

Verification Q&A

1. Q: Does the written statement provided to students concerning verification need to be standard for all students or does an e-mail suffice?

A: 34 CFR 668.53 states that a school must have a written policy and procedure for verification. As long as a school's policy states how the school will notify a student, the school applies the policy consistently, and the notice has all the required items, the notice could be a letter or an email to the student.

2. Q: Where can I find additional information about including an unborn child in the household size if the child is born within the FAFSA year?

A: The 2008-2009 *FSA Handbook*, Application and Verification Guide, Chapter 2, Pg. AVG-28 states that an unborn child may be include in the household size if the unborn child will be born before the end of the award year and will receive more than half of his or her support for the student (independent student) or student's parent's (dependent student).

3. Q: When is it appropriate to question "other persons" that have been included in the household size?

A: If you feel that an "other person" does not meet the Department of Education's definition then it is appropriate to question the members included in the student's household size. The 2008-2009 *FSA Handbook*, Application and Verification Guide, Chapter 2, Pg. AVG-28 defines "other person" as someone "who lives with and receive more than half their support from the student's parent(s) and will receive more than half support for the entire award year".

4. Q: If a student puts a boyfriend/girlfriend as a person in the household, can this person be included?

A: As stated in the previous question, an "other person" is described in the *FSA Handbook* as someone who lives with and receives more than half of his or her support from the student's parent(s) (dependent student) or from the student (independent student) and will receive more than half support for the entire award year. If the boyfriend/girlfriend meets this definition, he or she may be included in the household size.

5. Q: For household size, if a boyfriend lives with girlfriend and her parents, we ask the student if he filled out a FAFSA would he be required to have his parents information - if yes - he isn't consider in girlfriends household - is that correct?

A: Yes, that is correct. If the boyfriend were to complete a FAFSA of his own and would be required to provide his parent's information, he could not be counted in the girlfriend's household size since he is not receiving more than half of his support from the girlfriend's parents.

6. Q: Are foster children included in the household size and the money received?



A: Foster children are not included in a student's household size. The support the student or his/her parents receive for the foster child is also not reported on the FAFSA or during the verification process. (2008-2009 *FSA Handbook*, AVG, Ch.2, Pg. AVG-28)

7. Q: When determining the number in college are we required to exclude an independent sibling of a dependent student?

A: This will depend on if the independent sibling is attending college, living at home or elsewhere and if he or she is receiving more than 50% of his or her support for the student's parents. The 2008-2009 *FSA Handbook*, Application and Verification Guide, Chapter 2, Pg. 28 provides examples of when to include and when not to include an independent sibling in the student's household size and number in college.

8. Q: Why are students who are attending a military academy excluded from the number in college?

A: Students who are attending a military academy are excluded from the number in college since most of their primary educational expenses are paid for by the military branch associated with the academy. (2008-2009 *FSA Handbook* AGV, Ch.2, Pg. AVG-30)

9. Q: I understand Social Security will not be reported on 2009-2010 FAFSA - will that be eliminated from verification regulations?

A: For the 2009-2010 FAFSA untaxed Social Security benefits have been eliminated and will also be eliminated from the verification regulations. Worksheets A, B, and C have been eliminated from the FAFSA. However, for the 2008-2009 FAFSA untaxed Social Security benefits are part of the FAFSA worksheets and are included in verification for the 2008-2009 award year.

10. Q: Where can I get more information regarding the different types of Social Security benefits received?

A: For more information regarding the different types of Social Security benefits contact the Social Security Administration.

11. Q: What was the reason behind removing untaxed social security 2009 -2010? It is income.

A: The Department did not provide a reason for eliminating the untaxed Social Security benefits from the 2009-2010 FAFSA.

12. Q: I thought we no longer were required to verify untaxed Social Security benefits and foreign income exclusions? On slide #17 it says the information needs to be verified.

A: Beginning in the 2009-2010 award year a student is no longer required to report untaxed Social Security benefits and foreign income exclusions. However, these items are still part required for the 2008-2009 award year.

13. Q: On the 2009-2010 verification, is a student (or student's parent for a dependent student) NOT to report any untaxed income not indicated on the verification form?

