

FA-8: Financial Aid Verification Policy

Policy category: Financial Aid

Subject: Requirements for Verification

Office Responsible for Review: Office of Financial Aid

Related Policies:

- FA-11: Pell Grant Award Accuracy Policy

- I. Scope:** This policy includes responsibilities of the Director of Financial Aid and the students.
- II. Policy statement:** The purpose of this policy is to provide guidance to personnel in the Financial Aid office who manage the verification process so that it is implemented consistently with all students.
- III. Effective date:** This policy was approved by staff members in the Division of Business Affairs on February 19th, 2021 and by the Cabinet on February 23rd, 2021. It is now a specific stand-alone policy rather than a part of the previous FA-1: Financial Aid Policy in the 2013 Policy Manual.
- IV. Applicability:** This policy applies to all students seeking financial aid and the Office of Financial Aid.
- V. Policy Management.**
The following roles are responsible for managing this policy:
Responsible Office: Office of Business Affairs
Responsible Executive: Vice President of Business Affairs
Responsible Officer: Director of Financial Aid
- VI. Definitions**
Central Processing System (CPS) - the automated system that processes all Free Application for Federal Student Aid (FAFSA) submissions for Federal Student Aid (FSA) for the U.S. Department of Education (Department).

Title IV - Title IV financial aid is federally funded aid such as Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Perkins Loan, Federal Subsidized and Unsubsidized Direct Loans.

Higher Education Act (HEA) - The Higher Education Act (HEA) is a federal law that governs the administration of federal higher education programs. Its purpose is to strengthen the educational resources of colleges and universities and to provide financial assistance for students in postsecondary and higher education.

Verification - the process a school uses to confirm that the data reported on the FAFSA is accurate. If selected for verification, the school will request additional documentation that supports the information reported.

EFC - Expected Family Contribution (EFC) is the index number that the college financial aid office use to determine how much financial aid a student can receive for attending college. The information reported on the FAFSA is used to calculate the EFC.

ISIR - Institutional Student Information Record (ISIR) is the electronic record of all the information reported on the FAFSA. Each college or university that is listed in Section two on the FAFSA will receive this electronic record.

VII. The Policy

Each year, about 30% of students who submit a FAFSA are selected by the federal government for verification. Students who are selected for verification must submit to Clinton College copies of the information they used to file the Free Application for Federal Student Aid (FAFSA). This includes documentation of filing an income tax return and certain other financial documents.

Each student that is selected for verification will receive a written statement explaining the following:

- The documents required for verification
- Students responsibilities, including correction procedures
- The dates/deadlines for submitting requested information
- The consequences of missing the deadline
- Notification methods, including how the student will be notified if an award changes as a result of the verification and the time frame for notification

Documents required for verification:

The documentation needed for verification varies according to the item verified. Some of the documents that may be requested but are not limited to:

- IRS tax transcripts
- W-2 Form
- Statement of non-filer letter
- Verification form
- Registration for Selective Service (as applicable for men ages 18-25)
- Documentation of disability
- Verification of identity through government issued identification card
- Statement of educational purpose

Making Corrections to FAFSA:

Students and parents are encouraged to use the IRS Data Retrieval Tool (DRT) to import data from their tax return and not change it. It is the fastest, easiest, and most secure method of meeting verification requirements. Corrections to the *Free Application for Federal Student Aid* (FAFSA) form can be made by logging in at fafsa.gov using your FSA ID and select **Make FAFSA Corrections**. Once the correction is submitted, the student will receive a confirmation number, the correction will be processed in three to five days.

Deadline for verification document submission and consequences of not completing verification:

Financial Aid verification must be completed by the end of the drop/add period. If the student fails to complete the verification process prior to the deadline, the student's financial aid will not be processed, and the student becomes a self-pay student. To maintain enrollment, the student must pay the student account balance via self-pay. If the student is not capable of making a payment, the account will be considered unsettled and the student will be dropped from their scheduled classes for non-payment.

Method of student notification:

If a student award changes because of the verification process, the student will be notified via the Global Financial Aid portal, via email and/or phone. In addition, the student will receive an updated award letter that must be signed and accepted.

Reporting Overpayments:

Overpayments occur when a student is over awarded if the school cannot correct them before funds are disbursed to a student.

An overaward exists whenever:

- A school awards aid either to a student who is ineligible for a specific program or to a student who is ineligible for any FSA program assistance;
- Student's award in an individual program exceeds the regulatory maximum, e.g., lifetime limit for Pell, annual or aggregate loan limits, annual limit on Federal Supplementary Educational Opportunity Grant (FSEOG) awards, or a Pell award based on the wrong payment schedule/enrollment status;
- Student's aid package exceeds his or her need (including when the student's Expected Family Contribution [EFC] is revised upward after initial packaging);
- Student's award exceeds his or her cost of attendance (COA); and
- Student is receiving a Pell or Iraq and Afghanistan Service Grant at multiple schools for the same period

If a student's aid package exceeds his or her need, the financial aid administrator must attempt to eliminate the overaward by reducing other aid the school controls. A Pell Grant awarded to an ineligible student is an overaward, as is a grant based on an enrollment status greater than that for which the student is enrolled.

Limitations on disbursements

- No interim disbursements of Title IV aid will be made prior to the completion of verification.

Suspected cases of fraud

- Any suspected case of fraud will be reported to the Regional Office of the Inspector General or, if more appropriate, to a state or local law enforcement agency having jurisdiction to investigate the matter. Referrals to state or local agencies will be reported on an annual basis to the Inspector General.

