



**Inceptia**  
**Internal Verification**  
**Policy and Procedure**  
**Academic Year 2024-2025**

## **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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**2024–2025 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> <ul style="list-style-type: none"> <li>Adjusted Gross Income</li> <li>Income Earned from Work</li> <li>U.S. Income Tax Paid</li> <li>Untaxed Portions of IRA Distributions</li> <li>Untaxed Portions of Pensions</li> <li>IRA Deductions and Payments</li> <li>Tax Exempt Interest Income</li> <li>Education Tax Credits</li> <li>Foreign Income Exempt from Federal Taxation</li> </ul> <p><u>Nontax Filers:</u></p> <ul style="list-style-type: none"> <li>Income Earned from Work</li> </ul> <p><u>Tax Filers and Nontax Filers:</u></p> <ul style="list-style-type: none"> <li>Family Size</li> </ul>
V2	Reserved	N/A
V3	Reserved	N/A
V4	Custom Verification Group	Identity/Statement of Educational Purpose



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V5*	Aggregate Verification Group	<p><u>Tax Filers</u></p> <p>Adjusted Gross Income  Income Earned From Work  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  Foreign Income Exempt from Federal Taxation</p> <p><u>Nontax Filers</u></p> <p>Income earned from work</p> <p><u>Tax Filers and Nontax Filers</u></p> <p>Family Size  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. Income Earned From Work
- c. U.S. Income Tax Paid
- d. Untaxed Portions of IRA Distributions
- e. Untaxed Portions of Pensions
- f. IRA Deductions and Payments
- g. Tax Exempt Interest Income
- h. Education Credits
- i. Foreign Income Exempt from Federal Taxation



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**Items a through h, if transferred directly from the IRS and unchanged, do not need to be verified. When information is not transferred from the IRS, and for item i, the following documentation is sufficient for verification:**

**(1)** A transcript obtained at no cost from the IRS or other relevant tax 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 2022 tax account information of the tax filer; or

**(2)** 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 2022 tax account information of the tax filer.

**(3)** If item d or e contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution. Note that even if d or e are transferred as FTI, rollovers still need to be verified as they are manually entered.

**Income information for tax filers with special circumstances:**

- a. Adjusted Gross Income (AGI)
- b. Income Earned From Work
- c. U.S. Income Tax Paid
- d. Untaxed Portions of IRA Distributions
- e. Untaxed Portions of Pensions
- f. IRA Deductions and Payments
- g. Tax Exempt Interest Income
- h. Education Credits
- i. Foreign Income Exempt from Federal Taxation

**(1)** For a student, or the parent(s) of a dependent student, who filed a 2022 joint income tax return and whose income is used in the calculation of the applicant's student aid index and who at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than the individual included on the 2022 joint income tax return—

(a) A transcript obtained from the IRS or other relevant tax authority that lists 2022 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 2022 tax account information of the tax filer; and



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(c) A copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document.

**(2)** For an individual who is required to file a 2022 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2022 —

(a) A signed statement listing the sources of any 2022 income and the amount of income from each source;

(b) A copy of the IRS’s approval of an extension beyond the automatic six-month extension for tax year 2022;

(c) A copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document; and

(d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022.

**(3)** If d or e contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution. Note that even if d or e are transferred as FTI, rollovers still need to be verified as they are manually entered.

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 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 2022 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.

**(4)** 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. If an individual who was the victim of IRS tax-related identity theft is unable to obtain a TRDBV, the institution may accept an equivalent document provided by the IRS or a copy of the signed 2022 income tax return the individual filed with the IRS.



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Unless the institution has reason to suspect the authenticity of the TRDBV transcript or an equivalent document provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.

**(5)** For an individual who filed an amended income tax return with the IRS, a signed copy of the IRS Form 1040X that was filed with the IRS for tax year 2022 or documentation from the IRS that include the change(s) made to the tax filer's 2022 tax information, in addition to one of the following –

(a) Updated income and tax information from the IRS on an ISIR record with all tax information from the original tax return;

(b) A transcript obtained from the IRS that lists 2022 tax account information of the tax filer(s);  
or

(c) A signed copy of the 2022 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 tax 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 2022 income tax return—

**(1)** A signed and dated statement certifying—

(a) That the individual is not required to file a 2022 income tax return; and

(b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2022 tax year;

**(2)** For individuals without a Social Security number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN), that they do not have an SSN, ITIN, or EIN;

**(3)** A copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document; and

**(4)** Except for dependent students, verification of non-filing for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2023.



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If an individual is unable to obtain a verification of non-filing from a relevant tax authority and, based upon the institution's determination, it has no reason to question the student's or family's good-faith effort to obtain the required documentation, the institution may accept a signed statement certifying that the individual attempted to obtain the verification of non-filing from the relevant tax authority and was unable to obtain the required documentation.

Note: The collection of documentation to verify income earned from work is also used to determine if the applicant (and the applicable spouse or parent) was required to file a U.S. income tax return for the 2022 tax year.

**Family Size:**

Since family size is based on the number of individuals listed and claimed on the IRS tax return, if transferred directly from the IRS and unchanged, family size does not need to be verified. However, when information is not transferred from the IRS, or the applicant updated their family size when presented with the opportunity to do so on the FAFSA, the following documentation is sufficient for verification:

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 family member for the 2024–2025 award year and the relationship of that family member to the applicant.

Note: Verification of number of family size is not required if—

- For a dependent student, the family 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, remarried or unmarried and living together; or
- For an independent student, the family 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 or remarried.

**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.







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\*An unexpired valid government-issued photo identification is one issued by the U.S. government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian and Alaska Native Tribe, American Samoa, Guam, the 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.

### **Miscellaneous**

The copy of the 2022 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 2022 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 2022 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 2022; and
- (c) Documentation from the relevant tax authorities other than the IRS that indicates the individual's 2022 tax account information cannot be located; and
- (d) A signed statement that indicates that the individual did not retain a copy of his or her 2022 tax account information.

An individual who is required to submit an IRS Form W-2 or an equivalent document but did not maintain a 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 2024-2025 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 158,159,and 160.

## **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:



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- 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

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.