A: For the 2009-2010 award year other untaxed income does not include student aid, earned income credit, additional child tax credit, welfare payments, untaxed Social Security benefits, Supplemental Security Income, Welfare Investment Act education benefits, untaxed combat pay not reported on the W-2, benefits from flexible spending arrangements, foreign income exclusion or credit for federal tax on special fuels. (2009-2010 FAFSA on the Web Worksheet)

14. Q: What is the maximum amount earned before you have to pay taxes? Or be considered a non-tax filer?

A: Please consult your tax professional or contact the IRS.

15. Q: Is it a requirement to ask a student to obtain a non-tax filing statement from the IRS, if a student did not file?

A: If it's your school's policy to require a student who did not file a tax return to complete a statement certifying this information, then you must collect that form.

16. Q: If a student's parent is out the country and the student didn't work for 08/09 award year what documents are required for verification for the student?

A: The *FSA Handbook* states that you don't have to verify a dependent student's application if the student's parent live out of the country and *cannot be contacted by normal means*. Most people, even if out of the United States, can be contacted by phone (landline or cell), mail, or email. Your school policy dictates the proper documentation that is required. (2008-2009 *FSA Handbook*, AVG, Ch. 4, Pg. AVG-78)

17. Q: How do we know if a tax return has been filed or not?

A: NSLP is not aware of a way to check if a tax return has been filed or not other than asking the student.

18. Q: Are e-mailed documents, such as tax forms and verification worksheets, with scanned signatures acceptable documentation?

A: If your school states in your Policy and Procedure Manual that you will accept email documents with scanned signatures then this is acceptable documentation. The *FSA Handbook* states that it is acceptable for a school to accept a fax, photocopy or other acceptable copy of tax forms and verification worksheets.

19. Q: If a student has a tax return that is dated after April 15th, is it a requirement for them to obtain a tax transcript from the IRS?

A: The handling of this situation is not spelled out in the verification regulations, however if the student filed his or her tax return after April 15, he or she should have requested a filing extension



from the IRS. It may be prudent to have the student in this situation provide proof that the IRS granted a filing extension by providing either a copy of IRS Form 4868 – Application for Automatic Extension of Time to File U.S. Individual Income Tax Return (which automatically grants the taxpayer a six-month extension beyond the April 15 deadline) or a copy of the IRS approval of an extension beyond the automatic six-month extension. You may wish to address this situation in your school's Policy and Procedure Manual.

20. Q: Do the submitted W-2 forms need to be signed?

A: W-2 forms are not required to be signed unless your school's policy states otherwise.

21. Q: Does the e-sign on the 1040 form count as a signature or do we need a physical signature?

A: The e-signature on the 1040 form is not a sufficient signature, at least one of the tax filers will need to sign the tax form. (2008-2009 *FSA Handbook* AVG, Ch.4, Pg. AVG-82)

22. Q: Is a tax transcript received from the IRS acceptable in place of an exact copy of a student's or parent's tax return if they cannot find a copy of their tax form?

A: A tax transcript received from the IRS is acceptable in lieu of the 1040 form. Unless the form is sent to you directly from the IRS, at least one of the tax filers will need to sign the form. (2008-2009 *FSA Handbook* AVG, Ch.4, Pg. AVG-81)

23. Q: For verification purposes, do we need just the 1040 form, or the attached schedules as well? For example, when verifying AGI, if there is a figure on line 17 of the 1040, which was brought over from Schedule E, are we required to have Schedule E?

A: This is an issue that will need to be addressed in your school's Policy and Procedure Manual. Whatever your policy is be sure to apply it consistently.

24. Q: How do you tell if IRA distributions, pensions, and annuities are rollovers if the taxes do not state rollover?

A: This is an issue that should be included in your school's Policy and Procedure Manual. For example, if your policy states that you will accept a signed letter from the professional who assisted in the rollover, then that is acceptable documentation. Whatever your policy is be sure to apply it consistently.

25. Q: What is considered cash or in-kind support?

A: The 2008-2009 *FSA Handbook*, AVG, Ch.2 states that if someone pays a cost that the student is obligated to pay, the amount counts as cash support. Some examples of cash and in-kind support include a friend or relative giving the student food or allowing him to live with them rent-free or paying bills on behalf of the student.

