# FINANCIAL AID DEPARTMENT
## 2013-14
## FILE REVIEW AND VERIFICATION

Verification is the process the Financial Aid Office uses to compare the information provided on the Free Application for Federal Student Aid (FAFSA) with the documentation provided by the selected student. It is intended to verify the completeness and accuracy of the information on the FAFSA.  According to federal regulations, Southwestern College (SWC) is required to verify all students selected by the Department of Education (DOE).  SWC may also select students for verification, should the staff find any conflicting information.

Financial aid will not be awarded to any selected file until all verification documents are submitted and the verification process is completed.
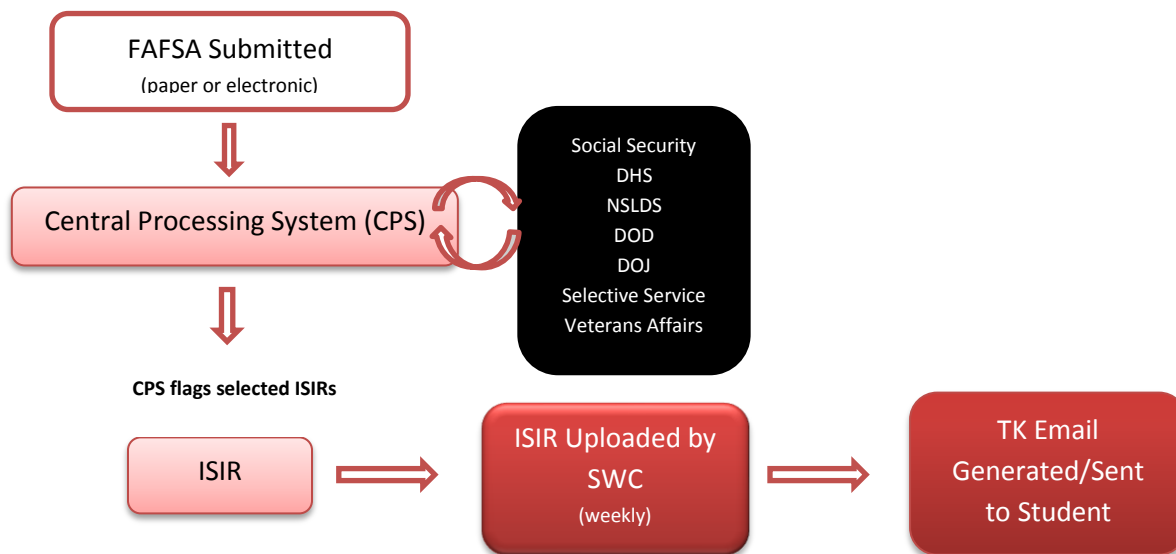
## Section I: FAFSA to ISIR to SWC

*Processing the FAFSA at SWC*
FAFSAs submitted (paper or electronic) go to the DOE's Central Processing System (CPS).  CPS calculates an EFC and uses the data to match applications against several databases: NSLDS, DOD, DOJ, DOHS, Department of Veteran Affairs, Selective Service, and the Social Security Administration.

It also checks the applications for inconsistencies and possible mistakes.   During this process, CPS may select students for the verification process.

After processing is complete, CPS produces two output documents: the Institutional Student Information Record (ISIR), which is available for schools that are listed on the FAFSA; and the Student Aid Report (SAR), which is sent to the student and made available online.

SWC weekly uploads ISIRs that listed SWC on the FAFSA.  Once the ISIR is uploaded, SWC will send out a TK e-mail listing all of the required documents, including those who are selected for verification.  Those selected for verification will be given further information regarding which of the five verification groups they are assigned.

FAFSA Submitted
(paper or electronic)

Central Processing System (CPS)

Social Security
DHS
NSLDS
DOD
DOJ
Selective Service
Veterans Affairs

**CPS flags selected ISIRs**

ISIR

ISIR Uploaded by SWC
(weekly)

TK Email Generated/Sent to Student

### Verification Deadlines for 2013-2014
*(subject to change by the Department of Education)*

The following deadlines are from the 2013-2014 Federal Student Aid Handbook: Application and Verification Guide.  Official deadlines will be followed at Southwestern College (SWC).

Students who fail to submit the required information by the appropriate deadline, will be ineligible for financial aid.

