Verification Requirements for Federal Financial Aid Programs

Overview

The Department of Education selects approximately 30% of all applications for verification. A student's Student Aid Report (SAR) will indicate if the department selected their SAR for verification.

When UHD receives SARs selected for verification, we notify the student that additional documents are needed to process their financial aid application.

Starting with the 2012-2013 academic year, schools will have to verify all applications that are flagged for verification by the Department of Education.

Students can avoid the frustration of submitting multiple documents to the financial aid office by making a simple choice when completing the FAFSA. The IRS Data Retrieval Tool will simplify and expedite the verification process for both students and their parents.

Counselors must resolve any conflicting data before finalizing a student's eligibility for federal financial aid funds.

Deadlines

Students should submit all requested documents to the Scholarships and Financial Aid Office by April 1st to meet the financial aid priority deadline for 2012-2013. All federal aid must be processed and credited to a student's account before the last day of the semester. Students should submit requested information within 2 weeks of the initial notification.

Counselors will review student information and send any required corrections directly to the federal processors.

Link It! for 2012-2013 - IRS Data Retrieval Process
The 2012-13 Free Application for Federal Student Aid (FAFSA) was revised to make the form easier to complete and to improve the accuracy of the information provided on the form.

We encourage applicants to choose the Link to IRS feature on the 2012-13 FAFSA. The IRS link will be available beginning February 1, 2012. Student and parent 2011 federal tax returns must be filed and available on the IRS website before using this feature. By selecting Link to IRS, tax-related information is automatically transferred to the FAFSA.

We highly recommend filing 2011 federal tax returns and 2012-13 FAFSA electronically. Electronically filed tax return information will be available online from the IRS site in 1-2 weeks after the return has been filed. Data from paper tax returns will be available in 6-8 weeks.

Before any personal information is displayed using the data retrieval tool, applicants will need to authenticate their identity. Tax data will be presented and the applicant will have the option to “Transfer” the tax information to the FAFSA. There is also an option to NOT transfer the data to the FAFSA. Successfully transferred data will have a notation - “Transferred from the IRS.”

Applicants who estimated income on the FAFSA must go back to fafsa.gov, select “Make Corrections to a Processed FAFSA,” and use the Link to IRS feature once the tax returns are filed.

Students selected for verification who do not choose the IRS Data Retrieval Process or are unable to utilize the process must submit a signed 2011 federal IRS tax return transcript. Additionally, changes made to IRS data transferred to the FAFSA will compromise the data and require submission of a 2011 federal IRS tax transcript if selected for verification.

Are You Eligible to Use the IRS Data Retrieval Tool?

Dependent and independent applicants (and the applicants’ parents, when applicable) who meet all of the following criteria may be eligible to use the 2012-2013 IRS Data Retrieval process:

- Must have a valid SSN
- Must have filed a 2011 federal tax return, and
- These options must not be applicable to the student or parent
  - Married Filing Separately
  - Married Filing Head of Household
  - Filed an amended tax return
  - Filed a Puerto Rican or foreign tax return
  - Marital status from January 1, 2011 through May 11, 2013 has changed
  - Have been granted a filing extension by the IRS
  - Recently filed taxes
Eligible to transfer data – If a student meets the criteria to use the Data Retrieval Tool, the following will occur next:

- Must enter a Federal Student Aid PIN
- When a married parent needs to provide his or her Federal Student Aid PIN, the FAFSA process will ask which parent is linking to the IRS Web site to determine which parent’s Federal Student Aid PIN is required.
- When a student is completing an initial FAFSA, the FAFSA process will ask the applicant to enter their Federal Student Aid PIN before linking to the IRS Web site.
- Link to IRS button with PIN

Recently filed, data may not be available to transfer – If the applicant recently filed his or her taxes, the FAFSA process will inform them that tax information electronically filed (within the last 2 weeks) or submitted by mail (within the last 8 weeks) may not be available.

Not eligible to transfer data – If one or more of the filtering questions above is applicable, the FAFSA process will bypass the option to link to the IRS Web site and inform the applicant, based on his or her response, that he or she is not eligible to transfer tax information from the IRS into the FAFSA. In these cases, the circumstances suggest that the IRS tax information is unlikely to reflect his or her current financial status.

The following are some examples of situations where the Data Retrieval Tool cannot be used:

- A married independent applicant and spouse who filed separate tax returns;
- When the parents of a dependent student filed separate tax returns.
- An applicant or applicant’s parent who have had a change in marital status after the end of the tax year on December 31, 2011.
- The applicant, or parent or spouse, as applicable, who has filed an amended tax return, will not be able to use the "DRT".

If selected for verification, what may I need to submit?

