

VERIFICATION

POLICY STATEMENT

In accordance with the U.S. Department of Education regulation 34 CFR 668.51–61, we must verify applications selected by the FAFSA Processing system (FPS) for the accuracy of the information submitted on the FAFSA. The purpose of this verification process is to reduce errors in applicant-reported data and to ensure that eligible applicants receive the financial aid they are eligible for.

APPLICATIONS AND INFORMATION TO BE VERIFIED

Each year, the FAFSA Processing System (FPS) of the U.S. Department of Education selects a number of Free Application for Federal Student Aid forms (FAFSAs) for a process called verification. If your FAFSA is selected for verification, Five Branches University will need to collect additional documentation from you in order to verify some of the information you provided on your FAFSA. For example, Five Branches may ask for additional information about your income, the number of people in your household, and other relevant details.

The verification process is separate from the requirement to resolve conflicting information and verify unconfirmed citizenship/eligible non-citizen status, Active Duty status, and Veteran's status. Any discrepancies in a student's application or unconfirmed status must be resolved before aid eligibility can be determined.

Schools are required to verify all FAFSAs selected by FPS. Additionally, the institution has the right to verify any FAFSA not selected by FPS for verification, for example, by collecting documentation to determine the independence status or by exercising professional judgment.

HOW YOU WILL BE NOTIFIED

If your FAFSA is selected for verification, you will be notified in the following ways:

1. The Department of Education will include the information about your estimated eligibility and any comments regarding verification or conflicting information in the FAFSA Submission Summary that they send to you.
2. Once Five Branches receives your Institutional Student Information Record (ISIR), you will be notified via email about the necessary documentation you need to submit for verification. You must submit all required documents before the institution's deadline.

The email notification from Five Branches will include instructions on how to submit the required documentation.

If conflicting information appears after you submit documents for review, Five Branches will contact you to resolve the issues by requesting additional documentation.

REQUIRED DOCUMENTATION

Federal Verification Requirements: If your FAFSA is selected for verification, complete the verification requirements promptly. All required documents must be submitted to the University by the deadline.

Applicants selected for verification are placed in tracking groups (V1, V4, or V5), which determine the specific FAFSA information to be verified. Below are the items that must be verified depending on the tracking group.

V1 GROUP—Standard Verification Group

Tax filers (student, student spouse, as applicable) must verify the following:

- 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 Credits
- Foreign income exempt from federal taxation
- Family size

Non-tax filers (student, student spouse, must verify the following:

- Income earned from work
- Family size

V4 GROUP—Custom Verification Group

Students must verify the following:

- Identity
- Statement of Educational Purpose

V5 GROUP—Aggregate Verification Group

This group is a combination of V1 and V4. Tax filers and non-tax filers must verify the items listed in the Standard Verification Group (V1). Students must also complete the verification of Identity and Statement of Educational Purpose.

Documentation Requirements for Tax Filers Who Have Special Filing Circumstances

Victims of Identity Theft:

Tax filers who are unable to obtain an IRS Tax Return Transcript due to identity theft must submit an alternative tax return transcript known as the TRDBV (Transcript Database View) along with a signed and dated statement from 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. You can obtain a copy of the TRDBV from the IRS by calling 1-800-908-4490.

IRS Extension for Filing Form:

Tax filers who have filed for an Extension must submit the IRS Extension for Filing Form 4846 (Notice of Approval), copies of ALL W2s and/or the statement of self-employment certifying the amount of their Adjusted Gross Income and their U.S. income taxes paid along with completed verification forms.

Amended Tax Returns:

Tax filers who have filed an amended tax return must submit the followings:

- A signed copy of the original Federal Income Tax Return Form 1040 that was filed with the IRS or an IRS Tax Return Transcript (which does not have to be signed); and
- A signed copy of the IRS Form 1040X that was filed with the IRS or an IRS Tax Account Transcript

Foreign Tax Filers or Foreign Nontax Filers:

Foreign Tax Filers must provide a signed copy of the Foreign Tax Return along with a statement converting income figures from foreign currency into U.S. dollars, including AGI, Tax Paid, and earned income.

Foreign Nontax Filers must provide a signed statement confirming their income, if any, and are not required to file a return for the reported year, as well as documentation from the Foreign Tax Authority stating that the individual did not file a tax return. If there are no tax filing requirements, regardless of income, in a foreign country, a signed statement in U.S. dollars confirming the source and amount of income earned in the reported year must be provided, along with information indicating that there is no Tax Authority in the country where they reside.

Conflicting Information/Unconfirmed status/Institution verification: Students will be asked to provide supporting documents to resolve any conflicting information/unconfirmed status and or documentation to determine independence status.

VERIFICATION PROCESS AND CORRECTION

Submitted documentation and any supplemental verification documents will be reviewed by Five Branches Office of Financial Aid to verify the accuracy of the student's FAFSA information and to calculate the student's eligibility for aids.