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| All applications, paper or electronic, must be received by CPS | June 30, 2014. |
| ISIR Corrections must be received and accepted by CPS before midnight (central time) | September 22, 2014. |
| Valid ISIR received at SWC for the academic year | September 29, 2014. |
| Verification documents for students enrolled for the academic year | September 29, 2014. |
| Valid ISIR received at SWC for Fall 2013 only | December 20, 2013. |
| Verification document for students enrolled for Fall 2013 only | April 19, 2014. |
| Valid ISIR received at SWC for Spring 2014 only | May 30, 2014. |
| Verification document for students enrolled for Spring 2014 only* | September 29, 2014. |
| Final Submission of payment information to ED | September 29, 2014. |

\*SWC must have the verification documents and a valid output document no later than120 days after the last day of enrollment or September 29, 2014, whichever comes earlier.

# Section II: Workflow

### TK Report

On a weekly basis, SWC downloads ISIRs.  Those selected for verification will be identified by CPS, with a flag.  CPS will also identify which of the five verification groups the student is assigned.

Once the ISIR download process is complete, SWC will send a Tracking (TK) e-mail listing the required information the student needs to submit to complete the financial aid process.  When the required

documents are received, SWC staff assigns a "File Complete Date" and codes the requested documents as "Received" or "Waived."  This process ensures that the record appears on the TK Report.

The TK Report is an internal report that lists all of the records pending review.  On a daily basis, financial aid staff will take portions of the TK report to process.  Once the file is reviewed, it is either *awarded*, sent out for *corrections*, or coded as an *Incoming*, pending additional information from the student (or parent(s), if dependent).

### *Corrections*
If while reviewing the selected file (*TK or Incoming*) any discrepancy is found between the information provided on the FAFSA and the documents submitted, corrections will be made to the file.  The file will be sent back with the corrected information to CPS.  The student will receive a revised SAR from CPS indicating the changes made.  Once the corrections are accepted by CPS, it will send a new ISIR to SWC.

SWC will upload corrected ISIRs on weekly bases.  All corrections will be reviewed by staff in a timely matter.

### *Incomings*
If ,while reviewing a file, financial aid staff finds any incomplete and/or conflicting information, the file will be selected for verification.  All files selected for verification by SWC will be treated as V1: Standard Verification Group.  The staff member will assign the required documents and generate the document request email.[1]   When the requested documents are received, the file will be coded as an *Incoming*, pending review (through the Image Now system).  One a daily basis, financial aid staff will take portions of the system-based Incoming report to process.

Depending on the information received, the file may be awarded or sent out for corrections.


# Section III: Verification Procedures

### *Selection of Applicants to be Verified*
A percentage of SWC's financial aid student population is selected for verification by the Department of Education (DOE).  Using a data-based statistical analysis, the DOE selects applicants with the highest probability of error on their Free Application for Federal Student Aid (FAFSA).  The DOE's Central Processing System (CPS) sets a verification flag on the students' Institutional Student Information Records (ISIR) that indicates they are selected for verification.  CPS also includes a flag that indicates which of the five Verification Tracking Groups the applicant was assigned.  The individual verification items an applicant is required to verify is dependent on the assigned verification group (and will be discussed at a later section).

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[1] Additional requested forms can include 2013-14 Proof of Dependents, Clarification of Low Income, and Asset Information Worksheet.

At their discretion, SWC's financial aid staff may also select students for the verification process.[2] Additionally, any student who submits a 2013-14 Student or Parent Request for Income Change Review will automatically be selected for verification.[3]

SWC must verify any ISIR selected for verification by the DOE; and any internally selected ISIR, including those due to a Request for Income Change Review.

*Notification of Verification Requirements*

In order to complete the verification process, students will be notified via e-mail, "F13TRK1: Document Request," of the documents which they need to submit. The "F13TRK1" lists the required verification documents, any other actions required to complete verification, and other items specifically required by the Financial Aid Office. These emails are generated weekly.

Students can also view the required document via SWC's WebAdvisor, under the Financial Aid Section, My Documents.

Students who fail to submit the required documents will automatically be sent a 30 day reminder, and then a 60 day reminder. Failure to submit the requested information before the deadlines will result in the applicant not being processed and awarded.

*Verification Tracking Groups*

Students who are selected for verification by CPS will be placed in one of the following five verification groups and must verify the items assigned to their group:

1. V1: Standard Verification Group
   - Adjusted gross income
   - U.S. income tax paid
   - Income earned from work
   - Untaxed portions of IRA distributions
   - Untaxed portions of pensions
   - IRA deductions and payments
   - Tax-exempt interest income
   - Education credits
   - Household size
   - Number in college
   - Supplement Nutrition Assistance Program (SNAP) benefits[4]

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[2] Financial aid applicants who are selected for verification by SWC financial aid staff are assigned to Verification Group VI: Standard Verification Group.

