

CLARK ATLANTA UNIVERSITY

Policy 8.10.9: Verification



CLARK ATLANTA UNIVERSITY		
POLICY and PROCEDURE	Subject: Verification of Student Data	
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1.0 Policy Statement

Each academic year a percentage of financial aid applications are selected by the US Department of Education and/or by Clark Atlanta University's (the University/CAU) Office of Financial Aid for verification. When an applicant is selected for verification, the Office of Financial Aid is required to verify the information submitted on the applicant's Free Application for Federal Student Aid (FAFSA). All Title IV Aid is covered by verification.

2.0 Procedure Narrative

2.1 Regulation

Regulations governing Title IV Student Financial Aid Programs require institutions to verify applicant data in certain instances. Regulation 34 CFR Part 668 Sub-part E governs the verification by institutions of information submitted by applicants for student financial assistance in connection with the calculation of their expected family contributions (EFC) for the Federal Pell Grant, campus-based aid, Federal Direct Loan, programs. If the Secretary of the Department of Education or the institution requests documents or information from an applicant under this subpart, the applicant shall provide the specified documents or information.

2.2 Verification Principles

Clark Atlanta University adheres to the following verification principles:

- To ensure that limited financial aid funds are awarded to eligible students in a consistent manner, CAU has developed policies for verification of family-reported information.
- Requirements for verification of family-reported information for purposes of qualifying for financial aid are cost effective, flexible and based on tolerance ranges, established by the U.S. Department of Education, for error applied to award amounts.
- While institutions vary widely by type of students served and mission, minimum standards for verification must exist for CAU.
- The University has established and published institutional policies which outline required forms and procedures to fulfill verification standards and are available to applicants for financial aid.
- Verification procedures are uniformly applied to all federal and state financial aid programs which require demonstrated financial need as an eligibility criterion.
- Verification procedures used by CAU verify all federally selected applicants.

2.3 Verification Process

Verification is the process used to check the accuracy of the information that a student provides when applying for financial aid.

The selection of an application for verification does not mean the University believes information on an application is incorrect. Applications are selected for review either on a random basis or because

the information on an application appears to be inconsistent or incorrect. Information received by the University as a result of verification is submitted to the U.S. Department of Education. No Federal Funds may be disbursed until the verification process is completed.

Students are notified that they have been selected for verification by either the University by hard copy letter or e-mail or by the Department of Education by mail.

2.3 Selection of Applications for Verification

In order to ensure accuracy when applicants apply to participate in the federal student aid programs the Central Processing System (CPS) randomly selects approximately 30% of all applicants for verification.

Clark Atlanta University verifies 100% of all applicants selected by the Department of Education for verification. The University also verifies information believed to be incorrect [34 CFR 668.54 (a) (3)] or discrepant information [34 CFR 668.16 (f)]. Students with these applications are considered to be selected for verification even though we may not be verifying the same data for CPS-selected applications.

If an applicant is selected to verify the information on his or her application CAU must have the applicant verify the information on each additional application he or she submits for that award year, except for information already verified under a previous application submitted for the applicable award year.

The University or the Secretary may require an applicant to verify any data elements that the University or the Secretary specifies.

2.3 Verification Processing and Institutional Deadline Dates

In order to be considered for the Federal Pell Grant, CAU must have a valid Student Aid Report (SAR) on file while the student is enrolled whether or not they are selected for verification. If a Federal Pell Grant applicant is selected to have information on his or her application verified, he or she must have on file, in addition to the SAR, the requested documents required for verification.

For students selected (by the Department of Education or the school) for verification, the school must have verification documents and a valid output document no later than 120 days after the last day of enrollment. Schools may set earlier deadlines for the Campus-based and loan programs. For the deadlines described here, the date the CPS processed the ISIR transaction is considered to be the date the institution received the ISIR.

2.4 Verification Documents

CAU requires an applicant selected for verification to submit acceptable documentation that verifies or updates the following information used to determine the applicants EFC.

