




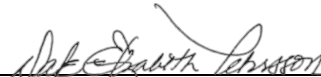
Policy SE005: Verification

Recommended for Approval by:



Sue Bloom, Executive Director Financial Aid

Approved by:



Dr. Dale-Elizabeth Pehrsson, President

Effective Date: 2/24/2023

A. Intent

To establish procedures for Federal Student Aid Title IV verification and assure it is regulatory compliant with the U.S. Department of Education's Federal Student Aid, requirements of [34 CFR 668.51–61 \(Subpart E\)](#).

B. Definition(s)

Verification - The process in which the Financial Aid Office (FAO) verifies the data provided by the student/parent on the FAFSA.

C. Policy

It is University policy to verify all applicants selected for verification by the Federal Student Aid Central Process System (CPS). The University also reserves the right to select additional applications for verification.

D. Procedure(s)

The applicant is selected for verification by the Department of Education. The student will have a message on the Student Aid Report (SAR) informing him/her that the student must provide certain tax information to the FAO. VERF-A (Cal), VERF-E (Edinboro), VERF-C (Clarion) is loaded to RRAAREQ in Banner which generates a notification directing students to the online portal, CampusLogic, where they can securely complete all forms and upload all needed documentation.

Selection of Applications to be Verified

- The FAO verifies those applicants identified by the Department of Education (ED). Typically, the ED selection criterion translates into verifying thirty percent of the financial aid population at PennWest. In addition, Aid Administrators may select a student for verification if there is a

discrepancy or a condition which is unusual and warrants investigation. Graduate students will not be verified unless they are eligible for need-based financial aid funding or selected for V4 or V5 which is still required.

Verification Tracking Groups

Students may be placed into one of three verification groups by the Department of Education (i.e. V1, V4, or V5). The documents requested from the student will vary depending into which verification group they are placed.

- V1 - Tax Filers must provide the following
 - Dependent Students
 - PennWest University Verification Worksheet
 - Family Size and Number in College
 - Indicate whether the student worked and/or filed a federal tax return
 - Indicate whether the parent worked and/or filed a federal tax return
 - Signatures from both parent and student are required
 - Tax Returns/Transcripts for the year that corresponds with required information on FAFSA from both the parent and student (if student worked)
 - If parent is married and filed separate, a tax return/transcript is required from both parents
 - If parents are unmarried and living together a tax return/transcript is required from both parents
 - If one parent did not file, he/she will need to provide a Non-Filing Letter from the IRS
 - Corresponding tax year W-2s from both the parent and student (if student worked)
 - Independent Students
 - PennWest University Verification Worksheet
 - Family Size and Number in College
 - Indicate whether the student worked and/or filed a federal tax return
 - Signature from the student is required
 - Tax Return Transcripts for the year that corresponds with required information on FAFSA from student and spouse if applicable
 - If student is married and filed separate, a tax return transcript is required from both the student and spouse
 - Corresponding tax year W-2s from both the student and spouse if applicable
- V1 – Non-Tax Filers must provide the following
 - Dependent Students
 - PennWest University Verification Worksheet
 - Family Size and Number in College
 - Indicate whether the student worked and/or filed a federal tax return
 - Indicate whether the parent worked and/or filed a federal tax return
 - Signatures from both parent and student are required
 - Non-Filing Letter from the IRS that indicates the parent did not file a federal tax return
 - If parent is married, both parent and spouse will need to provide a Non-Filing Letter
 - Corresponding tax year W-2s from both the parent and student (if either parent and/or student worked)
 - Independent Student
 - PennWest University Verification Worksheet

- Family Size and Number in College
 - Indicate whether the student worked and/or filed a federal tax return
 - Signature from the student is required
- Non-Filing Letter from the IRS that indicates the student did not file a federal tax return
 - If student is married, both student and spouse will need to provide a Non-Filing Letter
- Corresponding tax year W-2s from both the student and spouse (if either worked)
- V4 – Custom
 - Dependent AND Independent Students
 - Identity/Statement of Educational Purpose
 - Must be signed in person at the FAO or in front of a notary
 - Must provide a non-expired copy of a government-issued photo identification
 - Student’s signature is required
- V5 – Aggregate
 - Dependent AND Independent Students
 - All items indicated – V1 Tax Filer
 - All items indicated – V1 Non-Tax Filer
 - Identify/Statement of Education Purpose

Note: If the student and/or parent has utilized the IRS Data Retrieval Tool and the information has not been altered/changed and they do not have an IRS Request Flag of 06 or 07, they are not required to submit a Tax Return Transcript and W-2s. Only students and parents that do not use the IRS Data Retrieval Tool or change/amend their information or have an IRS Request Flag of 06 or 07 are required to submit these documents.