26. Q: Is it appropriate to ask independent students living with another adult for in-kind support amounts? And if so, would you put that on worksheet B under "money received or paid on your behalf"?

A: Any cash support for the student, other than support from a parent for a dependent student, counts as untaxed income and must be reported on Worksheet B under "money received or paid on your behalf". In-kind help is not considered untaxed income, but you may use professional judgment to account for the value of the in-kind support (by adjusting the room and board component of the cost of attendance, for example).
(2008-2009 *FSA Handbook*, AVG, Ch. 2, Pg. AVG-14)

27. Q: If an otherwise dependent student lives with a grandparent or boyfriend, etc. and has \$0 income but has a child, should the student be considered independent? What if they receive food stamps?

A: If someone other than the student is directly or indirectly providing more than 50% of the support for the student's child, then the student would be considered a dependent student. For more information see 2008-2009 *FSA Handbook*, AVG, Ch.2, Pg. AVG-26.

28. Q: For adult members of a household who are not children of the student or parents, do you include their income or social security benefits in the household income?

A: If the student or parent provides more than half of this person's support and the income or benefit is paid directly to this person, the student or parent would not report this person's income in the household income. The 2008-2009 *FSA Handbook*, AVG, Chapter 2, pg. AVG-17 shows this example:

Stanislaw's uncle Yvor lives with him and receives a small disability payment each month. This amount is paid directly to Yvor, so Stanislaw doesn't report it as income when he completes the FAFSA. The payment is small enough that Stanislaw is still providing more than half of Yvor's support, and because he expects to continue to provide more than half support during the award year, he includes Yvor as a dependent in his household size. However, starting the July after the current award year, Yvor expects to also start receiving a pension. The combination of the pension and the disability payment will be enough that Stanislaw won't be providing more than half of his uncle's support and therefore won't be able to include Yvor in his household size after this award year.

29. Q: If an independent student reported no income because they were being supported by someone else, do they have to report the "support" as untaxed income?

A: You may use professional judgment to add the support to the amount of untaxed income. The 2008-2009 *FSA Handbook*, AVG, Ch. 2, Pg AVG-17 gives this example:

Independent student with parental support example

Doug is a graduate student, so he's independent even though he still lives with his parents and has no income of his own. Although the FAA at his school can't make him a dependent student, she decides to use professional judgment to add an amount to his untaxed income to account for the in-kind support his parents provide.

30. Q: Some states do not recognize separation--when a student is asked to provide copies of both parent or spouse information and one refuses how do we proceed?

A: The 2008-2009 *FSA Handbook*, AVG, Ch. 2, Pg. AVG-29 states this about separation.

Separation of the student's parents or the student and spouse

A couple need not be legally separated to be considered separated—they may deem themselves informally separated when one of the partners has left the household for an indefinite period and the marriage is severed. While a married couple that lives together can't be informally separated, in some states they can be legally separated. If their state allows this, and if they are still living together and are legally separated, then that is their status on the FAFSA. For a dependent student, use the rules for divorce to determine which parent's information to report.

31. Q: How do you verify a student who lived with parent A all of 2008. In May 2009 she graduates from high school and moves in with parent B. The FAFSA uses information from parent A. The verification form asks for family members from 7/09 thru 6/2010. Now it's a different family/income.

A: You'll want to obtain parent B's information and change the FAFSA information to parent B's since that will more accurately reflect the information for the 09-10 award year.

32. Q: My question is about exclusion of verification for parents that are unavailable. If the parent was incarcerated, do we still need to obtain the parent's signature and income? Or do we consider it a dependency override?

A: There is no verification exclusion for incarcerated parents. According to the 2008-2009 *FSA Handbook*, AVG, Ch. 4, Pg. AVG-78, the verification exclusion for parents is as follows:

You don't have to verify a dependent student's application if any of the following conditions apply:

- The student's parents are deceased or mentally or physically incapacitated. (If both parents are dead, the student is an orphan and thus is an independent student. If the parents die after the student has applied, the student must update his or her dependency status, as discussed in Chapter 5.)
- The parents are residing in a country other than the United States and can't be contacted by normal means.
- The parents can't be located because their address is unknown, and the student can't obtain it.

