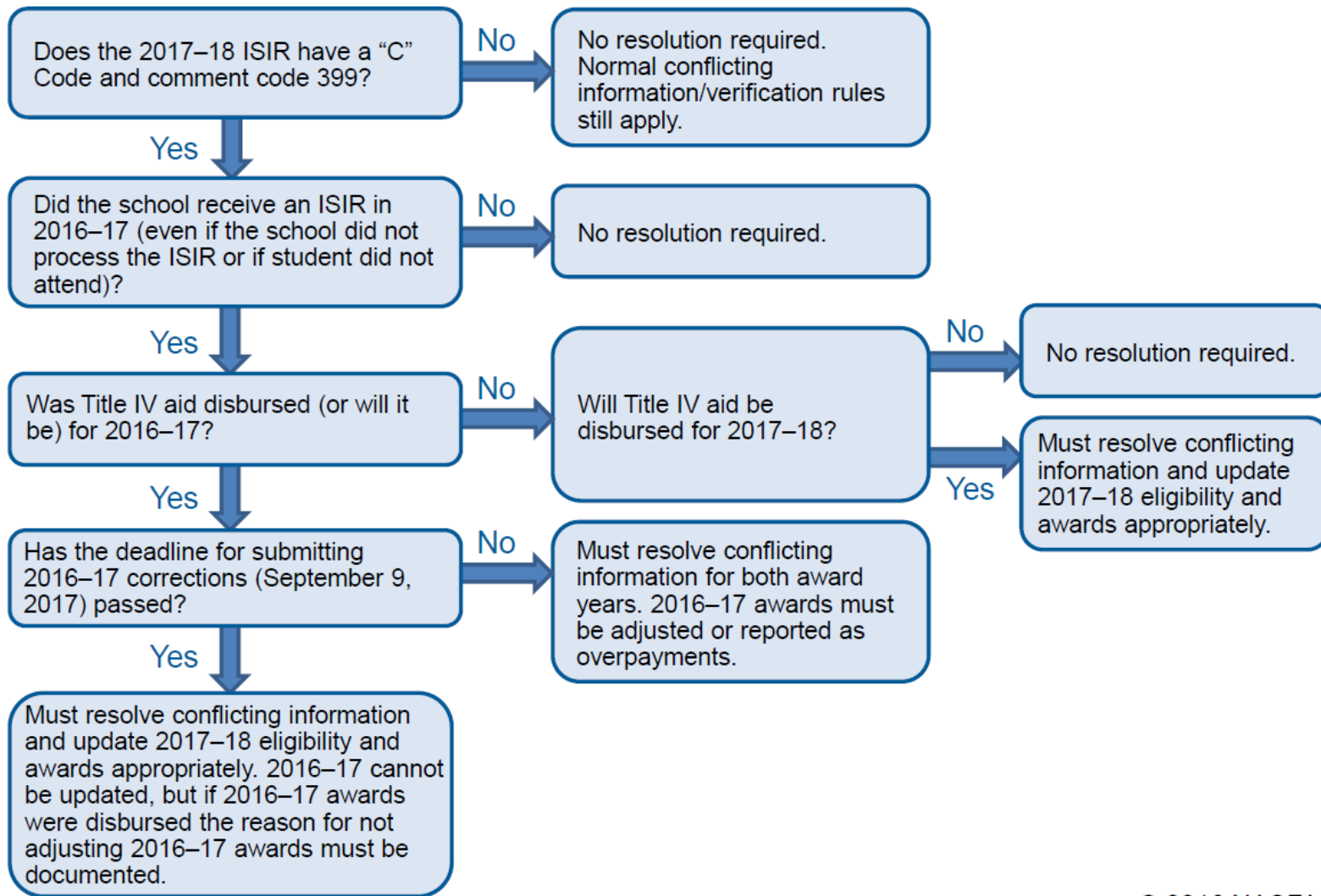
# When CPS Will Not Flag for Conflicting Info

- ▶ The student is not expected to be Pell-eligible based on the 2017-2018 ISIR
- ▶ There was a change in the student's dependency status between the two FAFSA years
- ▶ There was a change in the student's or parents' marital status between the two FAFSA years
- ▶ Professional Judgment was performed in either year.

# Institutionally Required Resolution

- ▶ CPS process will trigger a “C” code and a *special* new Comment Code 399, which informs the institution that it must resolve possible conflicting information.
- ▶ No Comment Code 399 = No need for the institution to determine any differences in income or tax information between the two ISIRs.
- ▶ Institutions must still resolve other conflicting information that may exist (citizenship status, high school completion status, etc.).

## ED Guidance to Date in Flow Chart Format



# Resolving Conflicting Information

- ▶ The institution must compare all of the 2015 income and tax related FAFSA/ISIR items from both years' ISIRs to determine which income or tax items are in conflict.
- ▶ If, for either year, the institution had verified conflicting information, or the student or parent had transferred information into the FAFSA using DRT with unchanged information (02), the institution can assume that the verified or DRT transferred values are correct and must submit corrections to the other ISIR values.

# Exception Resolving Conflicting Information

- ▶ If the institution is aware that, subsequent to verification or use of DRT, an amended 2015 tax return was filed with the IRS, the institution must ensure that both years' EFCs were calculated using the amended return, regardless of whether verification was completed or not.
- ▶ May require a conversation with student as to why information has changed.



# Inability to Resolve Conflicting Information

- ▶ Institutions may not disburse Title IV aid in 2016-2017 or 2017-2018 until the conflicting information issue has been resolved.
- ▶ In cases where the institution is unable to resolve conflicting information (i.e. non-responsive students/parents), the institution must consider the student to be in an overaward status for any need-based 2016-2017 Title IV aid that was disbursed. Students participating in the FWS program must cease being paid.
- ▶ More on overawards and overpayments in GEN-16-14.

# Reprocessing ISIRs (EA 2016-10-13 & EA 2016-10-21)

- ▶ CPS Reprocessed 7,500+ ISIRs with falsely assigned Comment 399 on 10/17/16.
- ▶ Graduate Students: No distinguishing on your FAFSA to CPS
- ▶ Not required to resolve Comment 399 if:
  - ▶ Institution determines student will be a graduate student for all of 2016-2017 and into 2017-2018
  - ▶ Student did not and will not receive FWS for 2016-2017 or 2017-2018

# Your New Best Friends

- ▶ GEN-16-14: 2017-2018 Early FAFSA - Identification and Resolution of Conflicting Information
  - ▶ EA 2016-10-21 (Verification)
  - ▶ EA 2016-10-13 (Application Processing)
- ▶ GEN-16-07: FAFSA Information to be Verified and Acceptable Documentation
- ▶ IFAP Early FAFSA Information Page
- ▶ NASFAA PPY Toolkit
- ▶ Colleagues & Trainings!