



**Graduate  
Theological  
Union**

**Financial Aid Office**

2400 Ridge Road, Berkeley, CA 94709-1212

Email: [finaid@gtu.edu](mailto:finaid@gtu.edu)

Ph: 510.649.2469

## 2019-2020 Federal Verification Policy

The law that governs the administration of the federal student aid programs is the [Higher Education Act of 1965 \(HEA\)](#). Some aspects of the HEA are clear and concise and do not require more detailed guidance. However, other provisions merely express congressional intent and require additional interpretation, clarification, or guidance. Such guidance is provided in the form of federal regulations. The regulations in [Subpart E of 34 CFR 668.51-61](#) of the Code of Federal Regulations govern the verification process and its requirements.

The purpose of verification is to ensure accuracy when determining financial aid eligibility. Each year, the Secretary of Education publishes in the Federal Register a notice announcing the FAFSA information that an institution and an applicant may be required to verify and specifies what documentation is acceptable for verifying FAFSA information.

The Financial Aid Office of the Graduate Theological Union verifies all applicants selected by the U.S. Department of Education's Central Processing System (CPS). Additionally, the Financial Aid Office has the authority to select any student not selected by CPS for institutional verification. It is the institution's responsibility to require applicants to submit supporting documentation to verify specified data elements of their FAFSA. It is the student's responsibility to provide the specified documents and information as requested within the established timeframe.

In accordance with the regulations, the institution must have written policies about what documentation is required, the time period in which students must submit documentation, the consequences for failing to submit those documents on time, the method used to notify students if their Expected Family Contribution (EFC) and aid eligibility changes, the procedures to correct FAFSA data, and the process of referring students to the Office of Inspector General (OIG). The OIG conducts independent and objective audits, investigations, and other activities to promote the efficiency, effectiveness, and integrity of the U.S. Department of Education's programs and operations. It is their mission to prevent and detect fraud and abuse.

CPS randomly selects applicants for verification and sets a flag on the student's processed FAFSA, otherwise known as the Student Aid Report (SAR), to indicate that the student's record has been selected. Students should be aware that an update or correction to their FAFSA may trigger CPS to select the application or additional data elements for verification.

There are some situations in which the GTU Financial Aid Office may select a student's FAFSA for verification. These situations include conflicting information reported on the FAFSA and students who have submitted a budget or financial circumstance appeal. If you are selected for verification, please do not assume you are being accused of doing anything wrong. Verification is simply the process used to confirm that the data reported on your FAFSA is accurate. This is a process for receiving documentation that supports the information you reported. A student whose FAFSA is selected for verification will be notified as follows:

- a) If selected by CPS, an asterisk (\*) adjacent to the Expected Family Contribution (EFC) on a student's SAR designates that they have been randomly selected; or,
- b) If selected by the Financial Aid Office, the student will be notified by email to their school address.

Email notifications sent to students whose FAFSA information is selected for verification will include the:

- a) documentation required for verification; and,
- b) deadline by which to submit required documentation.

Mistakes made on the FAFSA must be corrected if the correction results in a change that impacts any aspect of the student's financial aid eligibility. Published guidance indicates that the financial aid administrator must resolve conflicting information before disbursing aid or making a professional judgment adjustment regardless of whether the student is selected for verification. If the information on a piece of documentation, such as an IRS Tax Transcript and/or the GTU Financial Aid Application, is not consistent with the information on the FAFSA, it represents conflicting information. To resolve discrepancies in reported information, students may be required to submit additional forms and/or documentation. The student's EFC will be recalculated and if the results affect eligibility the student or the

Financial Aid Office may be required to submit corrections to the CPS. This may result in a recalculation of a student's overall award. Generally, a student cannot update FAFSA information that was correct as of the date it was signed and processed because it is considered a "snapshot" of the family's situation as of that date. After the FAFSA has been processed, household size, number in college, and marital status can be updated only under the conditions listed below.

- **Verification of Household Size or Number in College:** Updates are required for discrepancies in household size or number in college. Unborn children may be included if they will be born during the 2019-2020 academic year. Additionally in accordance with Title IV federal student aid regulations, children born after January 1, 2016 and are under the age of 24 are considered dependent. (e.g. a dependent child who would be required to provide your information when completing their FAFSA for 2019-2020 may be included in household size.)
- **Marital Status:** The institution may require that the student change their marital status on the FAFSA only if it determines that the update is necessary to address an inequity or to more accurately reflect the student's ability to pay. Applicants who were not married in the 2017 calendar year but are married as of the day the FAFSA was completed, must report their marital status as "married" and tax filing status as "Married, filing separately". In addition, the spouse's income must be reported on the FAFSA.

The Federal Register lists individual items that an applicant must substantiate based on the Verification Tracking Group to which the applicant is assigned. If you have been CPS-selected for verification, your Tracking Status will be listed on your SAR.

