

# Demystifying Financial Aid Verification

## Background

Verification is a process used to check the accuracy of the information provided on the Free Application for Federal Student Aid (FAFSA). When selected for verification additional steps must be completed by the financial aid office and in most cases by the family. If an application is selected for verification, federal financial aid awards may not be provided until the FAFSA data are verified. Students may be selected for verification by the U.S. Department of Education randomly or because data provided on the FAFSA may appear to be inaccurate or incomplete.

Federal Pell Grants are targeted to low-and moderate-income students. In 2017-18 more than \$28 billion was awarded to 7 million students (Ma, Baum, Pender, Libassi, 2018). The Pell Grant program is classified as a high priority program by the federal government and subject to additional oversight (Warick, 2018). A significant number of low-income students also submit incomplete FAFSAs. These factors may mean that low-income students are disproportionately impacted by verification processes.

Ongoing advocacy for improved verification processing has led to encouraging results. The U.S. Department of Education recently updated verification guidance to decrease the burden on students, families and financial aid practitioners. This guide will share more about these changes, as well as, helpful tips and information intended to assist professionals dedicated to helping families through the verification process.

## Frequently Asked Questions

### **Q. How does a student know their FAFSA has been selected for verification?**

**A.** After completing the FAFSA, the student receives a Student Aid Report (SAR), a document that acknowledges completion of the FAFSA. The SAR will include an asterisk and a note explaining that the FAFSA has been selected for verification.

### **Q. What should a student do if their FAFSA is selected for verification?**

**A.** A student should contact the financial aid office to

determine what type of documentation or actions may be needed to reconcile any FAFSA application questions. First-time students should connect with each college listed on the FAFSA as deadlines and institutional requirements may vary from college to college. Although colleges will reach out to families directly with instructions on how to complete financial aid requirements, being proactive is recommended.

### **Q. What does a student have to do to complete verification?**

**A.** Colleges may ask for copies of student and/or parent federal income tax returns, federal tax return transcripts, W-2 forms or statements of wages. Colleges may also provide a verification worksheet to be completed.

## Helpful Tips for Families

**Complete the FAFSA using the IRS Data Retrieval Tool (DRT)** – Whenever possible using the IRS Data Retrieval Tool (IRS DRT) is recommended when completing the FAFSA. The IRS DRT electronically transfers federal tax return information into the FAFSA, ensures greater accuracy of responses and minimizes the chance of being selected for verification.

**Save a Copy of the Federal Tax Return or Order an IRS Transcript in Advance** – Students and parents who have filed a federal tax return but do not have a signed copy, should order a federal IRS tax transcript prior to completing the FAFSA. Having a copy of the federal tax return used to complete the FAFSA or a copy of the IRS tax transcript handy could save time in completing the verification process. Go to [www.irs.gov](http://www.irs.gov) and select the Get Transcript Online link.

**Request a Verification of Non-filing Letter from the IRS in Advance** – Independent students and parents of dependent students who are not required to file a tax return should request proof of non-filing directly from the IRS. Go to [www.irs.gov](http://www.irs.gov) and select the Get Transcript Online link.

## Recent Federal Verification Changes

The U.S. Department of Education recently announced that it will allow colleges to accept copies of tax returns

and written statements of non-filing in lieu of IRS tax return transcripts and verification of non-filing forms. Independent applicants and parents of dependent students who are required to verify they did not file a federal tax return still need to obtain proof from the IRS. However, individuals who are unable to secure these documents may submit a signed statement to the college certifying that the attempt was made. Families should contact the financial aid office at their college for further guidance.

## Recommendations for Campuses

First-time students may not be aware of the primary method of communication from the financial aid office and often have difficulty managing new email accounts, online student portals, paper letters and various aid requirements. A well-designed website offers an opportunity to share essential information.

### Review financial aid websites to ensure:

1. Communication protocols and policies are clearly explained.
2. Verification requirements and forms needed to complete the process are easy to find and understandable.

## Additional considerations:

Provide early targeted outreach to first-generation, low-income, Pell-eligible students (and their parents) who have incomplete verification requirements. Messages delivered close to the time of FAFSA completion are often most successful.

Educate and involve offices beyond the financial aid office in verification outreach. Many times, admissions officers are the most familiar and impactful point of contact for incoming students.

## A Promising Technology Practice: Georgia State University

Many colleges and universities have moved beyond traditional forms of communication to reach students and encourage them along their path to and through college. One example shared at the College Board's National Forum in 2018:

**Chatbot Technology** – A chatbot is an artificial intelligence software that can simulate a conversation or a chat through messaging, websites, mobile apps or the

telephone. Georgia State University achieved success with chatbot technology in reducing “summer melt”, a phenomenon where accepted students never attend a first day of class, many times due to financial aid related barriers (Page & Gehlbach. 2017). At the National Forum, Scott Burke, assistance vice president of undergraduate admissions, shared that over a 3-year timeframe GSU has seen a 21.4% decrease in summer melt, a 16.9% increase in flawless FAFSAs and a 14.9% increase in student loan counseling as a result of their chatbot interventions.

## Resources

<https://studentaid.ed.gov/sa/fafsa/next-steps> - Learn about what to expect after you fill out and submit the Free Application for Federal Student Aid (FAFSA) form.

<https://ifap.ed.gov/eannouncements/010919Chngsto1819and1920VerificationReq.html> - Changes to 2018-19 and 2019-20 Verification Requirements, Office of Postsecondary Education January 9, 2019

<https://success.gsu.edu/initiatives/reduction-of-summer-melt/> - Learn how GSU took a systematic approach to reduce summer melt.

## References

Warick, C. (2018), National College Access Network, *FAFSA Verification: Good Government or Red Tape?*, 2. Retrieved from <https://bit.ly/2ThazPG>

Ma, Jennifer, Sandy Baum, Matea Pender, and CJ Libassi (2018), *Trends in Student Aid 2018*, New York; The College Board, p 27. Retrieved from <https://trends.collegeboard.org>.

Page, Lindsay C. & Gehlbach, Hunter (2017). *How an Artificially Intelligent Virtual Assistant Helps Students Navigate the Road to College* 3(4). Retrieved from <https://bit.ly/2DzoCdO>

## Contact Us

For additional information about this publication or other College Board financial aid initiatives contact our national team.

- **Dean Bentley**, [dbentley@collegeboard.org](mailto:dbentley@collegeboard.org)
- **Lynne Myers**, [lmyers@collegeboard.org](mailto:lmyers@collegeboard.org)
- **Melanie Storey**, [mstorey@collegeboard.org](mailto:mstorey@collegeboard.org)