



The University of Mississippi

Office of Financial Aid

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Policy Name: 3.5 Verification

Purpose: This document contains the Office of Financial Aid's current policies and procedures for Verification.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements. All policies and procedures below are in accordance with the [Federal Student Aid Handbook](#).

Policy Contents:

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Definitions and Terms:

- AGI – Adjusted Gross Income
- DOE – Department of Education
- EFC – Expected Family Contribution
- FAFSA – Free Application for Federal Student Aid
- FERPA – Family Educational Rights and Privacy Act
- IRA – Individual Retirement Account
- IRS – Internal Revenue Service
- IRS-DRT – IRS Data Retrieval Tool
- ISIR – Institutional Student Information Report
- OFA – Office of Financial Aid
- PJ – Professional Judgment
- PPY – Prior-Prior Year (refers to tax information required on FAFSA)
- SAR – Student Aid Report (a processed FAFSA)
- SEOG – Supplemental Educational Opportunity Grant

Verification is an important process created by the DOE that confirms the accuracy of information submitted on the FAFSA, and requires correction of any inaccurate information. Through collecting and reviewing additional documentation, verification ensures fair and accurate distribution of federal funds during the financial aid awarding process. Additionally, the OFA may institutionally select a student's FAFSA for verification where further clarification is needed, or to resolve conflicting data.

After completing the FAFSA, students will be notified by the DOE if they are selected for verification. An asterisk (*) appearing next to the EFC number on the SAR indicates that the student has been selected for verification. Additionally, a paragraph within the SAR explains that the student has been selected.

Students selected for verification also receive regular email notifications from the OFA. A customized verification worksheet (specific to each student showing student ID number and based on verification selection) is available to students via the award notification in MyOleMiss.

The OFA will compare information from the student's FAFSA with other required documentation (including but not limited to the verification worksheet and tax documentation) and make any FAFSA changes on the student's behalf as necessary. Student/parents SHOULD NOT make any changes to the FAFSA during verification as it will further delay processing.

Beginning with the 2017-18 FAFSA processing year, and for all processing years thereafter, "prior-prior-year" (PPY) tax and income information is required on the FAFSA application and to complete the verification process. The chart below indicates what year's tax information is needed for the respective academic year FAFSA application and to complete verification for that year:

FAFSA Application for Academic Year	Required Tax/Income Information
2019-20	2017
2020-21	2018

Correspondence:

Please note that all correspondence from the OFA will be carried out through email. Therefore, the student is responsible for checking his or her Ole Miss email account regularly. If the student does not use their Ole Miss account, it is recommended that he or she forward it to an active email account.

Part 3.5.1**Institutional Verification Selection Criteria**

In addition to individual decisions about selecting students for institutional verification, the automated load of new SARs into the OFA's system is programmed to require institutional verification if the following criteria apply:

- The student is listed as a Dependent,
- The student is eligible to receive a Federal Pell grant,
- Parent reported total income of \$0.00,
- The student has not been selected by the federal processor verification.

Part 3.5.2**Items to be Verified**

The OFA reserves the right to require a student to verify any FAFSA information and to provide any reasonable documentation relevant to the student's eligibility for Title IV aid. The OFA verifies all items as mandated by the DOE. The verification tracking groups are listed below.

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	<u>Tax Filers</u> Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions IRA Distributions Untaxed Portions of Pensions IRA Deductions and Payments Tax Exempt Interest Income Education Tax Credits <u>Nontax Filers</u> Income Earned from Work <u>Tax Filers and Nontax Filers</u> Number of Household Members Number in College
V4	Custom Verification Group	High School Completion Status Identity/Statement of Educational Purpose

V5	Aggregate Verification Group	<p><u>Tax Filers</u></p> <p>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 Tax Credits</p> <p><u>Nontax Filers</u></p> <p>Income earned from work</p> <p><u>Tax Filers and Nontax Filers</u></p> <p>Number of Household Members Number in College High School Completion Status Identity/Statement of Educational Purpose</p>
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Part 3.5.3

Acceptable and Alternative Documentation

The DOE provides guidance and regulations regarding acceptable and/or alternative documentation used to verify the information outlined in the previous table ([c.f., Federal Register, Vol. 84, No. 101, Electronic Announcement of May 24, 2019](#)).

