Session 15 - Verification, Updating, and Corrections

By the end of this session, you will be able to:

- *identify which students are subject to verification,*

- *perform verification,*

- *handle updating of and corrections to students' output documents, and*

- *handle conflicting information in a student's file.*

RESOURCES:

- *The Verification Guide, 1997-98*

- *Action Letter #5 - (GEN 96-22) - November 1996*

SESSION CONTENTS:

1. Need to Know

   ♦ Lecture Notes

   ♦ Chart — 1997-98 Signature Requirements for Application and Verification Information

2. Practice

   ♦ Verification case study

3. Back at the Office

4. Answer Key

Verification and Title IV Programs

Verification is the process of checking the accuracy of information supplied by students on the FAFSA. This is important to reduce fraud and abuse and ensure the integrity of the federal student aid programs.

The financial aid office handles verification.

Application information is compared against tax returns and a student's (and, if dependent, student's parents') statements.

Title IV Programs Subject to Verification

If students will receive Federal Pell Grants, campus-based awards, or subsidized loans and their applications are selected for verification, their eligibility to receive aid from these programs is subject to restrictions until verification is completed.

How Applications are Selected for Verification

Applications are selected for verification:

- by ED's Central Processing System (CPS) or

- by the school.

An asterisk by the EFC and comments on the SAR and ISIR indicate selection for verification.

30% Verification Option

Schools are required to verify all applications selected for verification.

If more than 30% are selected, you can stop at 30%. If fewer are selected, you only need to verify the number selected.

Verification Exclusions

Certain applications may be exempt from some or all of the verification requirements (for example, students who are in a local prison need not have information verified).

Verification vs. Conflicting Information

Schools must resolve any applicant data that are known to be in conflict or be inconsistent with school records before any federal student aid is disbursed. The requirement to resolve conflicting data is separate and distinct from the verification process.

Discretionary Verification Items

The school may choose to verify any other information on the aid application, as long as it is done in accordance with consistently applied school policies and procedures.

Handling Awards While Verification is in Progress

The school has the authority to withhold disbursement or delivery of all of a student's federal student aid funds until verification is complete.

Or the school may choose to disburse and deliver portions of a student's aid before verification is complete. Because the school is liable if verification is not completed, this option should be used sparingly. See *The Verification Guide* for details.

Completing Verification

Documentation needed

For Pell Grants, you need:

- correct or corrected application data,

- all verification documentation on file, and

- final output document with valid EFC on file.

For campus-based and loan programs, you need:

- all verification documentation on file and

- applicant data that have passed through the CPS at least once.

Deadlines and the 60-Day Verification Extension

For Pell Grants, final output documents must be submitted to the school 60 days after the student's last day of enrollment or August 30, 1998, whichever is earlier.*

- Students must have submitted initial output documents to the school by August 30, 1998 or their last day of enrollment, whichever is earlier.

- They must have been selected for verification but have been unable to complete it before finishing their classes.

  Important: A student cannot increase his or her Pell Grant eligibility by taking advantage of the 60-day extension.

For campus-based and loan programs, deadlines are set by the school.

*This date changes slightly each year based on the calendar; it is published each year in the *Federal Register*.

Updating

Updating is required and involves only three data items that might have changed since the time the application was submitted:

- dependency status,

- household size, and

- number enrolled in postsecondary institutions.

None of these items can be updated if the change is due to a change in the student's marital status. A previously certified Direct Loan or FFEL Program application also cannot be updated.

Signature Requirements

Improperly signed or unsigned documents can invalidate verification, causing the school liabilities. See the chart on the next page for signature requirements.

NEED TO KNOW (cont'd)

Page 5 - Paste signature chart

PRACTICE (cont'd)

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PRACTICE (cont'd)

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PRACTICE (cont'd)

Chris' SAR Part 1 page 2

Page 9 paste Chris' parents' tax return page 1

PRACTICE (cont'd)

paste Chris' parents' tax return page 2

PRACTICE (cont'd)

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PRACTICE (cont'd)

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PRACTICE (cont'd)

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BACK AT THE OFFICE

Back at the office, you should:

- Read *The Verification Guide.*

- Establish written policies and procedures using *The Verification Guide* guidelines.

- Discuss the verification process with financial aid administrators at other schools.

- Create forms for managing the verification process.

- _____

- _____

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Insert working paper answers