


**Verification  
2020-2021**

Virginia W Hagins, US Department of Education  
2019 WFAA Annual Conference  
October 23, 2019  
<https://cvent.me/yRGvom>

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**Dear Colleague Letter GEN 19-02**

- Provides information that supplements the 2020–2021 award year verification information provided in the *Federal Register* notice published on May 24, 2019
- 2020–2021 Verification Tracking Groups are unchanged from the 2019–2020 award year
- There *are* changes to the acceptable documentation requirement for 2020–2021

<https://ifap.ed.gov/dpccletters/GEN1902.htm>

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**2020-2021  
Verification  
Tracking Groups**



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**2020-2021 Verification Tracking Groups**

- V1 – Standard Verification Group
- V2 – *Reserved*
- V3 – *Reserved*
- V4 – Custom Verification Group
- V5 – Aggregate Verification Group
- V6 – *Reserved*

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**V1 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

**Documentation:**

- IRS DRT;
- IRS tax transcript(s);
- Signed copy of paper tax return;
- Alternative documentation where allowed or required (e.g. amended returns, foreign returns, etc.)

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**V1 Group: Tax Non-Filers**

*Income earned from work*

1. Signed statement certifying the following:
  - Individual has not filed and is not required to file a 2018 tax return;
  - Sources of income earned from work and amounts of income from each source for tax year 2018; *and*
2. Copy of IRS Form W-2 (or Wage and Income Transcript) for each source of employment income received for tax year 2018, *and*
3. Verification of non-filing from the IRS (not required for dependent students)
  - If IRS verification of non-filing cannot be obtained, a signed statement per the instructions of January 9, 2019 Electronic Announcement
  - *Some required information may already be reflected in item #1*

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**V1 Group: All Applicants**

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*Number in Household & Number in College*

**Documentation:**

- *Household size* – signed statement (name, age, relationship)
  - Not required for certain logical assumptions:
    - Dependent student household size reported is 2 and parent is unmarried or 3 if the parents are married or unmarried and living together
    - Independent student household reported is one and applicant is unmarried or two if the applicant is married
- *Number in College* – signed statement (name of household member attending at least half-time and eligible institution name)
  - Not required if reported number is one (student)

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**V4: Custom Verification Group**

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- High School Completion Status
- Identity/Statement of Educational Purpose

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**V5: Aggregate Verification Group**

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- Number of Household Members
- Number in College
- High School Completion Status
- Identity/Statement of Educational Purpose

**AND**

- All items indicated-Tax Filer (V1)
- All items indicated-Non-Tax Filer (V1)

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**2020-2021  
Documentation**



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**Electronic Announcement: January 9, 2019**

- Signed copies of paper tax returns and schedules may be accepted in lieu of documents direct from the IRS
  - Schools may still opt to require IRS documents
  - Preparer signature requirements still apply
- IRS verification of non-filing is still required (except for dependent students), but a signed statement may be accepted if IRS documentation cannot be obtained
  - Schools are not required to collect documentation of attempts to obtain IRS documents, unless conflicting information exists

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**May 24, 2019 Federal Register**

- No verification tracking group changes
- Includes option to use signed paper tax returns AND THEIR SCHEDULES to satisfy verification requirements under:
  - V1 or V5
  - Amended tax returns
  - IRS identity theft
- Provides in footnotes the ability for a school to accept a signed statement that a nonfiler (or tax filer with an IRS approved extension) tried but was unable to obtain IRS verification of nonfiling (not required for dependent students)

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### New IRS Tax Forms for 2018 Tax Year

2018 IRS Form 1040 and schedules to verify income and tax information:

| FAFSA Information  | Acceptable Documentation   |
|--|--|
| Adjusted Gross Income  | 2018 IRS Form 1040 Line 7  |
| U.S. Income Tax Paid   | 2018 IRS Form 1040 Line 13 minus Line 46 of Schedule 2 (Form 1040) |
| Untaxed Portions of Individual Retirement Account (IRA) Distributions and Pensions | 2018 IRS Form 1040 Lines 4a minus 4b. Note: Exclude rollovers.     |
| IRA Deductions and Payments  | 2018 IRS Schedule 1 (Form 1040) Line 28 plus Line 32               |
| Tax Exempt Interest Income   | 2018 IRS Form 1040 Line 2a   |
| Education Credits  | 2018 IRS Schedule 3 (Form 1040) Line 50                            |

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### Amended Tax Returns

- Individuals who filed an amended tax return must submit the following:
    - If identified by IRS Request Flag 07, all *original* income and tax information is considered verified
    - If not identified by IRS Request Flag 07, must obtain IRS Tax Return Transcript, or any other IRS tax transcript(s) that include all of the income and tax information required, or a signed paper copy of the original tax return
- AND**
- A signed copy of IRS Form 1040X filed with the IRS
  - If the amendment was *not due* to the filing of a 1040X (e.g., the IRS corrected the tax information directly), IRS documentation is still required

