

Verification Policy

34 CFR 668.64 <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-E/section-668.54>

2223 Handbook: <https://fsapartners.ed.gov/sites/default/files/2022-2023-Federal-Student-Aid-Handbook/Verification-Updates-and-Corrections.pdf>

2324 Handbook: https://fsapartners.ed.gov/sites/default/files/2023-2024/2023-2024_Federal_Student_Aid_Handbook/knowledge-center_fsa-handbook_2023-2024_application-and-verification-guide.pdf

2223 Policy Effective November 01, 2022, changes to V1 were implemented on May 18, 2022

2122 Policy Effective March 01, 2021

Students selected for verification must submit a dependent or independent verification form based on their FAFSA dependency status. USU will email students about verification requirements. We then use the CampusLogic product to assist with notifying students about the required documentation. CampusLogic is then used for collecting documentation and making any required corrections to CPS.

Authorized Agents:

Counselors, coordinators, trained student employees and interns are all authorized to perform verification reviews. In most cases, two individuals will review verification items in teams to ensure accurate review, processing and accountability for the documentation submitted.

For 2022-2023 we will collect and review the following items for purposes of verification: [Federal Register](#)

For 2021- 2022 we will collect and review the following items for purposes of verification: [Federal Register](#)

In addition:

- Tax return transcripts or 1040 forms will be required if student and/or spouse and/or parents did not successfully retrieve IRS data information on the FAFSA.
- The first page of a signed 1040 is required to verify large amounts of taxable scholarships and grants. A signed statement can also be used to review and correct unusually large amounts.
- The 1040 can be used to verify rollovers of IRS distributions and Pensions if the student requests a review.
- We collect and review 1040X forms for students and/or parent(s) who amended their taxes returns.
- 1040 forms can be signed on either page in any location
- *05/15/2020*

Statement of Educational Purpose

Only financial aid offices at Logan, Price and Blanding are authorized to process a statement of purpose that has not been notarized. Only full-time staff are allowed to witness the student signature and sign and date a photocopy of the valid government issued ID card.

Starting the 2022-2023 award year, we will no longer require the documentation of high school completion for students selected for V4 and V5 per <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-09-01/implementation-high-school-completion-status-removal-verification-ea-id-verif-21-02>. We will continue to require proof of high school completion (or its equivalent) in the 2021-2022 award year.

V4 and V5 During the COVID-19 Pandemic:

The financial aid office will only accept uploaded, unnotarized Statements of Purpose when a student indicates in writing that they cannot access our offices, or a notary, and, or the post office due to the impact of COVID-19 in their area.

Income Verification

We accept information from the IRS Data Retrieval Tool, the IRS tax return transcript, or the IRS 1040. The IRS 1040 must be signed by the filer in their own handwriting or one that has the name and PTIN of the preparer or has his or her SSN or EIN and has been signed, stamped, typed, or printed with his or her name and address. Students and parents that did not file are required to submit any W2 forms or signed statements if the W2 is not available.

Updating Household Size, Number in College

All applicants selected by the Department or a school for verification of household size or number in college must update those numbers to be correct as of the date of verification unless the update is due to a change in the student's marital status. Documenting household size or number in college is not required in a subsequent verification in the same year if the information has not changed.

If a change in household size occurs after verification is complete, the change can only be considered through appeal and professional judgment.

05/15/2020

If a household member lists their college as undecided (or something else that isn't the name of a school) we will reject their verification form to collect the name of the school they are most likely to attend at the time the form was being completed. If they list a school that isn't an eligible Title IV institution, we exclude that student from the number in college tally.

03/18/2022.

Correcting FAFSA information determined to be in error

Applicants who self-report incorrect or conflicting information are required to supply information and/or documentation to correct, or clarify any apparent errors or conflicts.

Applicants whose files are found to contain incorrect or conflicting information are required to supply information and/or documentation to correct, or clarify any apparent errors or conflicts.

Conflicting information must be resolved with supporting documentation and/or signed statements from student and/or parent explaining and resolving any conflicting information.