When verifying tax and income information, the OFA will complete verification using the alternative documentation for certain circumstances as listed below:

For students/parents who are separated, divorced, widowed, or re-married to someone else since filing a joint tax return:

In this situation, it may not be possible to use the IRS Data Retrieval Tool. Therefore, to complete verification, students/parents must submit ALL the following documentation:

- A Tax Return Transcript or Record of Account Transcript obtained from the IRS for the applicable tax year listing the income and tax information required to be verified, and if re-married, the step-parent's (for dependent students), or spouse's (for independent married students) transcript; and
- **For Dependent students:** W-2 forms/applicable tax schedules (C, F, K-1 form 1065) for each source of employment income for the applicable tax year for the parent reported on the FAFSA, and if the parent is now re-married, W-2 forms/applicable tax schedules (C, F, K-1 form 1065) for the step-parent. **For Independent students who are re-married:** W-2 forms/applicable tax schedules (C, F, K-1 form 1065) for each source of employment income for the applicable tax year for the student and their spouse.

For student/parent tax filers granted a filing extension by the IRS:

Tax-filers who have been granted the automatic six-month extension for filing their return (i.e., until mid-October) must complete verification either by using the IRS Data Retrieval Tool or submitting the IRS Tax Return Transcript(s) to the OFA. Only student/parent tax-filers granted a tax-filing extension beyond the automatic six-month extension by the IRS may complete verification by submitting ALL the following documentation:

- A copy of IRS Form 4868*, “Application for Automatic Extension of Time to File U.S. Individual Income Tax Return,” that the individual filed with the IRS for the applicable tax year;
- If applicable, a copy of the IRS’s approval of an extension beyond the automatic six-month extension if the individual requested an additional extension of the filing time for the applicable tax year;
- The “Verification of Non-Filing Letter” obtained from the IRS or other relevant taxing authority dated on or after October 1;
- A copy of IRS Form W-2 forms, and/or applicable tax schedules (C, F, K-1 form 1065) for each source of earned income received for the applicable tax year; and
- If self-employed, a signed statement certifying the amount of AGI and U.S. income tax paid for the applicable tax year.

The OFA requests that individuals granted filing extensions submit tax information using the IRS-DRT or by obtaining a tax return transcript from the IRS after the income tax return for the applicable tax year is filed and fully processed by the IRS. In these cases, the OFA re-verifies the FAFSA information.

***NOTE:** For tax-filers who requested an extension beyond the automatic six-month extension, and were called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, in lieu of IRS Form 4868, tax-filers must submit a written, signed statement certifying the tax-filer has not filed an income tax return for the applicable tax year, or a request for a tax-filing extension because of that military service.

For student/parent tax filers who file (or will file) an amended tax return:

- A signed copy of IRS form 1040X “Amended U.S. Individual Income Tax Return” for the applicable tax year, AND
- The IRS tax return transcript (which does not have to be signed), or any other IRS tax transcript that includes the applicable tax year information required to be verified, AND
- All W-2 forms and applicable tax schedules (C, F, K-1 form 1065) for the applicable tax year.

For student/parent tax filers who are victims of identity theft as related to tax-filing purposes:

- A Tax Return Database View (TRDBV) transcript obtained from the IRS; AND
- A statement signed and dated by the tax filer indicating that the tax filer was a victim of IRS tax-related identity theft and the IRS was made aware of the tax related identity theft.

NOTE: To inform the IRS of the tax-related identity theft and obtain a TRDBV transcript, student/parent tax filers must contact the IRS Identity Protection Specialized Unit (IPSU) at 1-800-908-4490. Upon authentication of the tax filer's identity, the IPSU will provide tax filer a TRDBV for the applicable tax year. Tax filers who cannot obtain a TRDBV transcript may instead submit another official IRS transcript or equivalent document provided by the IRS if it includes all income and tax information required to be verified. OFA reserves the right to request further validation from the IRS (e.g., signature, validation stamp, etc.) if deemed necessary.

For non-tax filers:

Student/parent non-tax filers must submit W-2 form(s), IRS 1099-MISC form(s), and/or applicable tax schedules (C, F, K-1 form 1065) for each source of earned income (for independent married students, also the spouse's W-2 forms, 1099-MISC forms, and/or applicable tax schedules). For any source of income not documented by W-2 forms or other tax documents, the OFA requires inclusion of amount(s) and source(s) of earned income on the verification worksheet, or a separate signed statement, which verifies amounts the sources of income earned from work not on W-2s and certifies that the person has not filed and is not required to file a tax return. In some cases, the OFA requires a student or parent to submit a statement of financial support documenting household expenses, the amounts and sources of income, and any other pertinent information documenting financial support of the household (usually requested using a Statement of Financial Support form as developed by OFA).

In addition to the forms or tax schedules listed above, the following is required:

- For non-tax filing parents of dependent students, the Verification of Non-Filing Letter obtained from the IRS, dated on or after October 1, 2018 (for 2019-20 verification), or October 1, 2019 (for 2020-21 verification).
- For non-tax filing independent students, the Verification of Non-Filing Letter obtained from the IRS, dated on or after October 1, 2018 (for 2019-20 verification), or October 1, 2019 (for 2020-21 verification), and if the student is married, the same for the spouse, if the spouse did not or was not required to file a tax return.

