Verification Policy
2013 – 2014

This policy is intended to supplement not replace the Federal Application and Verification Guide for staff performing verifications. By highlighting and emphasizing common verification procedures and regulations here, staff should not need to repeatedly consult the AVG. However, it is expected that staff will be sufficiently familiar with the AVG to be able to refer to it in more uncommon situations.

Verification is the process the Financial Aid Office uses to compare the information on the financial aid application with source documents provided by the student to verify the accuracy of the information on the Free Application for Student Aid application (FAFSA). All schools are required to verify the information on the FAFSA for all students who are selected for verification by the Department of Education. In addition, LBCC may select files for verification to resolve conflicting information.

At Long Beach City College, financial aid will not be awarded to those selected for verification until all documents required for verification are submitted and verification is completed.

If a student withdraws from all of his or her classes before verification is completed, the student must provide the necessary documents for verification within 60 days of the withdrawal date in order to receive a post withdrawal disbursement.

VERIFICATION DEADLINES for 2013 – 2014
(subject to change by the Department of Education)

The following deadlines are from the Application and Verification Guide as of March 4, 2013 Official deadlines are published in the Federal Register and an announcement is published on IFAP. Official deadlines will be followed at Long Beach City College should they vary.

- All applications, paper or electronic, must be received by CPS June 30, 2014
- SAR/ISIR corrections and duplicate requests received at the processor site (paper requests) September 22, 2014
- SAR/ISIR corrections and duplicate requests received at the processor site (electronic requests) September 22, 2014
- Valid SAR/ISIR received at institution September 29, 2014
- Verification documents (or 120 days after enrollment-whichever first) September 29, 2014
- Final submission of payment information to ED September 29, 2014

Students who fail to turn in all documents required to complete verification by the appropriate deadline, will be ineligible for financial aid.

CORRECTIONS

If discrepancies are found between the documents submitted for verification and the information on the FAFSA, corrections will be made through FAA Access to CPS Online and the Electronic Data Exchange (EDE). Students will receive a revised Student Aid Report from the Central Processor indicating any changes in eligibility. All corrections must be made through the Central Processing System.

The household size and number in college must be corrected if one or both are in error other than exceptions noted in the Application & Verification Guide.
If a student’s dependency status changes during the award year, status must be updated except when the change is a result of a change in the student’s marital status regardless of whether the student is selected for verification.

However, financial aid administrators do have the authority to allow updates to marital status on a case by case basis. This isn’t required and LBCC will first consider the effect on the student’s eligibility.

**CAL GRANT AWARDS**

It is the responsibility of the Financial Aid staff to ensure that students are eligible for Cal Grant at the time of disbursement of the award. Changes or corrections made during the verification process for new Cal Grant recipients must be analyzed to determine if the student continues to meet the income and asset criteria for Cal Grant.

**AWARD CHANGES**

Financial Aid Notifications are produced each week for new awards made during the previous week.

**NOTIFICATION OF VERIFICATION REQUIREMENTS**

Students will be notified of the documents which must be submitted to the Financial Aid Office in order to complete the verification by use of the “Missing Information Letter”. The “Missing Information Letter” will list the required verification items, any other actions required to complete verification, and any other items specifically required by the Financial Aid Office. These letters are generated weekly.

In addition students can view what is required in their Self Service Accounts in PeopleSoft through the use of “To Do Lists”.

Students who fail to bring in the documents in a timely manner will lose their priority standing for campus-based awards. Items submitted after the verification deadlines established by the Department of Education will not be accepted and students will not be awarded.

**Required Verification Items and Acceptable Documentation**

*Income- tax filers:*

1. adjusted gross income
2. U.S. income tax paid
3. untaxed portions of IRA distributions
4. untaxed portions of pensions
5. IRA deductions and payments
6. tax-exempt interest income
7. education credits

*All income items (1-7) can be verified through the use of the IRS Data Retrieval Tool (DRT) or an IRS tax return transcript.*

The DRT should be used by the student whenever possible when completing the FAFSA or submitting a correction. If it is used and the information is unchanged a 02 code will appear in the IRS request field. LBCC will not request an IRS tax return transcript in these cases.