05/15/2020

Correcting the ISIR

When the financial aid office finds a discrepancy during the verification process, they will use the CampusLogic product to send corrected information back to CPS Online for processing. The USU financial aid system will wait for the receipt of a new ISIR before packaging a student or updating any incorrect federal aid packages. Corrections may also be made directly in FAA Access to CPS Online as long as we have supporting documentation and/or signed statements.

05/15/2020

Verification and Interim Disbursements

USU Financial Aid will not make interim disbursements when a student is selected for verification.

05/15/2020

Notification of Verification Results

Students selected for verification are notified about the results of verification after first packaging action in March/April months preceding fall semester.

- Changes to EFC are viewable in the FAMS self-service financial aid module
- After we start packaging regularly, we notify students that it will take 1-2 weeks from submission to receive packaging results after verification.
- We notify students about packaging results within 3-5 business days of receiving a result from CPS.
- If a student is no longer eligible for federal aid, they are notified within 2-3 weeks of the date they would have been otherwise packaged.
- Verified students who are suspended from federal aid are notified about ineligibility and how to appeal 1-2 weeks after we receive their first ISIR.

Fraud detected during Verification

We refer student accounts to the Office of Inspector General for any of the following violations:

- False claims of independent student status;
- False claims of citizenship;
- Use of false identities;
- Forgery of signatures or certifications; and
- False statements of income; and
- Any instance of any employee, third-party servicer, or other agent of the institution engaging in fraud, misrepresentation, conversion or breach of fiduciary responsibility, or other illegal conduct involving the Title IV, HEA programs.

Contact OIG: <https://oig.hhs.gov/fraud/report-fraud/>

Verification Deadlines:

Verification must be completed before a student is packaged or, as soon as possible afterwards if the student is selected for verification by ED on a subsequent ISIR, (if the student is still attending.) Students who fail to meet verification deadlines will not be packaged for any federal or campus-based awards.

05/15/2020

Federal student loans:

Verification paperwork must be submitted by the student by the last day of class before finals week of the semester for which they are applying. Limited exceptions during finals week can be made at counselor's discretion.

Fall and Spring semester Federal Pell grants:

FAFSA must have a "processed by date" at CPS by the last day of finals. Verification tasks must be submitted within 120 days of the last day of the semester the student last attended.

For marital change of status verification, the applicant must be married and their FAFSA updated before the last day of classes, not during finals week.

Summer semester Federal Pell Grants:

FAFSA must have a "processed by date" at CPS by the last day of summer courses. Selected students only have until early September to complete verification due to FISAP deadline. Specific summer submission deadlines are determined and published on our site based on FISAP deadlines. Limited exceptions may be made at counselor's discretion and within federal verification deadlines.

For marital change of status verification, student must be married and FAFSA updated before the June 30 deadline for that award year.

Selected for Verification after Packaging

If a student was selected for verification after being awarded financial aid, currently attending the institution, and the student fails to submit verification paperwork by the verification deadline, his or her award (except for Federal Unsubsidized Direct and Federal PLUS loans) will be cancelled and returned by the end of the semester and they will need to repay USU the cancelled funds. We notify the student by email (or letter) about any canceled or modified federal aid or campus-based awards within 3-5 business days of receiving a result from CPS. 05/15/2020

Consequences of an applicant's failure to provide the requested documentation within the specified time period:

USU will not package any federal aid for students who do not meet documentation deadlines unless an error was made by our office that prevented a student from receiving a Federal Pell grant and is within federal deadlines.

- Fall semester student loans cannot be offered after the semester is over unless the student is currently attending spring semester for that award year.
- Fall/Spring or Spring only semester student loans cannot be offered after the semester is over unless the student is currently attending summer semester for that award year.

High EFC & Verification Exclusion

Some verification tasks can be waived when the applicant is eligible to receive only unsubsidized student financial assistance. Students with a HIGH EFC selected for verification will appear on regularly system generated reports so that USU can waive their verification tasks. Students selected for V4 or V5 verification must complete the statement of educational purpose for all aid years and proof of high school completion through 2021-2022.

