

Verification Policy and Procedures

Purpose

Because students and parents sometimes make mistakes while completing the Free Application for Federal Student Aid (FAFSA), the Central Processing System (CPS) using selection algorithm randomly selects which FAFSA information to be verified by the institution. Applications selected by the CPS must be verified by the institution before disbursing the applicable Title IV funds.

Scope

The institution is required to verify all the CPS selected FAFSA information for which eligibility is determined based on an applicant's Expected Family Contribution (EFC). These programs include the Federal Pell grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), and the Direct Subsidized Student Loan program.

Compliance

To be in compliance with 34 CFR 668.53 (verification policies and procedures), the following elements of the verification policy and procedures are adopted.

Selection of an applicant's FAFSA information for verification

1. Fine Mortuary College (FMC) will perform the verification requirements on all the students FAFSA information selected by the CPS.
2. FMC will notify students selected for verification by the CPS by e-mail. The e-mail will list the required documents needed to complete the verification.
3. Deadline for the submission of the requested documents to the Financial Aid Office will be no later than 30 days after notification by the College.

Information to be verified

For each award year, the Secretary, U.S. Department of Education publishes in the federal register a notice of the FAFSA information that an institution may be required to verify.

No Title IV funds will be disbursed until verification is satisfactorily completed.

The following information will be verified for the selected verification tracking groups:

1. V1 = Standard Verification group. If 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

Students who are not Tax filers must verify the following:

- Income earned from work
- Household size
- Number in college

2. V4 = Custom Verification Group:

Students must verify High School Completion Status and Identity/Statement of Educational Purpose.

3. V5 = Aggregate Verification Group

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
- Students must verify High School Completion Status and Identity/Statement of Educational Purpose

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- Income earned from work
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- Students must verify High School Completion Status and Identity/Statement of Educational Purpose

Acceptable documentation for verification

1. Income tax return information for the applicable tax year
 - IRS Data Retrieval Tool (DRT): Importation of the IRS data via the DRT is the best way to document the Adjusted Gross Income, Tax paid and other tax data.
 - Tax transcript: Students and parents can request a tax transcript from the IRS.
 - Paper tax return: Flexibility has been given to schools to accept a signed paper copy of the tax returned filed with the IRS.
 - Amended tax return: A signed copy of the IRS Form1040x that was filed with the IRS in addition to one of the following:
 1. IRS DRT information on the ISIR.
 2. A transcript obtained from the IRS that lists the tax account information of the tax filer(s); or
 3. A signed copy of the IRS Form 1040 that was filed with the IRS.

Verification of nontax filing

Students and parents who did not file a tax return for the applicable tax year will be required to provide Verification of Nonfiling (VNF) statement from the IRS. If unable to obtain the VNF from the IRS, and based on FMC's determination that the student's and family's good-faith effort to obtain the VNF was unsuccessful, FMC may accept the following documents:

1. A signed statement certifying attempt to obtain the VNF from the IRS without success.
2. Has not filed and was not required to file a tax return for the applicable tax year.
3. A copy of IRS Form W-2, or an equivalent document for each source of employment listing the year-to-date income received by the individual.

Identity theft verification

Victims of identity theft will be required to obtain a copy of the Tax Return Database View (TRDBV) transcript from the IRS. However, if the TRDBV transcript cannot be obtained, FMC may accept a signed paper tax return plus a signed statement from the individual that they were victim of IRS tax related identity theft, and that the IRS have been made aware.

Correcting Errors

All ISIRS flagged for verification by the CPS will be reviewed by the Financial Aid Office, and if necessary, any errors found during the process of verification will be corrected and the resulting data will be transmitted to the CPS for correction with the following actions to follow:

1. Corrected ISIRS will be imported from the CPS.
2. Student award will be re-evaluated if there was a change in the student's EFC.

3. Student will be notified of the change that was made.

Deadline for submitting requested verification documents and consequence for non-submission

Requested verification documents must be submitted to the Financial Aid Office no later than 30 days after notification by the College. If a student fails to provide the requested documents by the published deadline date, the College will not award any Title IV, HEA program fund for which eligibility is determined based on an applicant's EFC.

Updating Information

If an applicant's dependency status changes at any time during the award year, the applicant must update his or her FAFSA information, except when the update is due to a change in his or her marital status.

Verification and Professional Judgment

For students selected for verification by the CPS, the verification process must first be completed before a professional judgement request will be processed to adjust any values that are used to calculate the Expected Family Contribution.

Reporting Results for Tracking Groups V4 and V5

FMC will report results no more than 60 days following verification results of the identity and high school completion status for any student for whom an ISIR tracking flag V4 or V5 was selected by the CPS. The template provided by the FAA Access website will be utilized to report the verification results.

Using a Joint Tax Return to Figure Individual AGI and US Tax Paid

If the filer of a joint return has become widowed, divorced, or separated since filing the return, it may be necessary to determine the individual's income taxes paid using the joint return and W-2 forms. If a W-2 is not available (the filer is self-employed for example) or if a duplicate copy from the employer who issued the original W-2 is not available in a timely manner, FMC may permit the filer to provide a signed written statement that certifies the base year AGI, and taxes paid. If the tax filer has divorced and remarried, the new spouse's income and assets would also need to be included in the calculation.

Add the income amounts from the individual's W-2 forms to any other income that can be extracted from the joint return. Any interest or business income earned on joint accounts or investments should be assessed at 50%. The same procedure should be used to divide business or farm losses. Also, if the AGI listed on the joint return was adjusted, you should reduce the individual's AGI by the portion of the adjustment that applies solely to him or her. An AGI figure can be calculated for the individual filer. A

signed statement from the filer certifying that the data from the joint return were accurately assessed is sufficient documentation for this method.

Use one of the following methods to figure the individual's taxes paid:

- Tax table (preferred method). Using the IRS Tax Table or Tax Rate Schedule for the appropriate year, calculate the amount of tax that would have been paid if a separate return had been filed. Use the deductions the individual could have claimed if he or she had filed a separate return. (If itemized deductions were taken, count only the portion of those deductions that could have been claimed on a separate tax return.)
- Proportional distribution. Determine what percentage of the joint AGI was attributable to the individual, and then assess the joint taxes paid by that same percentage.

Verification Exclusion

- Death of the student: Verification will cease upon notification of the passing of the student.
- Student not an aid recipient.
- Student only eligible for unsubsidized or PLUS loans. However, if student is selected in Group V4 or V5, verification must be completed.
- Post Enrollment: Student was selected after ceasing to be a student at FMC.

Referral of Fraud Cases

After conducting the review of the FAFSA information provided by the student, any credible information indicating that a financial aid applicant or a third party may have engaged in a fraudulent or other criminal misconduct with the FAFSA will be referred to the Office of the Inspector General (OIG), U.S. Department of Education.

Examples of information that may be referred to the OIG include the following:

1. False claim of independence status
2. False claim of citizenship
3. Use of false identity
4. Forgery of signatures or certification
5. False statement of income

Policy updated: May 28, 2021