Instances when the Department of Education publishes changes to the verification document requirements permitting acceptance of signed copies of tax returns and self-certification of non-filing letters, the following is to be reviewed to confirm acceptable documents have been collected.

- Confirm the document submitted is a copy of the actual tax return and does not have a watermark or notation stating the document as being a draft or incomplete return.
- The copy of the tax return must be signed by the tax filer **or** contain the necessary tax preparer information (noted below). Page AVG-37 of the 2018-19 *FSA Handbook* contains a signature chart showing the U.S. Department of Education's (ED's) long-standing guidance which permits either the signature of the tax filer or the tax preparer's information. See also page AVG-83. When the student's tax return is used, it must be signed by the student (or spouse) or contain the tax preparer's information. When the parent's tax return is used, it must be signed by at least one parent or contain the tax preparer's information.

Tax Preparer's Information: If completed by a tax preparer or tax professional, under 34 CFR 668.57(a)(7), the school can accept a copy of the tax return that:

- Includes the tax preparer’s Social Security Number (SSN), Employer Identification Number (EIN), **or** Preparer Tax Identification Number (PTIN); **and**
- Has been signed, stamped, typed, or printed with the name and address of the preparer of the return.

A tax return simply stamped "H&R Block", for example, is not acceptable; it must contain the above information necessary to identify the individual who actually completed/prepared the tax return.

Exclusions

Listed below are certain circumstances where students do not have to complete verification. The program manager must identify and document in the student's permanent file why the student is not required to complete verification.

- A student who died during the award year
- A student who is not receiving Title IV funds
- A student who is eligible to receive only unsubsidized student financial assistance unless selected for V4 or V5 verification
- A student who is selected for verification after ceasing to be enrolled and does not intend to reenroll for the award year

Document Collection Procedures

PennWest is using a product called CampusLogic to securely collect information for verification. Students log into CampusLogic with their PennWest username and password. Here they will find all the information and directions that explains what they need to complete and/or upload. Once the student has completed all tasks, the file is reviewed by a staff member. If additional information is needed, the task is added in CampusLogic and an email notification is sent to the student. The student can also receive text notifications if they opt in while registering their account for the first time.

Review of Documentation

Below are the necessary steps that staff members take when reviewing a file to check for accuracy.

- Make sure all verification items are completed in CampusLogic.
- Check to see if all ISIR transactions are loaded into the system and not in "Suspense" by viewing all ISIR transaction on the ISIR Suspense Management page.
- Review all ISIR comments to check for any SAR C comments regarding student eligibility for Title IV funding.
- Review the ISIR displays appropriate IRS Flags that substantiate utilization of the IRS Data Retrieval Tool (IRS Request code "02" indicates that the student and/or parent successfully imported and did not alter IRS data into the FAFSA).
- Validate student's degree/certificate, current grade level, and first bachelor's degree received by 20xx ISIR values against Banner/CampusLogic system data.
- Compare all FAFSA data with the information given on the Verification Worksheet, Tax Return Transcripts, Non-Filing Letters, W-2s, etc.

Verification of Data Elements

PennWest verifies only those data elements required by the federal government. However, financial aid staff are free to ask for additional information if further investigation is needed to resolve a discrepancy. Items that are required to be verified are as follows:

- V1 - 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

- V1 - If they are not tax filers
 - Income earned from work
 - Household Size
 - Number in College
- V4 Students
 - Identity/Statement of Education Purpose
- V5 Students
 - Identity/Statement of Education Purpose
 - All items in the V1 Group

Corrections

PennWest will make all necessary changes to the FAFSA data if errors are found by updating the FAFSA record and submitting it to the Department of Education for approval. PennWest uses CampusLogic to transmit all changes to CPS. Files take approximately 2-3 business days to come back to PennWest either as accepted or additional information needed. If additional information would be needed, PennWest will reach out to the student to ask for this information through CampusLogic.

In some cases, the student will need to submit the necessary corrections. Students can do so by logging into their FAFSA online and submitting an electronic correction or by updating their Student Aid Report and mailing it directly to the FAFSA processor.

If no corrections are necessary, the student's file will be marked as "Verified" in CampusLogic and also Banner and then Title IV aid will be awarded accordingly.

Tolerance

To receive subsidized student aid, PennWest 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 PennWest is required to submit any change to the ED because of verification, we must submit all changes, including amounts that are below \$25.

Emailed Confirmation/Clarification Letters

PennWest does accept emailed documentation, including statements from the student and/or custodial parent, to clarify any apparent discrepancies identified during the federal verification process for which we have asked for additional clarification. This is used very rarely since the implementation of CampusLogic.

