

PURPOSE

Frank Phillips College has processes in place to ensure financial aid applicants meet all the required student and program eligibility requirements for the financial aid they are offered.

Verification is the process schools use to review a student's Free Application for Federal Student Aid (FAFSA) for accuracy. This is done by collecting and comparing documents used to complete the FAFSA. The federal government selects applicants for the verification process.

File Review is the process schools use to confirm eligibility for aid based on CPS database matches, reject and C-Codes, and other comment codes, edits, or flags which affect a student's eligibility for Title IV Aid. The financial aid administrator also reviews a student's file for need analysis data elements not included in the federally required verification process, but designated as necessary verification data elements by the school. Schools must also review subsequent Institutional Student Information Records (ISIRs) for changes that may affect the applicant's aid eligibility.

The process of verification is separate from the requirement to resolve conflicting information. Discrepancies in a student's aid application or eligibility must be resolved before aid can be disbursed, regardless of existing verification policies. The process of verification is also separate from the requirement to document certain application items. For example, any FAFSA information the financial aid administrator believes to be inaccurate or to be conflicting information in addition to resolution should be documented.

Schools must verify all FAFSAs selected by Central Processing System (CPS). Frank Phillips College reserves the right to verify any FAFSA not selected by CPS for verification. Refer any instance of suspected fraud or criminal conduct by an applicant to the Office of the Inspector General of the Department of Education or to the state or local authorities.

Assistant Inspector General for Investigations
U. S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202-1500
Phone: 800-647-8733
Online Complaints: <https://oig.hhs.gov/fraud/report-fraud/>

Each award year, the Secretary will publish in the Federal Register a notice announcing the FAFSA Information that an institution will be required to verify.

Only applications selected by CPS of students who will receive or who have received **subsidized** student financial assistance (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study and Federal Direct Subsidized Loan) will be verified.

POLICY***Federal Verification Requirements and Exclusions***

Applicants who must be verified include the following:

- Applicants who go through a federally approved need analysis system and are selected by the edits
- Applicants for whom the institution has inconsistent data and/or who are selected by institutional criteria

Verification Exclusions

- Deceased applicants (regardless of conflicting data)
- Non-Title IV recipients
- Applicant verified at another school
 - The student completed verification for the current award year at another school before transferring. The FAFSA data must be the same as it was at the previous school, and we must get a letter from that school stating that it verified the student's application and must provide the transaction number of the pertinent valid ISIR.
- Post enrollment
 - The student was selected for verification **after** ceasing to be enrolled at your school and all (including late) disbursements were made.
- The applicant is eligible to receive only unsubsidized student financial assistance
 - However, students selected for V4 or V5 should complete verification
- For all dependent students
 - Parents' address is unknown and cannot be obtained by the student
 - Parents are deceased or physically incapacitated
 - Parents reside in a country other than the United States and cannot be contacted by normal means
- For all independent students
 - Spouse's address is unknown and cannot be obtained by student
 - Spouse is deceased or physically incapacitated
 - Spouse resides in a country other than the United States and cannot be contacted by normal means

Except in the case of the student's death, none of the exemptions excuse Frank Phillips College from the requirement to resolve conflicting information.

Selection of Applications to be Verified

Only applications selected by CPS of students who will receive or who have received **subsidized** student financial assistance (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study and Federal Direct Subsidized Loan) will be verified.

Verification is not required for students who are only eligible for unsubsidized student financial assistance (TEACH Grant, IASG, Federal Direct Unsubsidized Loan and Federal Direct PLUS Loan programs).

Completion of Verification Prior to Professional Judgment Adjustment (34 CFR 68.53)

- Verification must be completed for an application prior to exercising professional judgment authority to calculate a student's EFC.
- A professional judgment does not require the school to verify an application not selected for verification.

Conflicting Information

Frank Phillips College has adequate internal systems to identify conflicting information that affects a student's eligibility, such as information from the admissions office as to whether the student has a high school diploma or information from other offices regarding academic progress enrollment status. The school resolves all conflicting information, except when the student dies during the award year or when he or she is no longer enrolled and will not re-enroll. If the student later enrolls, the College is again obligated to resolve the conflicting information.