[3] Students who submit a 2013-2014 Student/Parent Request for Income Change Review are assigned to Verification Group VI: Standard Verification Group.

[4] SNAP benefits are commonly referred to as food stamps.

- Child support paid

2. SNAP Verification Group
   - Receipt of SNAP benefits received sometime during 2011 or 2012

3. Child Support Paid Verification Group
   - Must verify child support paid by them, their spouse, their parents, or both
   - Name of the person who paid the child support
   - Name of the person to whom the child support was paid
   - Name of the child for whom the support was paid
   - Amount of child support paid in 2012

4. Custom Verification Group
   - Must verify high school completion status
   - Identity/statement of educational purpose
   - Receipt of SNAP benefits during 2011 or 2012
   - Child support paid in 2012

5. Aggregate Verification Group
   - Must verify high school completion state
   - Identity statement of educational purpose
   - All items in the V1: Standard Verification Group

Students selected for verification by SWC will be placed in V1: Standard Verification Group.

***Acceptable Documentation for Verification Tracking Groups***
All selected students are required to complete either the 2013-2014 Independent or Dependent Verification Worksheet, depending on their dependency status. Selected students are only to complete the sections relevant to their assigned groups.

*Household Size and Number in College*
Household size and number in college can be verified by properly completing the Verification Worksheets. If SWC doubts the information provided, staff may request a 2013-2014 Proof of Dependent Form for each dependent listed. SWC may also request proof of enrollment for those listed in number in college. If those listed in number in college attend SWC, SWC staff will verify their enrollment status.[5]

*Tax-Filing Students and Parents, if dependent*

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[5] If those listed in the number in college attend SWC and are not enrolled in at least half-time status at the end of Spring 2014 census, they will be not be counted as attending college.

Selected, tax-filing students (and parents, if dependent), in verification groups I and V, are encouraged to use the IRS Data Retrieval Tool (DRT) to import the data from their tax return and not change it. Those unable to use the IRS DRT are required to submit an IRS tax return transcript. It is suggested, but not required, for the transcript to be signed.

Exemptions include those who filed a foreign tax return, an amended tax return (1040X), or those victims of identity theft. Those filed a foreign tax return are required to submit a signed copy along with the conversions in U.S. dollars. Those who filed an amended tax return are required to submit the IRS tax return transcript along with the 1040X. For a tax filer who is a victim of identity theft, SWC will accept a copy of the signed tax return filed, as well as IRS Form 14039: Identity Theft Affidavit.

For married students and dependent student's parents who are married, W-2s are required.

*Non-Tax Filers*
W-2s will also be collected for those who did not file taxes but had earned income. SWC will further ask the student and parent(s), if dependent, to list all sources of income earned from work not on a W-2 and verify that the student or parent was not required to file a tax return.

*Child Support Paid*
Child support paid can be verified by properly completing Section D: Child Support Paid of the Verification Worksheets. If SWC believes the information provided is inaccurate, the student or parent will have to provide additional information; such as, a copy of the separation agreement or divorce decree that shows the amount of child support to be provided, copies of the child support checks or money order receipts, or a statement from the person receiving the child support.

*SNAP Benefits (Food Stamps)*
Food stamps can also be verified by properly completing Section E: Receipt of SNAP Benefits for the Verification Worksheets. However, if SWC finds conflicting information between the ISIR and the Verification Worksheet, documentation from the agency that issued the SNAP benefits in 2011 or 2012 will be required.

To verify Identity and Statement of Educational Purpose, the student must appear in person at SWC and present a valid, government-issued photo ID[6]. SWC will maintain a copy of that ID and complete Section G: Government Issued Photo ID of the Verification Worksheets. Students must also complete Section F: Statement of Educational Purpose of the Verification Worksheets. Students who are unable to appear in person must submit a copy of their ID with the statement signed by a notary public confirming that the student appeared before them and presented the ID confirming the student's identity.

*High School Completion*

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[6] Government-issued IDs include passport, driver's license, or other state-issued ID.

To verify high school completion, students must prove one of the following documents that indicate their high school completion status at the beginning of the 2013-20104 academic year:

- A copy of their high school diploma.
- A copy of a final, official high school transcript that shows the date when the diploma was awarded.
- A copy of a General Educational Development (GED) certificate or GED transcript.
- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree.
- If State law requires a homeschooled student to obtain a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent), a copy of that credential.
- If State law does not require a homeschooled student to obtain a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent), a transcript or the equivalent, signed by the student's parent or guardian, that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.