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### Tax Filing Extenders

- There are specific documentation requirements for individuals required to file a Federal tax return and who have been granted an extension of time to file by the IRS beyond the automatic six-month period.
- Refer to [January 9, 2019 Electronic Announcement](#)

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**Tax Filing Extenders**

- A signed statement certifying that the individual:
  - Attempted to obtain non-filing verification from the IRS or other tax authorities and was unable to; *and*
  - Has not filed a Federal income tax return
- A list of the sources of any income, and the amount of income from each
  - If self-employed, the signed statement must also include the AGI and the amount of U.S. income tax paid

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**Tax Filing Extenders**

- Copy of IRS Form 4868, "Application for Automatic Extension of Time to File U.S. Individual Income Tax Return"
- Copy of the IRS's approval of an extension beyond the automatic six-month period
- Copy of IRS Form W-2 for each source of employment income received or an equivalent document

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**Non-IRS Tax Filers**

- Tax filers who filed an income tax return with a taxing authority in a US territory or commonwealth, or with a foreign central government, may submit:
  - A copy of a transcript of their tax information, if available free of charge

**OR**

- A signed copy of the applicable income tax return that was filed with the taxing authority

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**Identity Theft**

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- Victims of IRS tax-related identity theft must submit:
  - Statement signed and dated by tax filer indicating s/he was a victim of IRS tax-related identity theft and the IRS has been made aware;

**AND**

- An IRS Tax Return Database View (TRDBV) transcript
  - Tax filers who cannot obtain a TRDBV transcript may instead submit official IRS document(s) if they include all income and tax information required to be verified, or a signed copy of the paper tax return

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**Undocumented Non-Filers**

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- A parent or spouse who does not have an SSN, Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN) may submit:
  - A signed and dated statement:
    - Certifying that the individual(s) does not have an SSN, ITIN or EIN
    - Listing the sources and amounts of earnings, other income, and resources that supported the individual(s) for the appropriate year
  - If applicable, a copy of IRS Form W-2 or equivalent document for each source of employment income

*Program Integrity Q&A Website (DOC-Q29)*  
<https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>

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**Non-IRS Tax Filers**

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Tax filers who filed an income tax return with a taxing authority in a US territory (Guam, American Samoa, the US Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands) or with a foreign central government, may submit a copy of a transcript of their tax information if available free of charge, or a signed copy of the applicable income tax return that was filed with the taxing authority.

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**Non-IRS Non-filers**

- If another tax authority can provide documentation similar to the IRS verification of non-filing, it should be provided.
- If such documentation does not exist, or if the individual is unable to obtain the documentation, schools may accept a signed and dated statement including:
  - Confirmation the tax authority does not provide such documentation or that the individual was unable to obtain it
  - Confirmation the individual has not filed and is not required to file a tax return, with a listing of the sources of income
  - A copy of equivalent documents to the IRS Form W-2, for each source of income received by the individual

[Program Integrity Q&A Website \(DOC-Q30\)](#)

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**High School Completion**

- High school diploma; **OR**
- Final official high school transcript showing date diploma awarded; **OR**
- “Secondary school leaving certificate” for students who completed secondary education in foreign country and are unable to get a copy of the high school diploma/transcript

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**High School Completion**

- Copy of the student’s General Educational Development (GED) certificate or an official GED transcript that indicates the student passed the exam
- Transcripts of state-authorized examinations (e.g., HiSET, TASC) are acceptable documentation of high school completion only if...
  - The official transcript specifically indicates that a state has determined that the test results are considered by the State to meet its requirements of high school equivalency;

**OR**

- The official transcript includes language that the final score is a passing score

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**High School Completion**

- Homeschooling
  - A secondary school completion credential for home school provided for under State law;

**OR**

- Transcript, or the equivalent, signed by the parent or guardian, that lists the secondary school courses completed by the applicant and documents the successful completion of a secondary school education

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**High School Completion**

- Academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree
  - Associate's degree; or
  - 60 semester hours/72 quarter hours
- Student excelled academically in high school and met all criteria to be admitted into a two-year degree program or higher

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**High School Completion**

- If high school completion is successfully verified and documented in a prior award year, it does not need to be verified again in future years
- Form DD-214 (Certificate of Release or Discharge from Active Duty) may serve as alternative documentation of high school completion if it indicates the applicant has a high school diploma or equivalent
- An institution may not accept as alternative documentation an applicant's self-certification

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**High School Completion**

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In rare cases where it is impossible for a refugee, asylee or victim of human trafficking to obtain documentation of secondary school completion in a foreign country, an institution may accept self-certification.

