

PURPOSE

To establish and use policies and procedures for the annual verification process of an applicant's FAFSA information that clearly defines what responsibilities Inceptia will perform.

POLICY STATEMENT

Inceptia will request and process documentation required for verification in accordance with **§668.57, and any pertinent Dear Colleague Letters and Electronic Announcements released by the Department of Education.**

BACKGROUND

The process begins with ISIR records being loaded into Verification Gateway (VG). ISIRs can be loaded either by Inceptia or the School. Through VG's automated communication process, the student and parent (if a dependent student) are notified by email that they have been selected for verification and that Inceptia is partnering with their School to help them complete the verification process through VG. The student and parent are then directed to a VG website, personalized and co-branded with their school's information, and are encouraged to create an account to access the website. Once logged in to VG, a student and parent are presented with online interview questions (replacing paper verification worksheets) and asked to upload any required documents necessary for verification – per the Verification Tracking groups and acceptable documentation listed below (per the appropriate Dear Colleague Letters and Electronic Announcements). Once all interviews are complete, necessary documents are uploaded, and the account is signed by the student (and parent if dependent), Inceptia staff will review the information to determine if verification can be completed at that time, if further clarification is necessary, or if a correction to the ISIR record needs to be made. If a correction is necessary, Inceptia will correct the ISIR record on the school's behalf. Once verification is complete, a student's account status will be changed to Verified in VG and the verified student's information will appear on the School's Export Report.

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2023–2024 Verification Tracking Groups and FAFSA Information Required to be Verified

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1*	Standard Verification Group	<p><u>Tax Filers</u></p> <p>Adjusted Gross Income U.S. Income Tax Paid Untaxed Portions of Individual Retirement Account (IRA) Distributions and 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</p>
V2	Reserved	N/A
V3	Reserved	N/A
V4	Custom Verification Group	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 and 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 Identity/Statement of Educational Purpose</p>
V6	Reserved	N/A

FAFSA Information Acceptable documentation

Income information for tax filers:

- a. Adjusted Gross Income (AGI)
- b. U.S. Income Tax Paid
- c. Untaxed Portions of IRA Distributions and Pensions
- d. IRA Deductions and Payments
- e. Tax Exempt Interest Income
- f. Education Credits

For income information listed under items a through f for tax filers—

- (1)** 2021 tax account information of the tax filer that the Secretary has identified as having been obtained from the Internal Revenue Service (IRS) through the IRS Data Retrieval Tool and that has not been changed after the information was obtained from the IRS;
- (2)** A transcript obtained from the IRS that lists 2021 tax account information of the tax filer; or
- (3)** A transcript that was obtained at no cost from the relevant taxing authority of a U.S. territory (Guam, American Samoa, the U.S. Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands), or a foreign government that lists 2021 tax account information of the tax filer; or
- (4)** A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority of a U.S. territory, or a foreign government that lists 2021 tax account information of the tax filer.

Income information for tax filers with special circumstances:

- a. Adjusted Gross Income (AGI)
- b. U.S. Income Tax Paid
- c. Untaxed Portions of IRA Distributions and Pensions
- d. IRA Deductions and Payments
- e. Tax Exempt Interest Income
- f. Education Credits

(1) For a student or the parent(s) of a dependent student who filed a 2021 joint income tax return and whose income is used in the calculation of the applicant's expected family contribution and who at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than the individual included on the 2021 joint income tax return—

- (a) A transcript obtained from the IRS or other relevant taxing authority that lists 2021 tax account information of the tax filer(s); or
- (b) A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority that lists 2021 tax account information of the tax filer; and

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(c) A copy of IRS Form W–2 for each source of 2021 employment income received or an equivalent document.

(2) For an individual who is required to file a 2021 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2021 —

(a) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2021;

(c) Verification of non-filing from the IRS dated on or after October 1, 2022; or

(d) A signed statement certifying that the individual 1) attempted to obtain the VNF from the IRS or other tax authorities and was unable to obtain the required documentation; and 2) has not filed a 2021 income tax return and list the sources of any 2021 income, and the amount of income from each source; and

(e) A copy of IRS Form W–2 for each source of 2021 employment income received or an equivalent document; and

(f) If self-employed, a signed statement certifying the amount of AGI and U.S. income tax paid for tax year 2021.

Note: An institution may require that, after the income tax return is filed, an individual granted a filing extension beyond the automatic six-month extension submit tax information using the IRS Data Retrieval Tool, by obtaining a transcript from the IRS, or by submitting a copy of the income tax return and the applicable schedules that were filed with the IRS that lists 2021 tax account information. When an institution receives such information, it must be used to reverify the income and the tax information reported on the FAFSA.