The regulations allow for the use of Professional Judgment on a case-by-case basis.

33. Q: When the student's parents are divorced, should the student report the information for the parent with whom they spend more than half of their time or the parent who supports the student financially more than 50%?

A: If the student's parents are divorced, he or she should report the information of the parent with whom he lived longer during the twelve months prior to the date he completes the application, regardless of which parent claimed him as an exemption for tax purposes. If the student lived equally with each parent or didn't live with either one, then he should provide the information for the parent from whom he received more financial support or the one from whom he received more support the last calendar year for which it was given.
(2008-2009 *FSA Handbook*, AVG, Ch. 2 Pg. AVG-29)

34. Q: Other than a written statement from the student, what documentation is required to verify that a parent is out of the country and unavailable?

A: The type of acceptable documentation will depend upon your school's policy. For example, your school's policy may state that a written statement from the student as well as a third-party (i.e., high school counselor, clergy, or court documentation) is acceptable documentation.

35. Q: Is child support received required to be verified regardless of whether or not the CPS selected the student for verification?

A: The regulations do not state that child support received or paid is required to be verified for every student but if your school's policy is to verify all child support paid or received even if the student was not selected for verification by the CPS, then you must verify this item for all students.

36. Q: On the 2009-2010 FAFSA, would combat pay be only listed under additional financial information or would we include it in the earnings as well?

A: On the 2009-2010 FAFSA combat pay is part of additional financial information, which is question 46 for the student and question 94 for the parent.

37. Q: If a student transfers from another school and the student was verified at that school, what documentation is required to be filed to prove that verification was completed? Does this documentation need to be a letter or is an email sufficient?

A: If the student was selected for verification by the CPS and verification was completed in the current award year at another school before the student transferred, you do not have to verify the student's application. If you choose not to verify the student's application you must get a letter from the school that completed verification and this letter must include:
a statement that the student's application data has been verified;
the transaction number of the verified application;
and if relevant, the reason why the school was not required to recalculate the student's EFC. An example of this would be that the errors were within the allowable tolerance.
Acceptable documentation depends on your school policy. If your school's policy states that an email with the required information is sufficient documentation, then that is acceptable.
(2008-2009 *FSA Handbook*, AVG, Ch. 4, Pg. AVG-78)



38. Q: Do corrected ISIR's need to be signed by the student?

A: If the FAA is updating the student's ISIR via FAA Access, the FAA must have signed documentation from the student and parent before making the any changes. (2008-2009 *FSA Handbook* AVG, Ch. 2, Pg. AVG-33)

39. Q: Do SAR corrections need to be signed?

A: If the student makes changes on his paper SAR he and one parent must sign the correction statement on the SAR. If the changes are made on the Web the student and parent's PIN serves as necessary signatures. (2008-2009 *FSA Handbook* AVG, Ch. 2, Pg. AVG-33)

40. Q: If the information that was listed on the verification worksheets changes after the verification process, should we have the student complete a new verification worksheet with the corrected information?

A: No. You can update the student's ISIR via FAA Access. Be sure to keep all signed documentation received from the student in the student's file.

41. Q: If a student is selected for verification by the CPS, but is only eligible for non-need based aid, are we still required to verify?

A: Verification is not required if the student will only receive a Parent or Grad PLUS loan or an unsubsidized Stafford loan since these loans are not based on the EFC, or a TEACH Grant since this is a non-need based program. If selected by the CPS for verification, you do not need to verify students in these categories. If you do not verify the student, you must note the reason why you did not in the student's file. (200820-09 *FSA Handbook*, AVG, Ch. 4, Pg. AVG-75)

42. Q: Explain what is meant by 'not an aid recipient' and if verification is required for a student who is 'not an aid recipient'.

A: For verification purposes, a student who is not an aid recipient is a student who won't receive Federal Student Aid for reasons other than his failure to complete verification. This category includes those ineligible for Federal Student Aid and those who withdraw without receiving aid. You don't have to verify a student who isn't an aid recipient. (2008-2009 *FSA Handbook*, AVG, Ch. 4, Pg. AVG-79)