The following information from the Student's FAFSA may be verified:

- Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.
- U.S. income tax paid for the base year if base year data was used in determining eligibility
- Number of family members in the household
- Number of family members attending postsecondary educational institutions as at least halftime students and pursuing a degree, certificate, or diploma (not to include parents)
- Citizenship status

The following untaxed income and benefits may be verified for the base year if base year information was used in determining eligibility

- Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported
- Veterans Administration benefits
- Untaxed payments to an Individual Retirement Account (IRA) and/or Keogh plans
- Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received
- Earned income credit taken on the applicant's IRS tax transcript
- Interest on tax-free bond
- Identity/Statement of Educational Purpose
- High School Completion Status

2.5 Dependency Status Change

If a Pell Grant or campus-based program applicant's dependency status changes during the award year, or the original application was filed incorrectly, the applicant must file a corrected application reflecting the changed status unless the change results from a change in marital status.

- Title IV applicants whose dependency status changes during the award must submit the correction(s) on the Student Aid Report (SAR) to the Department of Education unless the change results from a change in marital status.
- Campus-based applicants whose dependency status changes during the award year, except as a result of marriage, must have their expected family contribution (EFC) recalculated. The procedure for doing this is as follows:
 1. The Financial Aid Counselor recalculates the EFC using the new data and submits the data electronically to the Department of Education
 2. Selected applicants must certify and/or update the household size and number in postsecondary education to reflect accurate data as of the date of verification.
 3. The applicant must repay any overpayment discovered during verification.

2.6 Verification Exclusions

Verification is not required if a student does apply for need-based assistance. Verification is also not required if a student only takes part in the Federal PLUS or unsubsidized loan programs. Except in the case of a student's death, none of these verification exclusions

excuses the University from the requirement to resolve conflicting information. In addition, the following circumstances exempt a student from the verification requirements:

Incarceration: A selected application does not have to be verified if the student is in jail or prison at the time of verification.

Recent Immigrant: A selected application does not have to be verified if the student is an immigrant who arrived in the United States during calendar years that are representative of the academic year.

Spouse unavailable: The University is not required to verify spouse information if:

- The spouse is deceased or mentally or physically incapacitated or
- If the spouse is residing in a country other than the United States and cannot be contacted by normal means
- The spouse cannot be located because his or her address is unknown and cannot be obtained by the applicant

Parents Unavailable: The Financial Aid Office does not verify a dependent student's application if:

- The student's parents are deceased or mentally or physically incapacitated
- If both parents are dead, the student is an orphan and thus is an independent student. If the parents die after the student has applied, the student must update his or her dependency status.
- A dependent student's application is also not verified if the parents are residing in a country other than the United States and can't be contacted by normal means.
- If an applicant parents' address is unknown and cannot be obtained by the applicant

The Financial Aid Office documents the basis for these exclusions in the student's file. These exclusions do not affect any other part of required verification; the selected application must still be verified according to all other requirements.

Pacific island resident: The University does not verify the selected application of a student who is either: A legal resident of Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands or a citizen of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

To qualify for this exclusion, a dependent student's parents must also be citizens of one of these former territories. As documentation, the permanent mailing address will be noted in the student's file.

Death of the student

If the University makes an interim disbursement during the verification process, and the student dies before verification is completed, the Financial Aid Office will not continue to verify. In such a case, the university can't make any additional disbursements to any of the

student's beneficiaries, except for FWS funds already earned. Also, the university cannot originate or certify a Stafford Loan, or deliver proceeds from either FWS or Stafford Loans to the student's beneficiaries.

Federal Direct Unsubsidized Loan/PLUS

The Financial Aid Office will not require verification documents if the student is only receiving Federal Direct Unsubsidized or PLUS Loans. A student cannot avoid the verification requirements by choosing to borrow an Unsubsidized Loan instead of a Subsidized Loan.

Applicant verified by another school

The Financial Aid Office will require verification documents even if previously submitted to another school for the award year. This ensures the accuracy of our information when audited.

Withdrawn Students

Students who withdraw before completing the verification process have 14 calendar days after withdrawing to complete the verification process to be eligible for a post-withdrawal disbursement.

2.7 Required Documents

Typically, required documents include a [Verification Worksheet](#) , imported tax information utilizing the IRS Data Retrieval Tool (IDRT) within the FAFSA or copies of IRS Tax Transcripts.