(3) For an individual who was the victim of IRS tax-related identity theft—

(a) A Tax Return DataBase View (TRDBV) transcript obtained from the IRS; and

(b) A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

Note: Tax filers may inform the IRS of the tax-related identity theft and obtain a TRDBV transcript by calling the IRS's Identity Protection Specialized Unit (IPSU) at 1–800–908–4490.

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 of the income and tax information required to be verified. Unless the institution has reason to suspect the authenticity of the TRDBV transcript or an

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equivalent document provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.

(4) For an individual who filed an amended tax return with the IRS —

(a) A signed copy of the IRS Form 1040X that was filed with the IRS for tax year 2021 or documentation from the IRS that include the change(s) made to the tax filer's 2021 tax information, in addition to one of the following —

(b) IRS Data Retrieval Tool information on an ISIR record with all tax information from the original 2021 income tax return; or

(c) A transcript obtained from the IRS that lists 2021 tax account information of the tax filer(s); or

(d) A signed copy of the 2021 IRS Form 1040 and the applicable schedules that were filed with the IRS.

Income information for nontax filers:

a. Income earned from work

For an individual who has not filed and, under IRS or other relevant taxing authority rules (e.g., the Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia, a U.S. territory or commonwealth or a foreign government), is not required to file a 2021 income tax return—

(1) A signed statement certifying—

(a) That the individual has not filed and is not required to file a 2021 income tax return; and

(b) The sources of 2021 income earned from work and the amount of income from each source;

(2) A copy of IRS Form W-2 for each source of 2021 employment income received or an equivalent document; and

(3) Except for dependent students, verification of non-filing (VNF) from the IRS or other relevant tax authority dated on or after October 1, 2022; or

(4) A signed statement certifying that the individual 1) attempted to obtain the VNF from the IRS or other tax authorities and was unable to obtain the required documentation; and 2) has not filed and is not required to file a 2021 income tax return, and a listing of the sources of any 2021 income earned by the individual from work and the amount of income from each source; and 3) a copy of IRS Form W-2, or an equivalent document, for each source of 2021 employment income received by the individual.

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Since individuals without a Social Security Number, an Individual Taxpayer Identification Number, or an Employer Identification Number are unable to obtain a verification of non-filing from the IRS, these individuals whose income is below the IRS filing threshold must submit to the institution a signed and dated statement— (a) Certifying that the individual(s) does not have a Social Security Number, an Individual Taxpayer Identification Number, or an Employer Identification Number; and (b) Listing the sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2021 tax year.

Number of Household Members

A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents that lists the name and age of each household member for the 2023–2024 award year and the relationship of that household member to the applicant.

Note: Verification of number of household members is not required if—

- For a dependent student, the household size indicated on the ISIR is two and the parent is single, separated, divorced, or widowed, or the household size indicated on the ISIR is three if the parents are married or unmarried and living together; or
- For an independent student, the household size indicated on the ISIR is one and the applicant is single, separated, divorced, or widowed, or the household size indicated on the ISIR is two if the applicant is married.

Number in College

(1) A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents listing the name and age of each household member, excluding the parents, who is or will be attending an eligible postsecondary educational institution as at least a half-time student in the 2023–2024 award year in a program that leads to a degree or certificate and the name of that educational institution.

(2) If an institution has reason to believe that the signed statement provided by the applicant regarding the number of household members enrolled in eligible postsecondary institutions is inaccurate, the institution must obtain documentation from each institution named by the applicant that the household member in question is, or will be, attending on at least a halftime basis unless—

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(a) The applicant’s institution determines that such documentation is not available because the household member in question has not yet registered at the institution the household member plans to attend; or

(b) The institution has documentation indicating that the household member in question will be attending the same institution as the applicant.

Note: Verification of the number of household members in college is not required if the number in college indicated on the ISIR is “1.”

Identity/Statement of Educational Purpose

(1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant’s identity—

(a) An unexpired valid government-issued photo identification such as, but not limited to, a driver’s license, non-driver’s identification card, other State-issued identification, or U.S. passport. The institution must maintain an annotated copy of the unexpired valid government-issued photo identification that includes—

i. The date the identification was presented; and

ii. The name of the institutionally authorized individual who reviewed the identification; and

(b) A signed statement using the exact language as follows, except that the student’s identification number is optional if collected elsewhere on the same page as the statement:

Statement of Educational Purpose

I certify that I ||| ||| (Print Student’s Name) am the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending ||| ||| (Name of Postsecondary Education Institution) for 2023–2024.

||||| |||

(Student’s Signature) (Date) ||| ||| (Student’s ID Number)

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(2) If an institution determines that an applicant is unable to appear in person to present an unexpired valid government-issued photo identification and execute the Statement of Educational Purpose, the applicant must provide the institution with—

(a) A copy of an unexpired valid government-issued photo identification such as, but not limited to, a driver’s license, non-driver’s identification card, other State-issued identification, or U.S. passport that is acknowledged in a notary statement or that is presented to a notary; and

(b) An original notarized statement signed by the applicant using the exact language as follows, except that the student’s identification number is optional if collected elsewhere on the same page as the statement:

Statement of Educational Purpose

I certify that I IIIIIII (Print Student’s Name) am the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending IIIIIII (Name of Postsecondary Educational Institution) for 2023–2024.