If the FAFSA information changes as a result of the verification process, Financial Aid staff will

- Submit the FAFSA changes and corrections to FPS for processing
- Recalculate the Federal Pell Grant based on the student's recalculated Student Aid Index (SAI)
- Notify you via e-mail of any changes to that academic year's Federal Student Aid package
- Adjust that academic year's FSA package based on the recalculated SAI

Foreign Earned Income Exclusion Verification: If the student, spouse, have reported Foreign Earned Income Exclusion on the FAFSA, Five Branches Financial Aid Office will request a copy of the Federal Income Tax Return Form 1040 and Schedule 1, regardless of whether the application is selected for verification. This is in addition to other required documents. Once all documents are submitted, the FA staff will move the Foreign Earned Income Exclusion amount from untaxed income to AGI. If adding the Foreign Earned Income Exclusion and any non-dollar items (such as Household Size) changes the student's eligibility, the FA staff will make the adjustments and submit the correction to the FPS. If all non-dollar items match and there is no change in the student's eligibility after adding the Foreign Earned Income to AGI, the verification is considered complete.

Verification exclusion: These are cases the institution may waive the verification or exercise Professional Judgment.

1. Tax information may be waived if the Federal Tax Information (FTI) was provided directly from the IRS and no Foreign Earned Income Exclusion was reported.
2. Not an aid recipient.
3. Eligible for ONLY UNSUBSIDIZED LOAN
4. Death of the student
5. For independent students: if the spouse has died after submitting the application, is mentally incapacitated, or can't be located.

Verification Tolerance Options: During the verification process, discrepancies may be discovered between the dollar amount reported on the application and the dollar amount from the provided documentation. If there are any changes to a non-dollar item or a single dollar item of \$25 or more, the school will submit the correction to the FPS for reprocessing.

VERIFICATION DEADLINE & FAILURE TO SUBMIT

It is important to complete the verification process before Five Branches can award or disburse Federal aid (if eligibility requirements are met).

To ensure that the verification process is completed on time, requested verification documentation must be submitted to Five Branches in a timely manner, but no later than 7 days after request. If you are selected for verification but do not wish to complete the process and want to cancel your aid application, please notify the Office of Financial Aid.

If there is any discrepancy in the information provided that needs correction to your FAFSA, that information will be submitted to the FAFSA Processing System (FPS) for reprocessing. Once the verification is completed with no further correction, your aid will be packaged, and you will receive a notification of the offer letter being available to review and accept, along with the award amount you may be eligible for if your enrollment level is full-time. Please be informed that only courses aligned with your Title IV declared program of study will be counted toward your enrollment level/Pell credit.

The verification process typically takes 2 days, but during peak times, it can take up to 1 weeks

SUBSEQUENT FAFSA TRANSACTIONS

When you make any changes or updates to your FAFSA, a new transaction will be sent to Five Branches. If this transaction is selected for verification, any disbursed aid will be retracted, and you will be charged a debt. However, once you complete the verification process, your eligibility for aid will be reestablished. If the subsequent transaction is not selected for verification but still affects your eligibility, your aid will be adjusted accordingly. Please note that you must submit all required documents by the institution's deadline to complete the verification process. Failure to do so will result in the debt remaining on your account.

IDENTIFY THEFT

If you have been a victim of identity theft, you won't be able to obtain an IRS Tax Return Transcript until the issue has been resolved by the IRS. Since this may take a considerable amount of time, you should provide our office with a copy of the Transcript Database View (TRDBV) along with a signed and dated statement stating that you were a victim of IRS tax-related identity theft and that the IRS has been informed about it. You can obtain a copy of the TRDBV from the IRS by calling 1-800-908-4490.

If the identity theft is related to federal financial aid, act immediately by following the steps below:

1. Contact credit reporting agencies and "freeze" your account so that nobody else can open new credit accounts in your name.
2. Get in touch with the school where the theft was used to take out the loan or grant.
3. Visit the following federal websites for information on reporting and repairing identity theft:
U.S. Department of Education (ED) Office of Inspector General Hotline (for cases involving ED funds)
Federal Trade Commission

REFERRAL OF FRAUD CASES

Three common types of fraud have been identified: Admission Application Fraud, Enrollment Fraud, and Financial Aid-Related Fraud (such as enrolling in classes and receiving financial aid based on enrollment with no intent to complete classes and/or lying on the application regarding marital, tax, dependency status, etc.)

When a student is involved in enrollment and/or financial aid fraud, a Fraud hold will be placed on their record. All financial aid funds disbursed for the current semester may be revoked pending resolution and a debt will be added to the student's record. The student is responsible for contacting Admissions and Records to provide proof of identification and informing the Financial Aid Office so that aid can be reinstated based on their eligibility at the time.

It is required by law that if the institution uncovers any credible information that suggests an applicant for federal student aid might have committed fraud or criminal misconduct while applying for such aid, then it must report it to the Department of Education's Office of Inspector General (OIG). This includes any information discovered during the verification process.

In case the decision is made to report the information to the OIG, the college will leave the student's account on PERC-Fraud until instructed by the Department of Education that it is appropriate to lift the hold. All monies paid to the student that are determined to have been the result of fraud will be immediately due to the College. If not repaid, this debt will be referred to a collection agency for collection and legal action. Debts that are referred to a collection agency are subject to fees for the costs associated with collecting the debt.