If the IRS DRT isn’t used for any reason an IRS tax return transcript will be required. (See AVG 4-79 for who cannot use the DRT) The transcript can be requested online at [www.irs.gov](http://www.irs.gov) or by calling 1-800-908-9946. It is suggested but not required that the transcript be signed. Income tax returns are no longer accepted for verification purposes. The only exceptions would be in cases such as when a foreign tax return was filed or an amended tax return (IRS tax return transcript is required along with a tax account transcript). W-2’s are required if a joint return has been filed and the student/parents marital status is reported as separated, divorced or widowed and may also be required by the staff member performing any verification.
*For a tax filer who is a victim of identity theft, you may accept for verification a signed copy of the paper tax return he filed, as well as a copy of IRS Form 14039, Identity Theft Affidavit, if he submitted that form to the IRS. This form may not be available to the victim. In this case a police report is acceptable.

If a student or parent was required to file taxes and did not, verification cannot be completed until a tax return transcript is received or the DRT is used. Similarly if there is an error on the tax return transcript such as incorrect filing status, an amended tax return must be filed.

If a student or parent has filed a request for tax filing extension, a copy of IRS form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, must be submitted to the Financial Aid Office. This form will be acceptable for first-priority status, but verification will not be completed until a tax return transcript is received or the IRS Data Retrieval Tool is used to correct the ISIR.

**Income- students/parents who don’t file tax returns:**

1. income earned from work
2. household size

**Income earned from work**

For non-tax filers you must receive a W-2 form for each source of employment income. You must also get a signed statement giving the sources and amounts of the person’s income earned from work not on W-2s and certifying that the person has not filed and is not required to file a tax return. If a person must provide a W-2 form but can’t do it timely, you may permit her to submit a signed statement with the amount and source of the income earned from work and the reason the W-2 is not available in time.

**Household Size/ Number in College/ Child Support Paid/SNAP Benefits (formerly food stamps)**

All of these items can be verified by a correctly completed verification worksheet. It’s important to note that all information on the worksheet such as the details regarding child support are required by regulation and cannot be omitted. Additional documentation such as w-2’s or agency documentation may be required if there is conflicting or doubtful information in the staff member’s judgment.

**High School Completion**

Students must provide a high school diploma or transcript, GED certificate or transcript, transcript showing 2-year program completion, or home school credential or transcript.

**Identity/Statement of Educational Purpose**

Students should appear in person at the school and present a valid, government-issued photo identification (ID) such as a passport or a driver’s license or other state-issued ID. You must maintain an annotated copy of that ID that includes the date it was received and the name of the person your school authorized to receive it.

Students must also sign a statement of educational purpose that certifies who they are and that the federal student aid they may receive will only be used for educational purposes and for the cost of attending the school for the 2013–2014 year.

A student who is unable to appear at the school must sign and submit the statement of educational purpose, and he must submit a copy of his ID with the statement signed by a notary public confirming that the student appeared before her and presented the ID confirming his identity.
Verification Groups

The Department’s long-term goal is for a customized approach to verification. Students who are selected for verification will be placed in one of the five following groups. The group determines which FAFSA information must be verified for the student.

**Standard Verification Group.** Tracking flag V1. Students in this group must verify all of the above items as explained.

**SNAP Verification Group.** Tracking flag V2. Students in this group must verify the receipt of SNAP benefits.

**Child Support Paid Verification Group.** Tracking flag V3. Students must verify child support paid by them or their spouse, their parents, or both.

**Custom Verification Group.** Tracking flag V4. Students must verify high school completion status and identity/statement of educational purpose in addition to receipt of SNAP benefits and payment of child support.

**Aggregate Verification Group.** Tracking flag V5. Students must verify high school completion status and identity/statement of educational purpose in addition to the items in the Standard Verification Group.

**Discretionary Verification Items**

Staff members performing verification are required to resolve any conflicting information appearing on the ISIR. They also have the right to question and require documentation of any item on the ISIR. Agreement to provide any requested information is agreed to by the applicant and parents when signing the application.

If there is a legitimate discrepancy between the application information and the verification document, the counselor will note the reason for the discrepancy in PeopleSoft comments.

Assets will not be verified unless there is evidence of a discrepancy.

**C Codes/Database matches issues**

When a student submits a FAFSA, the CPS conducts a number of database matches such as with Selective Service and the Social Security Administration among others. Prior to packaging of awards all C Codes related to database match problems must be resolved by the school. For detailed information on all matches and resolving them, consult the Federal Student Aid Handbook in Volume 1, Student Eligibility.

