

FAFSA VERIFICATION: WHAT YOU NEED TO KNOW

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Kate Babineau

INTRODUCTION

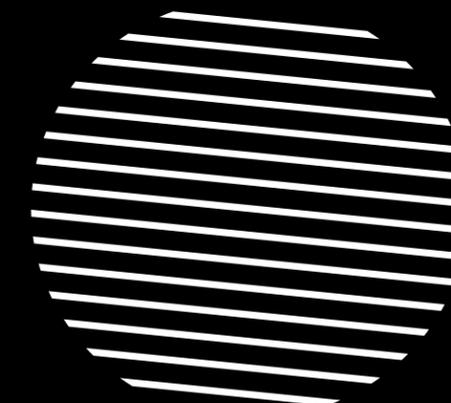
The Cowen Institute is deeply committed to helping students in New Orleans access financial aid for college. We have previously monitored Federal Application for Student Aid (FAFSA) completion rates in New Orleans and Atlanta, provided resources to encourage FAFSA completion for all students including those facing non-traditional circumstances, and currently convene collaboratives of college counselors and youth success practitioners to encourage knowledge sharing and best practice development.

Continuing with this work, this publication provides information about the FAFSA verification process for students, families, teachers, practitioners, counselors, and educators. Every year, approximately 25 percent of all FAFSA applications are flagged for verification. Typically, this includes a large number of low-income and Pell-eligible students. Many students and families have questions about this process and this resource aims to answer some of the most common questions and provide additional information about how students can quickly navigate the process to ensure that they maximize their federal student aid opportunities.

DID YOU KNOW? Starting in 2017–2018, all public school students in Louisiana must submit a FAFSA in order to graduate from high school.¹

WHAT IS VERIFICATION?

Verification is a process in which the Office of Financial Aid requires students and families to submit additional information verifying their household income. An estimated 25 percent of FAFSA applications are flagged for verification each year.² However, the number of students selected for verification is disproportionately higher among low-income families. Of recent applicants flagged for verification, over 90 percent were from low-income or Pell-eligible families.³



HOW DO I KNOW IF I'M SELECTED FOR VERIFICATION?

Your Student Aid Report (SAR) will indicate whether or not your file has been selected for verification. The SAR is typically accessed through a link sent to you by the U.S. Department of Education after you file your FAFSA. If you are selected for verification, there will be an asterisk (*) next to your Expected Family Contribution (EFC) figure on your SAR. You will also be notified by your college's Office of Financial Aid if your application has been selected for verification.

WHY WAS I SELECTED FOR VERIFICATION?

Students can be selected for verification because their FAFSA was incomplete or contained inconsistent information. Students can also be selected at random for verification. It's important to remember that getting selected is not your fault. It doesn't mean that you've done something wrong.

²U.S. Department of Education. 2015. "Session GS2: FAFSA Application Processing and Verification Update." Presentation at Federal Student Aid Training Conference for Financial Aid Professionals. <http://fsaconferences.ed.gov/conferences/library/2015/2015FSAConfSessionGS2.ppt>.

³Mulhere, K. (2017, November). 20 Million Students Apply for Financial Aid Every Year. Here's why Some of the Neediest Miss Out. *Time Magazine*.

¹<http://time.com/money/5040663/financial-aid-fafsa-verification-poor-students/>

WHAT SHOULD I DO IF I'M SELECTED FOR VERIFICATION?

The first thing you'll need to do is **understand why you were selected for verification**. This should be provided in the documents you received from the Office of Financial Aid. Overall, there are five reasons that students get flagged for verification, which are listed below. Depending on your reason, you'll need to gather the appropriate documents.

STEP 1. GET THE RIGHT DOCUMENTS TOGETHER DEPENDING ON YOUR REASON FOR VERIFICATION

- **Tax Information:** If you used the IRS Data Retrieval Tool, it's unlikely that you'll need to provide more tax information. However, if you couldn't use that tool, you can request last year's **tax transcript** information online. To have this sent to you by mail, you'll need:

- Your Social Security Number (SSN) and the SSN of anyone who claimed you as a dependent on their taxes (parents);
- Date of birth;
- Mailing address included on the most recent tax return.