Students who do not have a High School Diploma or recognized equivalent (such as a GED), and who first enrolled in a program of study on or after July 1, 2012, will not be eligible to receive Tittle IV student aid.  Students could qualify for Title IV student aid under one of the Ability to Benefit (ATB) alternatives, if the student completed those ATB alternatives and was enrolled in a Title IV eligible program prior to July 1, 2012.  Those alternatives include the student passing an independently administered, approved ATB test or successfully completing at least six units of transferable work prior to that date.

### Conflicting Information
According to federal law, SWC is required to resolve all conflicting information (regardless of whether the student is selected for verification or not).  Should SWC believe the application information is incorrect, SWC staff must resolve the discrepancies before disbursing financial aid funds.  If SWC discovers the discrepancies after disbursing financial aid funds, SWC is still required to resolve the conflicting information and take the appropriate action(s) under specific program requirements (such as holding any further disbursements).

*Subsequent ISIRs*
SWC will review all subsequent ISIRs for students during the entire processing year, even if the file has already been verified.  SWC staff reviewing subsequent ISIRs will look for any changes in EFC or "C" flags or any new NSLDS comments.  If there is no change to the EFC, "C" flags, or new comments, generally no further action is required.  However, should there be a change, SWC staff will review the file again and take the appropriate actions to complete the file again.

*Discrepant Tax Data*

SWC staff are not required to be tax experts, but must know basic tax law information. SWC staff are obligated to know: (1) whether a student and/or parent(s) were required to file a tax return, (2) what the correct filing status for the student and/or parent(s) should be, and (3) that an individual cannot be claimed as an exemption by more than one person.[7] SWC staff will also refer to the IRS's Publication 17: Your Federal Income Tax.

# Section IV: C Codes/Data Based Matches

When students submit their FAFSAs, CPS will run checks against various agencies to ensure the information provided on the FAFSA is correct. They run checks against the Social Security Administration, Selective Service, Department of Homeland Security (DHS), the National Student Loan Data System (NSLDS), Department of Defense (DOD), Department of Justice (DOJ), and Veterans Affairs.

Using the Department of Education's SAR Comment Codes and Text, 2013-2014, http://ifap.ed.gov/sarcommcodestxt/attachments/1314SARCommCodesTextFeb2013.pdf, SWC will review the c-code and/or reject and take the appropriate action needed to clear it. SWC will not award any applicant financial aid until the reject or c-code is resolved.

***Unusual Enrollment History C Code***
The Unusual Enrollment History Flag (UEH Flag) indicates whether the student has an unusual enrollment history with regard to the receipt of Federal Pell Grant funds. It is intended to address any possible fraud and abuse in the Title IV student aid Programs.

SWC will take the following steps to resolve an ISIR coded with an UEH Flag:

- UEH Flag value "N" – No action is necessary by SWC; the student's enrollment pattern does not appear unusual.
- UEH Flag Value "2" – SWC will review the student's enrollment and financial aid records to determine if, during the three award year review periods, the student received Pell grant at SWC.
  - If so, no further action is required, unless SWC has reason to believe that the student is one who remains enrolled long enough to get the funds. In such cases, SWC will treat it as a UEH Flag "3"
- UEH Flag Value "3" – SWC will review the student's academic records to determine if the student received academic credit at institutions the student attended during the three award year period. Using NSLDS, SWC will identify the institutions where the student received Pell Grant funds over the past three years. Academic transcripts for the time at those schools must be reviewed to determine if the student received any academic credit (units/credit completed)

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at each one of the schools.  If yes, SWC will take no further action, unless SWC has other reasons to suspect the enrollment history.

If the student failed to earn academic credit at one or more of the institutions attended, SWC must obtain additional information from the student explaining why the student failed to earn academic credit.  SWC will then determine the documentation submitted (1) supports the reasons given by the student for the failure to earn academic credit; and (2) that the student did not enroll only to receive financial aid funds.  SWC recommends third party documentation to the extent possible, as there may be valid personal or academic reasons.

The student will also be sent a 2013-2014 Unusual Enrollment History Appeal directing the student of the necessary step and documentation needed.

If SWC approves and finds the documentation to be satisfactory, the student's eligibility will be continued.

If the student did not earn academic program at one or more of the institutions and fails to provide, to satisfaction, an acceptable explanation and documentation for each of those failures, SWC will deny the student of any additional Title IV funds.  The student will then be provided an opportunity to appeal the decision.  These appeals will be consistent with SAP Appeals or professional judgment decisions.

If SWC denies a student continued eligibility of Title IV programs, it will provide the student with information as to how to regain eligibility.