Whose Conflict is it anyway?

Verification and Conflicting Data

Marco J. De La Garza
Dean, Student Services
Pierce College
CCCSFAAA 2008
five major data elements:

- household size,
- number enrolled in college,
- adjusted gross income (AGI),
- U.S. income tax paid, and
- certain untaxed income and benefits
In addition to verifying these required items for CPS-selected students, you can choose to verify any other application items, requiring any reasonable documentation, in accordance with consistently applied institutional policies. You may decide which students must provide documentation for any additional data elements and what constitutes acceptable documentation.
What is Conflicting Information under the Regulations?

- Information obtained that is different from information previously available to the institution and that impacts a student’s eligibility for aid
- Includes, but is not limited to, verification
What is Conflicting Information under the Regulations?(cont’d)

- citizenship status,
- accuracy of SSN,
- default or overpayment status,
- changes in student’s academic status (including grade level progression),
- COA elements,
- other student financial assistance or resources, and
- inconsistent information used in the calculation of the EFC
§668.16(b)(3) also requires that the institution “communicates to the individual designated to be responsible for administering Title IV, HEA programs, all the information received by any institutional office that bears on a student’s eligibility for Title IV, HEA program assistance”
...(1) All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant; (2) Any documents, including any copies of State and Federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and (3) Any other information normally available to the institution regarding a student’s citizenship, previous educational experience, documentation of the student’s social security number or other factors relating to the student’s eligibility for funds under the Title IV, HEA programs.”
What is Conflicting Information under the Regulations?(cont’d)

- If the institution has the information, you must deal with it
- Why is it important to resolve conflicting information?
  - Because it ensures that the right students (eligible students) receive the right (correct) amount of aid
What is not Conflicting Information under the Regulations?

- Household size differs from number of exemptions on tax return
- Dependent under IRS rules vs. ED definition of dependent
- Roster of candidates for an outside scholarship, as opposed to a list of recipients
- Privacy protected information, such as information from professional counselors, chaplains, doctors, etc.
- Assumptions made by the CPS
- FAFSA filed using estimated income
- Secondary confirmation match successful, but student has an expired INS document
Sources of Conflicting Information

- External sources
- Other offices within the institution
- Other institutions
- Information from ED
- Information from the student (usually to the financial aid office)
Sources of Conflicting Information (External Sources)

- Scholarships from outside sources
- State Agencies such as Voc. Rehab., WIA, State Scholarship Agencies, etc.
- Tips from outside sources
- Handling anonymous calls and hearsay vs. documented credible evidence
- Is the information from a routine business process at the school?
Sources of Conflicting Information
(Other Offices Within Institution)

- Generally occurs when one office is aware but another office is not
- §668.16(b)(3) & (f) requires system to share information within institution (institutional requirement, not just FAO requirement)
  - Examples:
- Admissions, Registrar, Business Office, Athletics, Veterans, Payroll, Housing, Academic Departments, Development Office
Sources of Conflicting Information (Other Institutions)

- Transcripts
- Contact with an office at other institution (not just FAO)
- Information on siblings’ attendance and transfer students
- Be aware of FERPA issues
Sources of Conflicting Information (Information from ED)

- SARs or ISIRs in general
- Selection for verification
- C Flags
- Reject Codes
- Comment Codes
Sources of Conflicting Information
(Information from ED—cont’d)

- Subsequent SARs or ISIRs must be reviewed (ISIR is considered to be received when put in institution’s mailbox)
  - Still must review **even if earlier transaction was verified**
    - Selection for verification by ED or institution (full or single-item)
  - EFC or C Flags changed
  - New Comment codes or NSLDS changes
  - Updates or corrections
Sources of Conflicting Information (Information from ED—cont’d)

- Subsequent SARs or ISIRs must be reviewed (cont’d)
- If no change in EFC (and no change in C Flag, matches, or NSLDS), no action required
- If EFC changes and data elements changed were previously verified, no action needed
- If EFC changes and data not previously verified, must resolve conflict
Updated NSLDS information
  -Post screenings (usually from subsequent ISIR)
loan limits and C flags
  -Inform, Monitor, and Alert process
MRRs and POPs from COD
Sources of Conflicting Information
(Information from the student to the FAO)

- Unsolicited submission of tax returns or schedules
- Supplemental financial aid applications
- Other information provided by student
- C flags for PLUS-only FAFSA filer must still be resolved
What Constitutes Resolution of Conflicting Information?

- Basically, resolution is the determination of what is the correct information—sometimes that may be simply confirmation that an earlier determination is correct.
- Documentation of resolution required.
How Long Do You Have to Resolve Conflicting Information?

- Distinction between how long you need to check for conflicting information and how long to actually resolve a conflict
- In general, you have to be concerned about conflicting information forever
- You need to resolve the conflict expediently
- You cannot disburse aid (or make additional disbursements of aid) until the conflict is resolved
Timing of Institution’s Receipt of Conflicting Information

- If student is no longer enrolled when institution becomes aware of conflicting information and there is remaining aid to be disbursed, you must resolve the conflict before making any late post withdrawal disbursements.
No further action is needed if:
- all aid for period of enrollment has been disbursed, and
- at the time of disbursement, there was no conflicting information, and
- student no longer enrolled at the institution (and is not intending to re-enroll)

Aid (that school is unaware of) received after student no longer enrolled (but is intending to re-enroll) may be treated as resource/EFA for the subsequent period of enrollment, but must deal with it.
Handling Conflicts in Taxable Income

- Handbook states FAA should be able to determine if applicant required to file tax return, but FAA not expected to be tax law expert
- §668.56(a)(5)(vii) says first two pages of 1040 are sufficient for verification (i.e., W2s and schedules not required)
Must resolve:
- Married filing separately; both claimed “Head of Household”
- Student claimed self as exemption, but so did parent
- Net assets = $0 but income generated from assets on return
HANDLING CONFLICTS IN TAXABLE INCOME

- Not required to resolve:
  - Claimed multiple or conflicting credits
  - IRS Form W-2, Box 14 issues
Handling Conflicts in Untaxed Income

- What is required to be verified?
  - more items reported under untaxed income and benefits than ED requires to be verified
  - look at combination of verification worksheet and tax return to compare against FAFSA worksheets
Good Practices Vs. What’s Required

- Low income review
- Always have the ability to ask for whatever information you need any time that you think there is a problem
- Untaxed income resolution
- Box 14 of IRS Form W-2
- Digging deeper or peeling away more layers of the onion
Section 668.16(g) requires an institution to refer to the OIG any credible information indicating that an applicant for Title IV aid may have engaged in fraud or other criminal misconduct in connection with his or her application. Refer information which is relevant to the student’s eligibility or the amount of the assistance.

- Examples: false claims of independent student status, false claims of citizenship, use of false identities, forgery of signatures of certifications, and false statements of income

Remember that fraud is an intent to deceive as opposed to a mistake.
Examples of referrals are:

- False claims of independent student status
- False claims of citizenship
- Use of false identities
- Forgery of signatures or certifications
- False statements of income
Questions?

Marco J. De La Garza
Dean, Student Services
delagamj@piercecollege.edu
818-710-2955
Pierce College