Frank Phillips College does not disburse aid until conflicting information is resolved. Conflicting information includes, but is not limited to:

- Discrepancies between the wages reported on the ISIR versus wages on the Tax Return Transcript.
- Marital status conflicts between tax documents and the marital status reported on the FAFSA.
- Household size conflicts where individuals appear to be omitted from the household based on data reported on the FAFSA, such as reporting the student is married or has dependent children but omits a spouse of children from the worksheet.
- Tax filing discrepancies and errors in the tax filing status or exemptions claimed.
- High school listed on FAFSA does not match high school reported to Admissions Office.
- Last name on FAFSA does not match last name on government issued ID.

Subsequent ISIRs

Frank Phillips College reviews all subsequent transactions for a student for the entire processing year even on verified transactions. An exception to this requirement is if a later transaction comes in after the student is no longer enrolled at the institution.

Verification Tolerance and Corrections

For subsidized programs (Pell, SEOG, FWS, Sub loan, Perkins) all changes resulting from verification must be submitted to CPS if change is to: any non-dollar item or a single dollar item of \$25 or more. If required to submit one change, must submit all changes.

Verification after Enrollment Ends

If corrections increase the amount of a student's Pell Grant and valid ISIR is received after the student is no longer enrolled, but before the annual Federal Register deadline, the school must pay the student the higher award amount (no longer limited to the lesser Pell).

Marital Status Changes

Frank Phillips College may elect to update a FAFSA due to a change in the applicant's marital status if the update more accurately reflects the applicant's ability to pay and the student is selected for verification or marital status change results in dependency status change.

Homeless Youth Determination

A student is eligible for homeless youth status if he/she meets the homeless definition and was determined to be homeless by his/her high school or school district homeless liaison, the director of a runaway or homeless youth center, or HUD. Students who meet this criteria are independent.

***Supporting documentation may be required by the school.**

To be considered an unaccompanied homeless youth on the FAFSA[®] form, an individual must be a youth who is (1) unaccompanied **and** homeless **or** (2) unaccompanied, self-supporting, **and** at risk of being homeless. Outlined below are some initial terms that support a homeless youth determination, as defined in section 725 of the McKinney-Vento Homeless Assistance Act (McKinney-Vento) (42 U.S.C. 11434a). Note that the last two definitions do not appear in McKinney-Vento. Also, institutions should refer to [Chapter 5](#), "Special Cases," of the Application and Verification Guide in the Federal Student Aid Handbook for additional components of the definition for homeless children and youths.

- **Unaccompanied**—when a student is not living in the physical custody of a parent or guardian
- **Homeless**—lacking fixed, regular, and adequate housing
- **At risk of being homeless**—when a student's housing may cease to be fixed, regular, and adequate, for example, a student who is being evicted or has been asked to leave their current residence and has been unable to find fixed, regular, and adequate housing
- **Self-supporting**—when a student pays for his or her own living expenses, which includes paying for fixed, regular, and adequate housing

Regardless of their age, applicants who are unaccompanied and homeless, or self-supporting and at risk of being homeless, qualify for a homeless youth determination and will be considered independent students on the FAFSA[®] form.

Acceptable Documentation and Forms

The Secretary publishes in the Federal Register a notice announcing the FAFSA information that an institution and an applicant may be required to verify, as well as the acceptable documentation for verifying FAFSA information each year.

Discrepant Tax Data

Financial aid administrators do not need to be tax experts, yet there are some issues that even a layperson with basic tax law information can evaluate. Because conflicting data often involve such information, FAAs must have a fundamental understanding of relevant tax issues that can considerably affect the need analysis. Financial Aid staff are obligated to know (1) whether a person was required to file a tax return and (2) what the correct filing status for a person should be. The IRS's online Interactive Tax Assistant is a useful tool that can help with these and other issues by walking the user through a series of questions. [IRS Publication 17](#) is a useful resource.

For example, an FAA who notices that a dependent student's parents, who are married and live together, have each filed as head of household (which offers a greater tax deduction than filing as single or married) must ask if that is the right status. Publication 17 explains the criteria a person must meet to file as head of household. Resolution of the conflict could be the parents refiling and submitting a copy of the amended return or a reasonable explanation of why there really is no conflict under IRS rules.