IIIIIIII IIIII

(Student’s Signature) (Date) IIIIIIIII (Student’s ID Number)

Verification Requirements for Individuals Who Are Eligible for an Auto Zero Expected Family Contribution (EFC) Only the following FAFSA/ISIR information must be verified:

For dependent students—

- The parents’ AGI if the parents were tax filers;
- The parents’ income earned from work if the parents were non-tax filers; and
- The student’s identity/ statement of educational purpose, if selected.

For independent students—

- The student’s and spouse’s AGI if they were tax filers;
- The student’s and spouse’s income earned from work if they were non-tax filers;
- The student’s identity/ statement of educational purpose, if selected; and

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- The number of household members to determine if the independent student has one or more dependents other than a spouse.

Miscellaneous

The copy of the 2021 income tax return must include the signature of the tax filer, or one of the filers of a joint income tax return, or the signed, stamped, typed, or printed name and address of the preparer of the income tax return and the preparer's Social Security Number, Employer Identification Number, or Preparer Tax Identification Number.

For a tax filer who filed an income tax return other than an IRS form, such as a foreign or Puerto Rican tax form, the institution must use the income information (converted to U.S. dollars) from the lines of that form that correspond most closely to the income information reported on a U.S. income tax return.

An individual who did not retain a copy of his or her 2021 tax account information, and for whom that information cannot be located by the IRS or other relevant taxing authority, must submit to the institution—

- (a) Copies of all IRS Form W-2s for each source of 2021 employment income or equivalent documents; or
- (b) If the individual is self-employed or filed an income tax return with a government of a U.S. territory or commonwealth or a foreign government, a signed statement certifying the amount of AGI and income taxes paid for the tax year 2021; and
- (c) Documentation from the IRS or other relevant taxing authority that indicates the individual's 2021 tax account information cannot be located; and
- (c) A signed statement that indicates that the individual did not retain a copy of his or her 2021 tax account information.

An individual who is required to submit an IRS Form W-2 or an equivalent document but did not maintain his or her copy should request a duplicate from the employer who issued the original or from the government agency that issued the equivalent document. If the individual is unable to obtain a duplicate W-2 or an equivalent document in a timely manner, the institution may permit that individual to provide a signed statement, in accordance with 34 CFR 668.57(a)(6), that includes—

- (a) The amount of income earned from work;
- (b) The source of that income; and

(c) The reason why the IRS Form W-2 or an equivalent document is not available in a timely manner.

For an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, an institution must accept a statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because of that service.

NOTIFICATION OF REQUIRED VERIFICATION DOCUMENTATION

Inceptia will provide each applicant selected for verification a clear explanation of the documents required for verification – as outlined in applicable Dear Colleague Letters and Electronic Announcements for the 2023-2024 award year. Inceptia will notify applicant of deadlines for completing verification and the consequences of missing the deadlines.

V4/V5 VERIFICATIONS

Inceptia will be responsible for V4/V5 reporting to ED when the School has elected for Inceptia to perform verification on their behalf for these tracking groups.

SUBSEQUENT ISIRS AND VERIFICATION TRACKING GROUP CHANGES

The School's financial aid office will be responsible for the review of ISIRs received after Inceptia has completed verification with the exception of when an applicant is moved from a previously assigned Verification Tracking Group of V1 or V4 to V5.

COMMENT CODES

Inceptia will facilitate the review and resolution of comment codes 162,173,180,400, and 401.

CONFLICTING INFORMATION

Inceptia will work to resolve conflicting information as it arises upon review of verification documentation. Additional documentation will be requested, when necessary, for clarification purposes. Conflicting information may include, but is not limited to:

- Tax transcripts received for married couples with a filing status of head of household;
- Income from work amounts that do not match wage information on tax returns/transcripts



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Any situations that may constitute potential fraud will be reported to the School for further investigation and possible referral to the Office of Inspector General in accordance with the School's Title IV OIG Referral Policy and Procedure. If the resolution results in a change in financial aid eligibility, the applicant will be notified via a revised award notice.

NOTIFICATION OF COMPLETED VERIFICATION

Inceptia will notify the applicant when the verification process has been completed by the communication method the applicant set up on the Verification Gateway profile (i.e., email and/or text message). The School will notify the applicant of any aid revisions that result from verification, if, as a result of verification, the applicant's EFC changes and results in a change in the amount of the applicant's assistance under the Title IV, HEA programs.