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	<p><b>Tax Filers</b>            Adjusted Gross Income (AGI)            U.S. Income Tax Paid            Untaxed Portions of Individual Retirement Account (IRA) Distributions            Untaxed Portions of Pensions            IRA Deductions and Payments            Tax Exempt Interest Income            Education Tax Credits</p> <p><b>Non Tax Filers</b>            Income Earned from Work</p> <p><b>Tax Filers and Non Tax Filers</b>            Number of Household Members            Number in College</p>
V4	Custom Verification Group	High School Completion Status Identity Statement of Educational Purpose
V5	Aggregate Verification Group	<p><b>Tax Filers</b>            Adjusted Gross Income (AGI)            U.S. Income Tax Paid            Untaxed Portions of Individual Retirement Account (IRA) Distributions            Untaxed Portions of Pensions            IRA Deductions and Payments            Tax Exempt Interest Income            Education Tax Credits</p> <p><b>Non Tax Filers</b>            Income Earned from Work</p> <p><b>Tax Filers and Non Tax Filers</b>            Number of Household Members            Number in College            High School Completion Status            Identity/Statement of Educational Purpose</p>

The documentation required for verification varies in accordance with the specific FAFSA information being verified. A student selected for verification must submit the following acceptable documentation to the Financial Aid Office to complete the process. Additional documentation may be deemed necessary on a case-by-case basis once the review begins. The best action a student can take to facilitate this process is to use the IRS Data Retrieval Tool (DRT) to automatically populate tax information directly from the IRS into their FAFSA. Students who make changes after importing their data will be required to submit an IRS Tax Transcript. If a student is unable to submit any of the required documents, they should contact the Financial Aid Office to discuss possible alternative acceptable documentation.

<b>FAFSA Information</b>	<b>Acceptable Documentation</b>
<b>Information for Tax Filers</b>	<i>For income information listed under items a through g for tax filers -</i>
a. Adjusted Gross Income (AGI) b. U.S. Income Tax Paid c. Untaxed Portions of IRA Distributions d. Untaxed Portions of Pensions e. IRA Deductions and Payments f. Tax Exempt Interest Income g. Education Credits	Verification Worksheet, W2's for all sources of employment, tax transcript or IRS DRT, and, if applicable, a transcript that was obtained from the relevant taxing authority of the US territory (Guam, American Samoa, the US Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands), or a foreign central government that lists tax account information of the tax filer
h. Other Untaxed Income	Verification Worksheet and W2's for all sources of employment
<b>Information for tax filers with special circumstances</b>	<i>For students who filed a joint tax return but at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than the individual included on the joint tax return -</i>
a. Adjusted Gross Income (AGI) b. U.S. Income Tax Paid c. Untaxed Portions of IRA Distributions d. Untaxed Portions of Pensions e. IRA Deductions and Payments f. Tax Exempt Interest Income g. Education Credits	Verification Worksheet, IRS W2's for all sources of employment, and a copy of the IRS Tax Transcript
<b><i>For students who have been granted a filing extension from the IRS-</i></b>	Verification Worksheet, a copy of form 4868, W2's for all sources of employment, and a copy of the IRS's approval of an extension beyond the automatic six-month extension, if applicable Confirmation of non-filing from the IRS dated on or after October 1, 2018 If self-employed, verification worksheet certifying the amount of the AGI and U.S. income tax paid for tax year 2017
<b><i>For students who have filed an amended tax return</i></b>	A signed copy of the 1040x and a copy of the 2017 IRS Records of Account Transcript(s).
<b><i>For married students who filed a separate tax return from their spouse</i></b>	The 2017 IRS Tax Return Transcript(s) must be provided for student and spouse.
<b><i>For a student is a victim of IRS tax related identity theft</i></b>	Verification Worksheet and a Tax Return Database View (TRDBV) transcript obtained by the IRS
h. Other Untaxed Income	Verification Worksheet and W2's for all sources of employment
<b>Income Information for Non-Tax Filers</b>	
a. Income Earned from work b. Other Untaxed Income	Verification Worksheet and W2's for all sources of employment. For residents of the Freely Associated states (the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia), a copy of the wage and tax statement from each employer and a signed statement identifying all income and taxes for the year. "Verification of Non-filing Letter" from the IRS (filers of foreign returns must submit a comparable document) dated on or after October 1, 2018 attesting that a 2017 IRS income tax return was not filed. The letter may be requested online or by paper free of charge. (To request by paper complete IRS Form 4506-T and check box 7.)
Number of Household Members	Verification Worksheet
Number in College	Verification Worksheet and a copy of registration demonstrating half-time enrollment status for other members in household
High School Completion Status	High School Diploma or transcript; GED certificate or transcript; homeschooled credential or transcript; or, academic transcript showing two-year program completion Copy of the "secondary school leaving certificate" (or other similar documentation) for students who completed secondary education in a foreign country and are unable to obtain a copy of their high school diploma or transcript
Identity/Statement of Education Purpose	Original government-issued photo ID such as a passport or a driver's license and an Identity and Statement of Education Purpose
Other Information	Other documentation as specified by the CPS and the Financial Aid Office