*Program Integrity Q & A website: [FHD-Q2/A2](#)*

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**Identity/Statement of Educational Purpose**

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- Students appearing in person must provide to a *designated and authorized* school official:
  - A valid unexpired US government-issued photo ID
  - A signed statement of educational purpose, using language provided by ED
- Schools *must* maintain:
  - The date documentation was received
  - The name of the institutionally-authorized individual that obtained the documentation

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**Identity/Statement of Educational Purpose**

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- Students who cannot appear in person may provide to the school a copy of the unexpired ID, and the original copy of the Statement of Educational Purpose that has been notarized *in person*.
- The Statement of Education Purpose submitted *must* be the original notarized document. After review, the school may convert it to an electronic record.

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**Identity/Statement of Educational Purpose**

- An unexpired valid government-issued photo identification is:
- One issued by the US government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian or Alaska Native tribe, American Samoa, Guam, the US Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau

*Military and SNAP identification is not acceptable*

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**2020-2021 Suggested Text**

- July 31, 2019 Electronic Announcement
- Now only contains one appendix to assist with crafting school verification documents to gather verification data
- Appendix A – Suggested Text
  - Not required to use ED’s suggested text and formats
  - **ONE EXCEPTION – must use the exact language provided in the “Statement of Educational Purpose” (Groups V4 & V5)**

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**“Recent” Changes**

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### Changes to IRS Tax Transcript

- New IRS Tax Transcripts Redacted Data:
  - Effective 9/23/18, IRS tax transcripts display a reduced number of digits/characters for SSN, EIN, account/phone #, last name, address
  - *The revised IRS tax transcript is acceptable for verification purposes*
  - Filers currently can create "customer file numbers" when requesting transcripts via 4506T/T-EZ
    - Available next year for Get Transcripts Online or Online by Mail
- Effective June 28, 2019, the IRS will no longer fax tax transcripts to tax filers or third-parties

10/4/18 and 6/12/19 Elec. Ann. Federal Student Aid

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### Changes to IRS Tax Transcript

- Changes to Third-Party Mailings
  - Effective July 1, 2019, option for requesting 3rd-party receipt of tax data on Form 4506, Form 4506-T and Form 4506T-EZ will no longer be available and transcripts only mailed to taxpayer
  - Schools can receive transcripts directly by participating in IRS' Income Verification Express Services [IVES] by registering for e-Services on IRS.gov

6/12/19 Elec. Ann. Federal Student Aid

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## Verification Reminders



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## V4/V5 Tracking Results

- The V4 and V5 tracking process in FAA Access to CPS online, that began in the 2014-2015 processing year, continues
- Schools need to select the proper award year for which they are providing results



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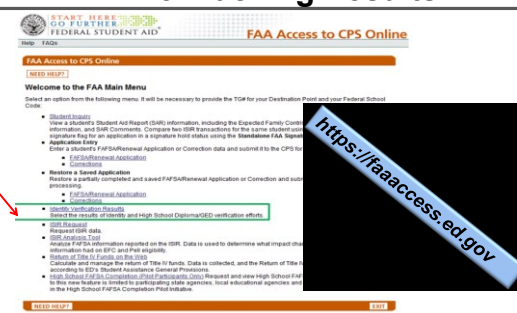
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## V4/V5 Tracking Results





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## V4/V5 Tracking Results

- **Whom to report:** Students for whom school received an ISIR with a verification Tracking Group of V4 or V5 *AND* for whom school requested verification documentation
  - Do not include students the *school* selected
- **When to report:** Within 60 days following the institution's first request for documentation
  - Changes to previously submitted verification results must be updated within 30 days



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**V4/V5 Tracking Results**

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1. Verification completed in person, no issues found
2. Verification completed remotely, no issues found
3. Verification attempted, issues found with identity
4. Verification attempted, issues found with high school completion
5. No response from applicant or unable to locate
6. Issues with both identity and high school completion

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**Automatic Zero EFC**

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- For Automatic Zero EFC-eligible dependent applicants in Tracking Groups V1 or V5:
  - Parent AGI, if tax filers
  - Parent income earned from work, if non-filers

**AND**

- High school completion and identity/educational purpose (V5)

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**Automatic Zero EFC**

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- For Automatic Zero EFC-eligible independent applicants in Tracking Groups V1 or V5:
  - Applicant and spouse AGI, if tax filers
  - Applicant and spouse income earned from work, if non-filers
  - Household size to determine if dependents other than a spouse
  - High school completion and identity/educational purpose (V5)

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**Training Feedback**

To ensure quality training, we ask all participants to please fill out an online session evaluation

- All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- To register, please go to: <https://cvent.me/yRGvom>

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**Ask A Fed goes online!**



FSA has implemented a new resource to assist Financial Aid Administrators in obtaining guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email.

Please send your inquiries about Title IV regulations to: [AskAFed@ed.gov](mailto:AskAFed@ed.gov).

The Ask A Fed email box is staffed every business day by a team of FSA Training Officers ready to assist schools with their questions.

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