RRAAREQ Tracking Groups & EFC Tolerances for 2022-23

Resident students selected for verification with an EFC higher than \$24,500

NR students selected for verification with a EFC higher than \$39,000

RRAAREQ Tracking Groups & EFC Tolerances for 2021-22

Resident students, selected for verification with a EFC higher than \$24,000

NR students selected for verification with an EFC higher than \$38,500

Change of Status for Dependent Students

If a student updates their marital status on the FAFSA before semester deadlines, we will select them for verification and request a marriage certificate or license and a signed statement to justify changing their FAFSA from dependent to independent, and single to married. Other conflicting information must also be documented. If a student is unable to update their FAFSA, we will set up tasks in CampusLogic to enable us to update their account in CPS upon successful completion of all tasks.

Change of Status for Independent Students

An independent student may also submit a change of status if it will make them more eligible as a married student. If a student updates their marital status on the FAFSA before semester deadlines, we will select them for verification and request a marriage certificate or license and a signed statement to justify changing their FAFSA from single to married. Other conflicting information must also be documented. If a student is unable to update their FAFSA, we will set up tasks in CampusLogic to enable us to update their account in CPS upon successful completion of all tasks.

HEROES Act Verification Procedures for Tax Extension

The submission of a copy of IRS Form 4868 or a copy of the IRS extension approval is not required if a qualifying service member has not filed an income tax return by the filing deadline because they are

- serving on active duty during a war or other military operation or national emergency;
- performing qualifying National Guard duty during a war or other military operation or national emergency;
- resides or are employed in an area that is declared a disaster area by any Federal, State, or local official in connection with a national emergency; or
- suffering direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Secretary.

For these affected individuals, USU must accept, in lieu of an income tax return for verification of AGI and taxes paid:

- A signed statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because he or she was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency; and
- A copy of each W-2 received for the specified year or, for a self-employed individual, a statement signed by the individual certifying the amount of AGI for the specified year.

USU may request that an individual granted a filing extension submit tax information using the IRS Data Retrieval Tool, or by obtaining a tax return transcript from the IRS that lists tax account information for

the specified year **after the income tax return is filed**. If USU receives the tax information, it must verify the income information of the tax filer(s).

HEROES Act Signature Requirements:

When verifying the number of family members in the household and the number of family members enrolled in postsecondary institutions (page 2 of the verification application) a **dependent student** is not required to obtain a signature by *an applicant's parent when no responsible parent can provide the required signature* because of the parent's status as an **affected individual** for purposes of the HEROES act.

Procedure:

Instruct dependent student to write in "HEROES Act - parent not available" in lieu of the parent signature. However, if another responsible parent is not an affected individual, they should sign the form if the parents are married to each other.

Changes to 2022-2023 Verification Requirements due to COVID-19

Dear Colleague Letter <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-05-18/changes-2022-2023-verification-requirements>

May 18, 2022: Utah State University has opted to apply these flexibilities when reviewing applications that have been selected for V1 verification.

- We will continue to resolve any conflicting information for documents that were already uploaded into the CampusLogic system.
- We will comply with all comment codes and actionable 400 and 401 DRT codes that require additional review before a student can be packaged.
- If we determine that an unsigned document poses no conflicting information, we will still accept the unsigned document as part of the file review but note in Banner that V1 verification has been waived.
- If invalid documents were submitted that do not pose any conflicting information, that specific task can be waived and noted in Banner that V1 verification has been waived.
- If no documents were submitted and no discrepancies are found in subsequent ISIR reviews, all verification requirements were waived and noted in Banner.
- Students not required to complete full verification will be flagged as "selected, not verified" in our FAMS system.

Changes to 2021-2022 Verification Requirements due to COVID-19

Dear Colleague Letter: <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-07-13/changes-2021-2022-verification-requirements>

July 13, 2021: Utah State University has opted to apply these flexibilities when reviewing applications that have been selected for V1 verification.

- We will continue to resolve any conflicting information for documents that were already uploaded into the CampusLogic system.
- We will comply with all comment codes and actionable 400 and 401 DRT codes that require additional review before a student can be packaged.

- If we determine that an unsigned document poses no conflicting information, we will still accept the unsigned document as part of the file review but note in Banner that V1 verification has been waived.
- If invalid documents were submitted that do not pose any conflicting information, that specific task can be waived and noted in Banner that V1 verification has been waived.
- If no documents were submitted and no discrepancies are found in subsequent ISIR reviews, all verification requirements were waived and noted in Banner.
- Students not required to complete full verification will be flagged as “selected, not verified” in our FAMS system.