Typically, students are asked to submit required documentation to the Financial Aid Office within two weeks of being notified. Students should refer to their verification notification email for the requisite deadlines. There are consequences resulting from failure to complete verification within the specified timelines. We are required to inform students of these consequences, however, our goal is to help students avoid them. Federal verification regulations stipulate the following: estimated financial aid awards may be delayed or canceled if verification is not completed within specified deadlines; any financial aid awarded will remain conditional until all required documents have been reviewed; and, verification corrections that impact a student's eligibility may result in an adjustment or cancellation of an award. Students may contact the Financial Aid Office if an extension of time is needed. Once the Financial Aid Office has completed the verification review, students will be notified in writing to their school email.

Students are advised that the institution must and will refer to the Office of Inspector General (OIG) any credible information indicating that an applicant for Federal Student Aid may have engaged in fraud or other criminal misconduct in connection with FAFSA applications. Common misconduct includes false claims of citizenship, use of false identities, forgery of signatures of certifications, and false statements of income. Note that fraud is the intent to deceive as opposed to a mistake on an application.

## Definitions

**FAFSA:** The Free Application for Federal Student Aid is an online form that is completed annually to determine eligibility for federal student aid programs offered by the U.S. Department of Education (ED) and need-based institutional aid at the GTU. Completing the FAFSA is free. Federal student aid may be used to offset expenses such as tuition and fees, room and board, books and supplies, transportation, and other related educational expenses. Some external outside organizations, agencies or foundations may use the FAFSA information to determine eligibility for their aid.

**Central Processing System (CPS):** The primary business function of CPS is student application processing and eligibility determination for federal student financial assistance for postsecondary education.

**Student Aid Report (SAR):** One of two output documents created by CPS after processing a student's FAFSA. The SAR is made available electronically to the student.

**Expected Family Contribution (EFC or 'Student Contribution'):** The Financial Aid Office uses the need analysis formula established by the U.S. Department of Education to determine an applicant's ability to contribute to the Cost of Attendance. The EFC is the result of the information provided on the FAFSA. The federal methodology calculation of the FAFSA takes into account certain income and asset protection, and employment expense allowances based on household size and number in college. The EFC represents an evaluation of family size, income and assets.

**Institutional Student Information Record (ISIR):** One of two output documents created by CPS after processing a student's FAFSA. The ISIR is made available electronically to institutions listed on the student's FAFSA.

**Federal Unsubsidized Student Financial Assistance Programs:** Title IV, HEA programs for which eligibility is not based on an applicant's need. For students attending the GTU, these programs include the Federal Direct Unsubsidized and Graduate PLUS Loan programs.

**IRS Data Retrieval Tool (IRS DRT):** The IRS Data Retrieval Tool allows applicants who have already filed their federal income tax returns to prefill the answers to some questions on the FAFSA by transferring data from the IRS. This can save the applicant some time in completing the FAFSA, it ensures accuracy and it may also reduce the likelihood that your FAFSA will be selected for verification.

**Tax Return Transcript or Record of Account Transcript:** A summary of your tax return as filed from the IRS that shows most line items including AGI from an original tax return (Form 1040, 1040A or 1040EZ) as filed, along with any forms and schedules. This document is required by ED if you were selected for verification and did not or could not use the IRS DRT. Signed copies of your Federal 1040, 1040A or 1040EZ are not acceptable documents.

**1040X:** An IRS form used by taxpayers who have to amend their tax returns for any reason. Students who have amended their tax return must submit a signed copy of the 1040X and the IRS Record of Account Transcript.

**Non-filer:** Applicants who are not required to file a federal tax return must submit a [Verification of Non-Filing Letter](#) from the IRS.

**To determine if you are required to file a federal income tax return, please review the chart below as indicated on page 5 of IRS Publication 17 for the 2017 tax year.**

IF your filing status is...	AND at the end of 2017 you were...	THEN file a return if your gross income was at least...
Single	Under 65	\$10,400
	65 or older	\$11,950
Married filing jointly	Under 65 (both spouses)	\$20,800
	65 or older (one spouse)	\$22,050
	65 or older (both spouses)	\$23,300
Married filing separately	Any age	\$4,050
Head of Household	Under 65	\$13,400
	65 or older	\$14,950
Qualifying widow(er)	Under 65	\$16,750
	65 or older	\$18,000