Marital and Tax Filing Status

The ISIR/SAR comment codes 361–368 indicate a possible error when the filing status and marital status do not match. This is not considered to be conflicting information subject to the resolution requirements of 34 CFR 668.16(f), but staff are encouraged to review the application for mistakes when these comments appear. Note that the FAFSA's use of prior-prior year tax data can increase the number of these comment codes. For additional information, [\(Verification\) Subject: Resolving Marital Status and Tax Filing Status Inconsistencies](#)

Rejected ISIRs, C Codes and ISIR Comment Codes

Frank Phillips College monitors rejected ISIRs, C Codes, and ISIR Comment Codes.

- C Codes occur when the applicant may have a situation that requires some type of confirmation or documentation before processing can continue. If the CPS was unable to make a satisfactory match with available resources, a "C" will appear by the student's EFC on the SAR. A comment explaining the flag (C) will be in Section I of the SAR.

If an ISIR contains a C Code, the C Code and message are indicated on the student's record in Anthology. If a C Code appears after a student has been packaged, the C Code holds up disbursement of financial aid until it is resolved.

Pell Grant

Pay Pell on the correct EFC after verification. If corrections increase the amount of a student's Federal Pell Grant and a valid ISIR/SAR is received after the student is no longer enrolled by the annual Federal Register deadline, the school must pay the student the higher award amount.

Interim Disbursements and Loan Certification Prior to Completion of Verification

It is the policy of the Student Financial Services at Frank Phillips College not to disburse any monies or certify any loans until verification has been completed.

Processing Required Corrections

If it is determined through the process of verification that the application must be reprocessed, corrections will be made through CPS. Once the corrected ISIR has been received, eligibility for aid will be determined and aid awarded accordingly.

Student Initiated Corrections

Any student-initiated corrections after the original ISIR is received (even if selected for verification), will have to be self-identified by the student. ***Student initiated corrections are not automatically loaded by the school.**

Verification Tracking Groups and Information Required to be Verified

Students who are selected for verification are placed in one of the following groups to determine which FAFSA information must 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 Individual Retirement Account (IRA) Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Credits Number of Household Members Number in College <p>Nontax Filers</p> <ul style="list-style-type: none"> Income Earned from Work Number of Household Members Number in College
V4	Custom Verification Group	Identity/Statement of Educational Purpose
V5	Aggregate Verification Group	<p>Identity/Statement of Educational Purpose</p> <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 <p>Nontax Filers</p> <ul style="list-style-type: none"> Income earned from work Number of Household Members Number in College

****The Identity/Statement of Educational must be signed IN PERSON in front of an Institution Official or in front of a Notary Public. (See published COVID exceptions)**

Changing Tracking Groups

- A student may move from tracking group V1 or V4 to group V5 based on corrections made to his or her CPS record.
- If verification was already completed for the V1 or V4 group, the students is only required to verify the V5 information not already verified.
- If verification was not completed for the V1 or V5 group, all V5 information will need to be verified.
- No disbursements may be made until the V5 verification is satisfactorily completed.

Verification Deadlines

Applicants selected for verification will be required to submit documentation to Student Financial Services in support of the data supplied of the FAFSA and required by the Department of Education as published in the Federal Register for each academic year.

The financial aid office will notify selected applicants of the documentation needed to complete the verification process via the applicant's official FPC Email as well as through the Student Portal.

All information required to complete the verification process or to resolve conflicting data must be submitted by the applicant's last day of attendance for the award year being verified. If all information is not received by this deadline, the applicant forfeits all rights to any aid for which the applicant would be otherwise eligible for the award year.

Applicant Correction and Notification Procedures

Student Financial Services will electronically submit to the Central Processor (CPS) corrections to FAFSA data resulting from verification. CPS will then send notification of these changes to the applicant as notification of these corrections. Applicant will be notified of award changes resulting from verification by the receipt of an updated award notification from the financial aid office via the applicant's FPC Email as well as through the Plainsmen Portal.

Overpayments, Fraud, and Abuse

If corrections resulting from the verification process decrease an applicant's award and create an overpayment situation, Student Financial Services will adjust the award according and the Business Office will send notification of this situation to the applicant and attempt to collect the overpayment. Award amounts are returned to the Department of Education by the Student Financial Services and the student is billed the Business Office.

Student Financial Services will report to the Office of Inspector General (1-800-MIS-USED or <https://oig.ed.gov/oig-hotline>) all instances of suspected fraud where a financial aid applicant, employee, or other individual has misreported and/or altered documentation for the purpose of increasing aid eligibility or fraudulently obtaining federal funds.