In some cases, if there is reason to believe that a person would have been required to file a U.S. tax return, the OFA may request that the non-tax filer submit the IRS "Verification of Non-Filing Letter" (NOTE: verification of non-filing is not an indication that the person is not required to file a tax return, just that the tax filer did not file one. Also, the

OFA will not accept confirmation of non-filing status for an upcoming aid year if the documentation is dated prior to October 1).

For persons who did not, but are required to file a tax return:

In some cases, when the OFA suspects the student/parent must file a tax return, the OFA will not complete verification until a return is filed and fully processed by the IRS (so that the student/parent could use the IRS-DRT, or request an IRS tax return transcript). The OFA makes this determination by using the IRS calculator [“Do I Need to File a Tax Return?”](#)

For residents of the Freely Associated States:

Residents of the Freely Associated States (the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia, a U.S. territory or commonwealth or a foreign government), who have not or are not required to file a tax return, under IRS or other relevant tax authority rules, must provide the following:

- A signed statement certifying that the individual has not and was not required to file an income tax return for the applicable tax year; and
- Documentation of sources of income earned from work for the applicable tax year and the amount of income for each source; and
- W-2 forms for each source of employment or equivalent documentation for the applicable tax year; and
- *except* for dependent students, confirmation of non-filing from the IRS (i.e., “Verification of Non-Filing Letter”) or other relevant tax authority dated on or after October 1, 2018 (for 2019-2020 verification), or October 1, 2019 (for 2020-21 verification).

For persons filing foreign tax returns:

Persons from a foreign country who are not required to file a U.S. tax return but filed a foreign tax return are required to submit the foreign tax return with translated information and income information converted to U.S. dollars of the information that corresponds most closely with the income information reported on a U.S. tax return that are the items required to be verified.

Beginning with the 2018–19 FAFSA, transferred tax/income data as a result of using the IRS Data Retrieval Tool will not display to the applicant or parent (nor can corrections be made after the transfer on that FAFSA or any subsequent FAFSA). Certain indicators on the FAFSA (Comment Codes 400 for parent information, and 401 for student information) are assigned if there is potential erroneous information for the student or parent.

The information below lists certain circumstances that indicate erroneous student or parent information on the FAFSA:

For Dependent Students and Independent Students

- Student is a tax filer (FAFSA Question 32) and the AGI retrieved from the IRS is zero, but the total income earned from work (FAFSA Questions 39 and 40) is greater than zero.
- The total of the Additional Financial Information fields reported on the FAFSA form (FAFSA Questions 44a-f) is greater than the AGI transferred from the IRS.
- Any item from the FAFSA list of Untaxed Income (FAFSA Questions 45a-j) is equal to or exceeds the AGI transferred from the IRS.

For Parents of Dependent Students

- Parent is a tax filer (FAFSA Question 80) and the AGI retrieved from the IRS is zero, but the total income earned from work (FAFSA Questions 88 and 89) is greater than zero.
- The total of the Additional Financial Information fields reported on the FAFSA form (FAFSA Questions 93a-f) is greater than the AGI transferred from the IRS.
- Any item from the FAFSA list of Untaxed Income (FAFSA Questions 94a-i) is equal to or exceeds the AGI transferred from the IRS.

When there is erroneous student or parent information on the FAFSA (based on the assigning of Comment Codes 400 or 401), the OFA must review the relevant data items for all possible conditions noted above to ensure correct information is used to determine the applicant's Title IV eligibility. In many instances, this review may require contacting the student or parent and obtaining documentation to support the accuracy of the information. The OFA must submit appropriate FAFSA corrections to correct any information, and if necessary, adjust student awarding if eligibility changes.

Changes made to the FAFSA that make student/parent ineligible to use the IRS-DRT:

If the student or parent was eligible to use the IRS DRT and transferred data from the IRS, but after submission of the FAFSA, a subsequent change made the applicant or parent ineligible to use the IRS DRT, the OFA must contact the applicant or parent, as applicable, to determine if the income tax return information that was transferred into the FAFSA form is correct given the changes the applicant or parent made to IRS DRT eligibility criteria, and make any necessary changes to the applicant's FAFSA as needed, and if necessary, adjust student awarding if eligibility changes.

Successful use of the IRS-DRT but the tax-filer had an amended tax return:

In some cases, the student or parent links to the IRS and successfully uses the IRS Data Retrieval Tool, but after doing so, the IRS determines that the tax filer has an amended return on file for the relevant tax year (2018 for the 2020-21 FAFSA). The income and tax information that is transferred to the FAFSA from the IRS will be from the originally filed tax return and will not include changes that were made on the amended tax return (IRS Form 1040X).