If you or your parents/guardians didn't file taxes, you should reach out to your college counselor. **You cannot send your tax return. The tax transcript is a separate document.** To learn more about accessing this information, see the "Accessing Tax Transcript" section on page 7.

- **The number of people in household and in college:** Make sure you complete the household section fully and carefully. See the section "How Can I Determine my Household Size" on the next page for more detailed information. If requested, you may have to provide proof of enrollment if someone else in your household is attending college. This could be a letter from the college/university or a current transcript.
- **Supplemental Nutrition Assistance Program (SNAP) Benefits:** If asked to provide proof of SNAP benefits, you will usually only be required to submit a signed statement confirming receipt of SNAP benefits. However, if you are asked to get documentation or proof from the agency that issues your family's SNAP benefits, you can call Louisiana Cafe at 1-888-524-3578. A full list of numbers for people residing in other states is included in the resources section.
- **Child Support:** You'll need to provide a signed statement including the amount of child support paid, as well as details on who pays, who receives payment, and the name of the child(ren). You may also be asked to provide copies of checks or receipts for those payments. You should be able to acquire this information from your bank.
- **High School Completion Status:** This could be a copy of your diploma or GED, or a copy of your final high school transcript.

STEP 2. FILL OUT YOUR VERIFICATION WORKSHEET

Your college will provide you with verification worksheets to accompany your documents. Fill this out honestly and carefully. Any mistakes or missed questions on this worksheet will delay your verification process and could limit financial aid. **You will need to sign the worksheet by hand. If you are a dependent student, your parents will also be required to sign the worksheet.** Do not use digital signatures, as the Office will not accept them and the process will be further delayed. Also, make sure you do not leave any sections blank. If the correct answer to a question is zero, make sure you enter a 0 and not N/A.

STEP 3. MAKE SURE YOU SEND YOUR SHEET IN BY YOUR COLLEGE'S DEADLINE

Most of the time, completing additional verification forms will not affect your ability to receive financial aid. **However, if you don't return the documents by your college's deadline, the school cannot offer you any financial aid.** Make sure you know your college's deadline and mail your forms at least one week ahead of the deadline. Furthermore, institutional aid (scholarships provided by your college) are often offered on a first-come, first-served basis, so it's in your best interest to mail everything back as quickly as possible.

HOW CAN I DETERMINE MY HOUSEHOLD SIZE?

Miscalculating household size is a relatively common mistake among students completing the FAFSA and/or the verification sheet. How you answer this question depends on whether you are filing as a dependent or independent student.

Dependent Students:

- Use the household of the parent you live with or the one who provides MORE than 50 percent of your financial support. This is not necessarily the one who filed you as a dependent on the tax return.
- If your parents are divorced and have joint custody (50/50), use the parent you either live with the majority of the time or who provides MORE than 50 percent of your support.
- If the parent you use is remarried, you must include the step-parent and his/her tax information as well.
- If the parent you use lives with a boyfriend/girlfriend, s/he cannot be included in the household size calculation since they are not legally married. The exception is if your parent can prove that his/her partner provides MORE than 50 percent of household support.
- Other people who are age 24 or older can be included in the household size only if you can show proof that your parent(s) (head of household) are providing MORE than 50 percent of their financial support.
- If other people under age 24 such as nieces, nephews, cousins, etc., live in your household and your parent(s) provide more than 50 percent of their support, you must submit documentation of support from the head of household and the biological parent of those children. Court documentation of guardianship can be provided as well.

Independent Students:

- Only include you, your spouse (if legally married), your legal dependents, and others for whom you provide MORE than 50 percent of their financial support.
- If you are separated or divorced, DO NOT include your spouse or any of his/her information (wages/income, tax paid, etc.)