When an ISIR contains a C Code, a SAR Comment is generated and PeopleSoft will use this code to generate a checklist item. This checklist items blocks packaging. To allow packaging when the C Code is resolved the staff member completes the checklist item and checks the appropriate box in the Database Match section of PeopleSoft. This section can be accessed through packaging Status Summary.

Note: If a C Code is resolved in PeopleSoft in one year it will automatically carry forward and be cleared in following years. A checklist item will not be created and no action is required.

For more information on resolving the database matches, consult the Federal Student Aid Handbook in Volume 1, Student Eligibility. For detailed information on resolving them in PeopleSoft to allow packaging, see PeopleSoft procedure entitled Database Matches in Office Procedures in the Financial Aid Policy Manual.
*New for 2013-14 - Unusual Enrollment History C Code.*
Pell Grant disbursement information for the past 3 years is reviewed by CPS. The student is assigned a UEH Flag of N, 2, or 3 on the ISIR. The UEH Flag value of N means there is nothing unusual and no action is required. A value of 2 or 3 requires school resolution.

**A UEH value of 2 initiates Comment Code 359 and Checklist Item UNENH1 in PeopleSoft.**
In these cases LBCC must review the student’s enrollment history for the past three award years (2010-2011, 2011-2012, and 2012-2013) to see if the student was enrolled at LBCC. If yes, the next step that is required is to decide if it appears the student is remaining in school only long enough to collect financial aid. If not, no further action is required. If we do think so, the required action is the same as for UEH Flag value 3 (see below).

If the student did not attend LBCC, the required action is the same as for UEH Flag value 3 (see below).

**A UEH Flag Value of 3 initiates Comment Code 360 and Checklist Item UNENH2 in PeopleSoft.**
In these cases LBCC must review the student’s academic records for the last three award years (2010-2011, 2011-2012, and 2012-2013). The schools the student attended are found in NSLDS. Academic transcripts for the time at those schools (and/or LBCC) must be reviewed to see if the student received any academic credit (completed units/credits or clock hours) at each one of the schools. If yes, no further action is required unless the school has other reason to suspect the enrollment history.

If the student didn’t earn academic credit at one or more of the institutions, LBCC must obtain ‘documentation’ from the student explaining why the student failed to earn any academic credit. Third party documentation should be obtained to the extent possible. There may be valid reasons that are personal such as illness or academic such as the program was too difficult. LBCC must decide whether the documentation (1) supports the student’s reason and (2) that the student only enrolled to receive financial aid.

‘Much like the exercise of professional judgment, as provided by section 479A of the Higher Education Act (HEA), the financial aid administrator determines whether the circumstances of the failure of the student to receive academic credit, as evidenced by the student’s academic records and other documentation, support the continuation of title IV, HEA program assistance eligibility. Also, like professional judgment, these institutional determinations are final and not appealable to the Department, and the reasons for the decision must be documented and maintained for possible review.’ -DCL ID: GEN-13-09 March 8, 2013

If LBCC decides to approve the student’s continued eligibility, the student may be placed on an Academic Plan such as is used in a Satisfactory Academic Progress Policy.

If LBCC decides that the student hasn’t provided an acceptable explanation and documentation for each failure to earn academic credit, then LBCC must deny any further Title IV Aid to the student. The student must be given the same opportunity to question and appeal this decision as in other similar decisions such as SAP. If denied the student must also be informed how he may regain eligibility. (“Since the basis for the denial is the student’s academic performance, it is expected that successful completion of academic credit would form the basis for the student’s subsequent request for renewal of title IV, HEA program eligibility. This could include meeting the requirements of an academic plan that the institution established with the student.”) If the student regains eligibility it begins with the following payment period for Pell Grant and campus based programs and for Direct Loans is retroactive to the beginning of the enrollment period.

‘The authority for an institution to deny title IV, HEA program assistance under the circumstances described in this letter is section 484(a)(4)(A) of the Higher Education Act of 1965, as amended, which requires the student to sign a Statement of Educational Purpose. (See also 34 CFR 668.32(h)). By signing the Statement of Educational Purpose as part of the student’s submission of the FAFSA, the student certified that he or she would use the title IV, HEA program assistance received only to meet educational costs.’ -DCL ID: GEN-13-09 March 8, 2013