IRS Data Retrieval Tool

Certain data elements such as AGI and taxes paid will be populated on the FAFSA. Because this data comes directly from the tax return filed with the IRS, the data is considered "verified" for FAFSA purposes.

IRS Tax Transcripts

Copies of IRS Tax Transcripts must be of the same year used to complete the FAFSA.

- If the student is married and filed separately from their spouse the University requires the spouse's IRS Tax Transcript as well.
- If the student is a dependent undergraduate the University requires the parents' IRS Tax Transcript.
- If the student/spouse/parent was not required to file an IRS Tax Transcript, this must be indicated on the FAFSA and the verification worksheet.

Acceptable Documentation

	IRS Data Retrieval or IRS Tax Transcripts	Institutional Verification Document	Other Documentation in Lieu of Worksheet or IRS Tax Data
Household Size		✓	Signed statement
Number in College		✓	Signed statement or institutional certification
AGI and Taxes Paid	✓		Tax return transcripts, copy of the tax return, Form W-2, Form 4868, or a signed statement
Untaxed Income and Benefits	✓		Tax return transcripts, copy of the tax return, Form W-2, Form 4868, or a signed statement
Income Earned from Work for Non-tax Filers		✓	Verification of Nonfiling Letter and Form W-2
High School Completion			High school diploma or transcript, GED certificate or transcript, transcript showing 2-year program completion, or home school credential or transcript

Identity/Statement of Educational Purpose		✓	Original government issued ID and signed statement of educational purpose or a copy of that ID and the statement notarized
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All verification documentation should be mailed, faxed or brought in person to the following address except for Identity and Statement of Educational Purpose; submit the original:

*Office of Student Financial Aid
 Clark Atlanta University
 Haven-Warren Hall, Room 210 223
 James P. Brawley Drive, S.W.
 Atlanta, GA 30314
 Phone: (404) 880-8992
 Fax: (404) 880-8070*

2.8 Deadlines

The priority deadline for submitting verification documents is April 15th for all students. Students, including transfer students, who submit verification documents after the priority deadline may not be considered for need-based assistance. The final deadline for verification is the student's last day of attendance during a term or the last day of the academic year, whichever is earlier. Students submitting documents after the final deadline may not be eligible for financial aid for that year.

2.9 Consequences of Failure to Submit Verification Documents

The timeframe for submitting verification documents for Pell recipients is established yearly by the federal government. Generally, students may submit these documents by August 31 of the last year during a two-year award year, or no later than 120 days after the last day of the student's enrollment, whichever is earlier.

Campus-based and Stafford Subsidized Loan recipients must complete verification within 30 days of the beginning of the award year or 14 days after notification, whichever is last.

If the student selected for verification does not provide the required documentation by their deadline, then the University cannot:

- Disburse any FSEOG or Federal Perkins Loan funds to the student
- Allow the student to continue employment in an FWS job
- Certify a Stafford Loan application for the student

- Disburse Stafford Loan funds to the student
- Future registration of classes may be delayed

2.10 Corrections

If verification documents reveal inaccuracies in a student's FAFSA, the record is corrected electronically by the Office of Financial Aid. The student is sent an updated SAR from the Department of Education. If incomplete or inadequate verification documents are submitted, students or parents are notified of the discrepancies by mail or email and instructed on how to correct them.

2.11 Award Changes Due to Verification

If the verification documents provided confirm the accuracy of all application items requiring verification, the application is finalized. An award letter is sent to the student after verification and the FAFSA is complete. For undergraduate students verification may result in a change to a student's award if corrections are made. Students are notified of any changes to their awards via mail or they can get updates on Self-Service Banner. Students are encouraged to contact the Office of Financial Aid for explanation of corrections and amended awards.

2.12 Consequences of a Change in Application Information

For the Federal Pell Grant programs.