Married Filing Separately: A signed 2011 Federal IRS tax return transcript for BOTH of the tax filers
Married Filing Head of Household: A signed 2011 Federal IRS tax return transcript
Filed an amended tax return: A signed 2011 Federal IRS Amended tax return transcript
Filed a Puerto Rican or foreign tax return: A signed 2011 Puerto Rican tax return.
Filed a foreign tax return: A signed copy of the 2011 foreign tax return.

How to request a tax return transcript

Applicants who are not eligible to use the IRS data retrieval tool must provide a tax transcript for verification to the financial aid office. This can be done free of charge from the IRS one of three ways.
Online Request

- In the Tools section of the homepage click “Order a Return or Account Transcript.”
- Enter the tax filer’s social security number, date of birth, street address, and zip or postal code. Use the address currently on file with the IRS. Generally this will be the address that was listed on the latest tax return filed.
- In the Type of Transcript field, select “Tax Return Transcript” and in the Tax Year field, select “2011.”
- If successfully validated, tax filers can expect to receive a paper IRS tax return transcript at the address included in their online request, within 5 to 10 days from the time the online request was successfully transmitted to the IRS.

Telephone Request

- Available from the IRS by calling 1-800-908-9946.
- Tax filers must follow prompts to enter their social security number and the numbers in their street address. Generally this will be numbers of the street address that was listed on the latest tax return filed.
- Select “Option 2” to request an IRS tax return transcript and then enter “2011.”
- If successfully validated, tax filers can expect to receive a paper IRS tax return transcript at the address that was used in their telephone request, within 5 to 10 days from the time the IRS receives the request.

Paper Request Form – IRS Form 4506T-EZ

- Use IRS Form 4506T-EZ.
- Complete lines 1 – 4, following the instructions on page 2 of the form.
  - Note that line 3 should be the most current address as filed with the IRS- it is the address where the IRS Tax Return Transcript will be sent.
  - If the address has recently changed, include the address listed on the latest tax return filed on Line 4.
  - Line 5 provides tax filers with the option to have their transcript mailed directly to a third party by the IRS. UHD should not receive it directly from the IRS because we require a signature on the tax transcript.
  - On line 6, enter “2011” to receive IRS tax information for the 2011 tax year that is required for the 2012-2013 FAFSA.
  - The tax filers (or spouse if requesting information from a joint tax return) must sign and date the form and enter their telephone number. Only one signature is required to request a transcript for a joint return.
  - Mail or fax the completed IRS Form 4506T-EZ to the appropriate address (or FAX number) provided on page 2 of Form 4506T-EZ.
- Tax filers can expect to receive their transcript within 5 to 10 days from the time the IRS receives and processes their signed request. NOTE: Processing form 4506T-EZ means verifying/validating the information provided on the form. If any information does not match the IRS records, the IRS will notify the tax filer that it was not able to provide the transcript.
Granted a filing extension by the IRS

After the income tax return is filed the individual granted a filing extension must submit a signed IRS tax return transcript obtained from the IRS of the tax filer(s) for tax year 2011.

If you are unable to use the IRS Data Retrieval process, you will need to provide tax information directly from the IRS once information has been processed in order to satisfy verification requirements.

My marital status from January 1, 2011 through May 11, 2013 has changed

Please refer to the following chart to determine what documents to submit in this situation

<table>
<thead>
<tr>
<th>Marital Status Change</th>
<th>Required Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent</strong> of a dependent student whose income is used in the calculation of the</td>
<td>• Signed Parents' joint 2011 federal IRS tax return transcript</td>
</tr>
<tr>
<td>applicant's Expected Family Contribution (EFC) if the parent filed a joint income tax</td>
<td>• IRS Form W-2 for each source of employment income received for tax year 2011.</td>
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<tr>
<td>return and the parent is separated, divorced, or a widow of the individual included on</td>
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</tr>
<tr>
<td>return and the parent is married to someone other than the individual included on the</td>
<td>• Step-parent signed 2011 federal IRS tax return transcript</td>
</tr>
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<td>joint income tax return.</td>
<td></td>
</tr>
<tr>
<td><strong>Independent student</strong> who filed a joint income tax return and who is separated,</td>
<td>• Signed Student joint 2011 federal IRS tax return transcript</td>
</tr>
<tr>
<td>divorced or a widow of the individual included on the joint income tax return.</td>
<td>• IRS Form W-2 for each source of employment income received for tax year 2011.</td>
</tr>
<tr>
<td><strong>Independent student</strong> who filed a joint income tax return and who is married to</td>
<td>• Signed Student joint 2011 federal IRS tax return transcript</td>
</tr>
<tr>
<td>someone other than the individual included on the joint income tax return.</td>
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</tr>
<tr>
<td></td>
<td>• Signed 2011 Federal IRS Tax Return Transcript for spouse</td>
</tr>
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