W-2 Submission

PennWest requires non-filers of federal income tax returns to provide copies of all annual W-2 statements. In an effort to eliminate potential conflicting information from a student's file, PennWest requires students and parents of dependent students who submit actual tax return transcripts to the office to provide copies of all annual W-2 statements.

IRS Request Flag Value of 06

If a student or parent receive an IRS request flag value of 06, PennWest staff will determine what information is needed in order to correct the discrepancy and request that information through CampusLogic. The students will see this on their My.PennWest.com portal directing them to create their accounts in CampusLogic to complete the process.

IRS Request Flag Value of 07

If a student or parent receive an IRS request flag value of 07, this indicates that the IRS has flagged them as filing an amended return, but the student used the DRT to transfer tax information. If the student is already chosen for verification, the student and/or parent (whoever received the 07 flag), will need to provide a copy of their Tax Return Transcript, a signed copy of their amended tax return (1040x), and copies of all W-2s for the corresponding tax year.

If the student is not chosen for verification, PennWest will request the documentation needed to clear the conflicting information via CampusLogic and Banner.

ISIR Comment Codes 400 and 401

When a student's ISIR has a comment 400 and/or 401, PennWest will follow the USDE guidelines by reviewing the student's ISIR for all relevant data items. If no conflict exists from the 400 and/or 401 codes, PennWest will document this in Banner. If further clarification is needed, PennWest will request the documentation needed to clear the conflicting information. If the student has already been chosen for federal verification, they will still need to submit all documentation regardless if the DRT was used.

Deadlines

We indicate on our verification communications that students have 21 days to respond to our notice, however, this is only to encourage them to have a prompt response. Students have 120 days from their last day of enrollment to complete verification or September 1st of the end of the award year, whichever date is the earliest, to complete verification. If a student fails to complete verification by the required deadline, all financial aid will be canceled.

Interim Disbursements

Because the University is liable for a disbursement made prior to verification, the University policy does not allow interim disbursements. Students must complete the verification process before aid is awarded or disbursed. Exceptions must include extenuating circumstances, be documented in the student's permanent folder, and be monitored by the Director.

If a student makes a change to his/her FAFSA and becomes chosen for verification after a disbursement has been made, PennWest will notify the student that he/she must complete verification in order to keep Title IV funding. Once verification is complete, if the student's EFC changes and/or aid is adjusted, the student will be notified via their PennWest e-mail account.

Office of Inspector General (OIG)

If the FAO suspects that a student or other individual has misreported information or altered documentation to fraudulently obtain federal funds, the FAO will report our suspicions and provide any evidence to the Office of Inspector General by submitting a complaint online at <http://www2.ed.gov/about/offices/list/oig/hotline.html>.

Verification Waiver

In the event that the ED waives verification for all but those in V4/V5 groups, PennWest will also waive verification in Banner and CampusLogic as needed. We will waive the requirement in Banner on RRAAREQ, mark the verification status S=Selected, not verified. CampusLogic will shut off verification requests as of a date specified so no further action is needed. If an account has been created in CampusLogic and documentation has already been submitted prior to that shut off date, PennWest will review the documents for discrepancy and either request what information is needed to resolve the discrepancy, or waive all other checklists if nothing further is needed. If they have not submitted documentation, we will waive all requirements in CampusLogic.

All V4 and V5 students will still be required to submit documentation as per the DOE guidelines.

22-23

Effective May 18, 2022 and for the remainder of the 2022-23 FAFSA processing and verification cycle (including summer periods attached to the 2022-23 award year), the US Dept. of Ed is waiving verification for certain verification groups such as V1 based on DCL Gen 22-06: Changes to 2022-2023 Verification Requirements.

21-22

Effective July 13, 2021 and for the remainder of the 2021-22 FAFSA processing and verification cycle, the US Dept. of Ed is waiving verification requirements for certain FAFSA submissions based on DCL Gen 21-05: Changes to 2021-2022 Verification Requirements.

E. Forms

List and link any associated forms needed.

F. Related policies

List any related policies or procedures.

G. Contact Information

Office/Name	Location	Phone Number
Financial Aid – Sue Bloom	Clarion Campus	814-393-2667
Financial Aid – Kelly Vitelli	Edinboro Campus	814-732-1964
Financial Aid – Traci Necciai	California Campus	724-938-5535

H. Policy Review Schedule

All policies will be reviewed every two years or on an as needed basis if a change in Federal or Pennsylvania law, BOG, or PASSHE would create the need for an immediate change.