- If the information on an application changes as a result of the verification process, CAU resubmits the student's application information to the Secretary of Department of Education for corrections if there is a change to the applicant's EFC that changes the applicant's Federal Pell Grant, award or if CAU does not recalculate the EFC.
- CAU will resubmit the application information to the Secretary, recalculate an applicant's EFC, or adjust an applicant's Federal Pell Grant award if, as a result of the verification process, no errors were found in non-dollar items used to calculate an applicant's EFC. If no Federal Income IRS tax transcript was filed, income earned from work may be used in lieu of Adjusted Gross Income (AGI).
- For the Federal Pell Grant program if the University does not recalculate an applicant's EFC they calculate and disburse the applicant's Federal Pell Grant award on the basis of the applicant's original EFC. However, within 48-72 hours the updated FAFSA will be sent to CPS for re-processing.
- If CAU recalculates an applicant's EFC because of a change in application information resulting from the verification process, the University does the following:
 - Recalculates the applicant's Federal Pell Grant award on the basis of the EFC on the corrected SAR or ISIR; and resubmits his or her application to the Secretary
 - Disburses any additional funds under that award only upon receipt of the corrected SAR or ISIR and only to the extent that additional funds are payable based on the recalculation.
- If the University recalculates an applicant's EFC because of a change in application information resulting from the verification process and determines that the change in the EFC increases the applicant's award:
 - The University will resubmit the application information to the Secretary for processing prior to disbursing the increase award; and

For the campus-based, and Federal Direct Loan or Federal Direct Stafford/Ford Direct Loan program if the information on an application changes as a result of the verification process, the University recalculates the applicant's EFC.

Correcting Errors

As explained in the last section, you only make updates in specified situations, but for students who are not selected for verification, you or they must correct and submit for processing any errors reported on the original FAFSA that would change the EFC or that determine the students' eligibility for aid. For students who are selected for verification and receiving subsidized student aid, changes that result to any non-dollar item and to any dollar item of \$25 or more must be submitted for processing. See the section on changes to an applicant's FAFSA.

If the applicant has received funds based on information which may be incorrect and CAU has made a reasonable effort to resolve the alleged discrepancy, but cannot do so, they will forward the applicant's name, social security number, and other relevant information to the Secretary.

2.13 Time to submit Verification Documentation

A student must provide the requested documentation to the Office of Financial Aid no later than the last day of enrollment for the academic year.

2.14 Referrals

Should the University's review of a student's financial aid application reveal the student may have engaged in fraud or other criminal misconduct in connection with an application, CAU is required to report their findings to the Office of the Inspector General of the U.S. Department of Education for investigation. Examples of such information include (but are not limited to) false claims of independent student status, false claims of citizenship, use of false identities, forgery of signatures or certificates and false statements of income.

If it is determined that a student has received funds which they were not eligible to receive, the student must repay the amount. If a repayment is not made, the overpayment must be referred to the U.S. Department of Education.

2.15 Disbursement

Students selected for verification will not have their aid disbursed until all required documents have been received and required processing completed. If a change in award has occurred upon completion of the verification. The student will receive a copy of the corrections within 7-10 days through CPS. Students selected for verification after disbursements have been made, will not have adjustments made to the disbursement. However, no subsequent disbursements will be made until the verification process is completed

When the verification process is complete, students will immediately receive:

- An award letter indicating any change to the financial aid package for freshmen and transfer students.

2.16 Interim Disbursements

If the University has reason to believe that the information included on the application is inaccurate, until the applicant verifies or corrects the information included on his or her application, the University may not:

- Disburse any Federal Pell Grant or campus-based program funds to the applicant;
- Employ the applicant in its Federal Work-Study Program;
- Certify the applicant's Federal Direct Loan application or process Federal Direct Loan proceeds for any previously certified Federal Direct Loan application; or

If the University does not have reason to believe that the information included on an application is inaccurate prior to verification, the University:

- May withhold payment of Federal Pell Grant or campus-based funds; or
- May make one disbursement of any combination of Federal Pell Grant, Federal Perkins Loan, or FSEOG funds for the applicant's first payment period; and
- May employ or allow an employer to employ an eligible student under the Federal Work-Study Program for the first 60 consecutive days after the student's enrollment in that award year; and
- May withhold certification of the applicant's Federal Direct Loan application or origination of the applicant's Direct Subsidized Loan; or
- May certify the Federal Direct Loan application or originate the Direct Subsidized Loan provided that the University does not deliver Federal Direct Loan proceeds or disburse Direct Subsidized Loan proceeds.