New Guidance on Tax Documentation and Letter of Non-Filing for 1819 & 1920

- Effective immediately, for both 2018-19 and 2019-20, we can accept a signed copy of the 2016 or 2017 federal income tax return that was submitted to the IRS to satisfy verification requirements. Of course, unchanged DRT data and tax return transcripts are also still acceptable.
- There is no requirement for the student or parent to first try to request a TRT before we can accept the signed tax return.
- We will be working with CampusLogic to update verification tasks and instructions in the system. In the meantime, feel free to share the happy news with students and/or parents you interact with. We will also likely send a communication to students currently selected for verification who have not yet completed the process...stay tuned.
- Verification of nonfiling is still required, except for dependent students who are nontax filers. However, if the student or parent has tried and is unable to obtain it, and if we have no reason to question their good-faith effort to obtain the documentation, we may accept W-2s along with a signed statement certifying that the student or parent:
 - Attempted to obtain the verification of nonfiling from the IRS and was unable to obtain it; AND
 - Has not filed and is not required to file a 2016 or 2017 income tax return;

And also listing:

- Sources of any 2016 or 2017 income earned from work and the amount of income from each source. (If this information has already been provided on the verification worksheet, it is not necessary to collect it again.)
- For those who have been granted an extension beyond the automatic six-month extension (extremely rare), we can accept a signed statement meeting the requirements outlined above in lieu of the verification of nonfiling. If the student or parent was self-employed, the statement must also include:
 - Amount of AGI: AND
 - U.S. income tax paid.
- In order to accept the signed statement to verify nonfiling in the case of a tax extension, the student or parent must have first tried to obtain the verification of nonfiling from the IRS unsuccessfully. **Again, the fact that the website is down or they don't have time to wait for the process does not qualify as being unable to obtain the verification of nonfiling.**

01/10/2019

Using 1040 Tax returns during one-time IRS DRT Shutdown

Due to the shutdown of the IRS DRT tool and issues related to the IRS tax return transcript, USU Financial Aid is currently allowing students and parents to upload signed copies of their IRS 1040 forms for 2016-17 and 2017-18 verification tasks.

Other notes:

Verification - Tolerances

USU financial aid will generally correct any verified discrepancies beyond \$1. Any aggregated discrepancies above \$25 must be corrected.

05/15/2020

Proportional Distribution Method

USU uses the proportional distribution method when determining tax liability etc. for divorced or separated filers. We determine what percentage of the joint AGI was attributable to the individual, and then assess the joint taxes paid by that same percentage.

Separating out Income

When separating out incomes, we collect signed statements for any dollar amounts on the 1040 that contribute to the AGI that are not reflected in W2 forms. We use the proportional distribution method to determine certain amounts from Schedule 1 and education credits that would be attributable to both parties.

Dollars & Cents

We do not round up or down cents, we remove (truncate) the cents when inputting amounts to CampusLogic or FAA.

When dealing with multiple W2's or other financial totals, we add full amounts first (including cents) and then truncate the cents from the sum.

Spouse Signature (not required)

USU does not require a spouse signature on verification web form even though it is available to sign.

Electronic Signatures

A manually drawn signature using a mouse or light pen on verification documents is considered an acceptable electronic signature or e-signature.

RAAREQ Tracking Groups & EFC Tolerances for 2020-21

Resident students, selected for verification with a EFC higher than \$23,500
NR students selected for verification with an EFC higher than \$38,000

RAAREQ Tracking Groups & EFC Tolerances for 2019-20

Resident students, selected for verification with a EFC higher than \$23,500
NR students selected for verification with an EFC higher than \$38,000

RRAAREQ Tracking Groups & EFC Tolerances for 2018-19

Resident students, selected for verification with a EFC higher than \$22,000

NR students selected for verification with an EFC higher than \$36,500

RRAAREQ Tracking Groups & EFC Tolerances for 2017-18

Resident students, Resident students, selected for verification with a EFC higher than \$20,608

NR students selected for verification with an EFC higher than \$34,260