HOW LONG DOES VERIFICATION TAKE?

After submitting your verification worksheet, the process usually takes between 3-4 weeks.

CAN I CHECK THE STATUS OF MY VERIFICATION?

Students (and parents who are listed on the FAFSA) may check the status of verification by logging on to their FAFSA account online or by calling the Federal Student Aid Information Center's toll-free number: 1-800-433-3243. You'll need your name, Social Security Number, date of birth, and FSA ID (Federal Student Aid ID).

CAN I REDUCE THE RISK OF BEING SELECTED FOR VERIFICATION?

While there is no way to guarantee that you won't be selected for verification, there are some tricks that you can use to reduce your chances.

- Make sure that you complete every section of the FAFSA. Don't leave any sections blank.
- If possible, use the IRS Data Retrieval Tool. This reduces the likelihood that your family income will be selected for verification.
- When possible and appropriate, make sure the information on your FAFSA is the same as the information on your tax return.

WHAT IF MY EXPECTED FAMILY CONTRIBUTION (EFC) CHANGES?

Sometimes circumstances change and may impact your family's expected financial contribution. This could be marriage, divorce, birth, death, loss of job, loss of home, or incarceration. If this happens, you should contact your college's financial aid office and provide the updated information. They may ask for additional information such as birth or marriage certificates, payment stubs, or unemployment documents to verify your new family income. If you are entitled to additional federal aid, they are required to provide you with the amount you are eligible for.

IMPORTANT TIPS TO REMEMBER

- When possible, use the IRS data retrieval tool. It's the fastest and easiest way to get accurate financial information.
- Do not leave any section of your Verification Worksheet blank. If the answer is zero, make sure you enter "0" and not "N/A".
- Make sure you sign your worksheet by hand, not using a digital signature. If you are a dependent, make sure the parent who signs your worksheet is the same parent who is included on your FAFSA application.
- Keep all of your original documents. Send copies to the Office of Financial Aid.
- Add your name and, if possible, student ID number to the top of all documents you send to your school's financial aid office. This will reduce the risk of any important files getting lost along the way.

HOW TO ACCESS YOUR TAX TRANSCRIPT

Your tax transcript is different from your tax return. There are three ways that you can access this document.

ONLINE REQUEST

1. Go to the IRS website.
2. Under "Tools", click "Get a tax transcript".
3. Choose "Get transcript-online".
4. Sign up to create your account. A confirmation code will be sent to your email account.
5. Input confirmation code to activate your account.
6. Choose "Higher Ed/Student Aid Tax Return Transcript" and Year.
7. Print out your Tax Return Transcript and send it to the Office of Financial Aid.

PHONE REQUEST

1. To order by phone, call (800) 908-9946 and follow the prompts.
2. Once received, please submit your Tax Return Transcript to the Office of Financial Aid.

PAPER REQUEST

1. Download, print, and complete form 4506-T (link included in resource section).
2. Make sure your name and address are written exactly as they appear on your most recent tax return.
3. On line 6, please indicate the type of return you filed (1040, 1040A, 1040EZ).
4. Be sure to check the box above your signature at the bottom of the page.
5. Sign and date the form and be sure to include your telephone number.
6. Submit Form 4506-T to the Office of Financial Aid.

ADDITIONAL RESOURCES

USDOE'S OFFICIAL FEDERAL AID SITE:

<https://fafsa.ed.gov/help.htm>

IRS DATA RETRIEVAL TOOL INFORMATION

<https://studentaid.ed.gov/sa/fafsa/filling-out#irs-drt>

GET INFORMATION ON SNAP BENEFITS

<https://www.fns.usda.gov/snap/state-informationhotline-numbers>

ORDER YOUR TAX TRANSCRIPT ONLINE

<https://www.irs.gov/individuals/get-transcript>

TAX TRANSCRIPT REQUEST FORM 4506-t

<https://www.irs.gov/pub/irs-pdf/f4506t.pdf>



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