If the University chooses to make disbursement it is liable for any overpayment discovered as a result of the verification process to the extent that the overpayment is not recovered from the student.

The University may not withhold any Federal Direct Loan or Direct Loan proceeds from a student for more than 45 days. If the applicant does not complete the verification process within the 45 day period, the University will return the proceeds to the lender.

If the University receives Federal Direct Loan or Direct Loan proceeds in an amount which exceeds the student's need for the loan based upon the verified information and the excess funds can be eliminated by reducing subsequent disbursements for the applicable loan period, the University will process the proceeds and advise the lender to reduce the subsequent disbursements.

If the University receives Federal Direct Loan proceeds in an amount which exceed the student's need for the loan based upon the verified information and the excess funds cannot be eliminated in

subsequent disbursements for the applicable loan period, the University will return the excess proceeds to the lender.

2.17 Recovery of Funds

If the University discovers, as a result of the verification process, that an applicant received more financial aid than the applicant was eligible to receive, the University will eliminate the overpayment by:

- Adjusting subsequent financial aid payments in the award year in which the overpayment occurred; or
- Reimbursing the appropriate program account by:
 - Requiring the applicant to return the overpayment to the University if the University cannot correct the overpayment; or
 - Making restitution from its own funds, by the earlier of the following dates, if the applicant does not return the overpayment:
 - Sixty days after the applicant's last day of attendance.
 - The last day of the award year in which the University disbursed Federal Pell Grant, Federal Perkins Loan, or FSEOG funds to the applicant.

If the University determines as a result of the verification process that an applicant received Federal Direct Loan or proceeds for an award year in excess of the student's financial need for the loan, the University will withhold and promptly return to the lender or escrow agent any disbursement not yet delivered to the student that exceeds the amount of assistance for which the student is eligible, taking into account other financial aid received by the student. However, instead of returning the entire undelivered disbursement, the University may choose to return promptly to the lender only the portion of the disbursement for which the student is ineligible. In either case, the University will provide the lender with a written statement describing the reason for the returned loan funds.

If the University determines as a result of the verification process that a student received Direct Subsidized Loan proceeds for an award year in excess of the student's need for the loan, the University will reduce or cancel one or more subsequent disbursements to eliminate the amount in excess of the student's need.

3.0 Entities Affected By This Policy

Student Financial Aid, Division of Enrollment Services and Student Affairs, and Division of Finance and Business Services are affected by this policy.

4.0 Definitions of Key Terms

AGI – Adjusted Gross Income is total income minus allowable deductions

Base Year - Base year means the calendar year proceeding the first calendar year of an award year.

Edits - Edits means a set of pre-established factors for identifying—

- (a) Student aid applications that may contain incorrect, missing, illogical, or inconsistent information; and
- (b) Randomly selected student aid applications.

Expected Family Contributions (EFC) - The Expected Family Contribution is the amount of money that a family is expected to contribute to the student's education. This amount is used to determine the need for financial aid.

Federal Direct Loan Program (FDLP) - The FDLP are low-interest loans for students and parents to help pay for the cost of student's education after high school. The lender is the U.S. Department of Education (the Department) rather than a bank or other financial institution.

Federal Work Study (FWS) - The FWS Program provides funds that are earned through part-time employment to assist students in financing the costs of postsecondary education.

Pell Grant - The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post baccalaureate students to promote access to postsecondary education. Pell Grants are grants, not loans and therefore are not repaid.

Perkins Loan - The Federal Perkins Loan Program provides low-interest loans to help needy students finance the costs of postsecondary education.

Student Aid Report (SAR) – The SAR is a summary of the FAFSA responses.

Supplemental Educational Opportunity Grant (SEOG) - The Federal Supplemental Educational Opportunity Grant (FSEOG) program is for undergraduates with exceptional financial need. Pell Grant recipients with the lowest expected family contributions (EFCs) will be considered first for a FSEOG. Just like Pell Grants, the FSEOG does not have to be repaid.

Title IV - Title IV of the Higher Education Act of 1965 covers the administration of the United States federal student financial aid programs.