When this occurs, the OFA must contact the applicant or parent, as applicable, and make any necessary changes to the FAFSA, regardless of whether the FAFSA was required to be verified, and if necessary, adjust student awarding if eligibility changes.

The deadline for verification (as determined by the DOE) is usually September 29th or 120 days after the student's last date of enrollment, whichever date is earlier.

The OFA may choose not to verify an applicant's FAFSA data in certain cases. However, these exemptions do not excuse the OFA from its requirement to resolve conflicting information.

The OFA *will not* verify an applicant's FAFSA data if:

- The applicant dies;
- The applicant does not receive assistance under the Title IV, HEA programs for eligibility reasons other than failure to verify FAFSA information;

The OFA *will* verify an applicant's FAFSA data if:

- The applicant is eligible to receive only unsubsidized student financial assistance; OR
- The applicant transfers to The University of Mississippi, even if verification has been performed at the prior institution.

Unless the OFA has reason to believe that the information reported by a dependent student is incorrect, it need not verify the applicant's parents' FAFSA information if:

- The parents are residing in a country other than the United States and cannot be contacted by normal means of communication;
- The parents cannot be located because their contact information is unknown and cannot be obtained by the applicant; or
- Both of the applicant's parents are mentally incapacitated.

Unless the Office of Financial Aid has reason to believe that the information reported by an independent student is incorrect, it need not verify the applicant's spouse's information if:

- The spouse is deceased;
- The spouse is mentally incapacitated;
- The spouse is residing in a country other than the United States and cannot be contacted by normal means of communication; or
- The spouse cannot be located because his or her contact information is unknown and cannot be obtained by the applicant.

Part 3.5.8

Process for Updating Information

The OFA completes the verification process in four steps:

1. Collection of acceptable documentation.
2. Review of collected documentation.
3. Request for additional documentation/information, corrections to FAFSA or corrections to student/parent tax documents as needed.
4. Verification corrections made, as needed, to the student's FAFSA once the review process is completed.

Part 3.5.9**Consequences for FAFSA Data Changes**

Changes in an applicant's FAFSA may result in:

- A change in the student's eligibility or ineligibility for federal, state, or institutional need-based aid
- Paybacks on any federal financial aid already awarded

If an adjustment must be made to a student's packaging due to a change in the student's FAFSA info (made by the OFA, the student, parent, or another institution) – the OFA will notify the student if those changes are justified.

Part 3.5.10**Interim Disbursements**

Federal regulations allow for financial aid offices to release one disbursement of Pell and/or SEOG prior to the completion of verification (or after verification, but before receiving the corrected FAFSA from the central processor.) However, the OFA does not currently allow for interim disbursements.

Part 3.5.11**Conflicting Data**

If any verified FAFSA data is changed after verification by the student/parent or another institution and conflicts with the FAFSA data that has already been verified by the OFA, the OFA will:

- Return all verified data to the values confirmed after the OFA's previous verification process, and;
- Make needed adjustments to the student's financial aid awards

The OFA may resolve conflicting FAFSA data by contacting the student and/or parents directly, or through the PJ process.

Part 3.5.12**Process for Handling Overpayment Cases**

In the case of overpayment of federal funds to a student's bursar account, the OFA will:

- Reimburse the DOE for the overpayment amount.
- Charge the student's bursar account for the equivalent overpayment amount.

Through July 1st, all incoming freshmen who are flagged for verification will be mailed paper letters to their permanent mailing address which contain detailed information on the process and how to complete it for the upcoming year. Thereafter, they will receive email prompts to their Ole Miss email address. Continuing undergraduate students and all graduate/professional students will be notified via email.

During the Verification Process

During the verification process, students will be notified by the OFA by email and/or phone when additional documentation or information is needed.

Students selected for the verification process will receive emails with information explaining the student's current status and required actions.

When the verification process is complete and financial aid has been awarded, the student will be notified. Incoming freshmen will receive an initial paper notification. Continuing undergraduate students and graduate/professional students will receive notification via email.

Based on FERPA regulations, and when the student signs the FAFSA and verification worksheet, the student gives permission to the OFA to disclose or discuss FAFSA information with any reporting parent or spouse listed on the FAFSA when necessary.

After conducting the review of an applicant's FAFSA information, any credible information indicating that an applicant for Title IV assistance engaged in fraud or other criminal misconduct in connection with his/her application will be reviewed for referral to the DOE Office of Inspector General.

Examples of cases that the OFA may refer to the DOE include but are not limited to:

- False claims of independent student status
- False claims of citizenship
- Use of false identities
- Forgery of signatures or certifications
- False statements of income