

# The Vocational Nursing Institute, Inc.

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## Policy and Procedure Manual

### Verification Process for Title IV Funding

#### **PURPOSE:**

To define the policy and process the school follows for Student Verification Process for Title IV Funds

#### **POLICY:**

It is the policy of the school to have a formalized process for the verification of information provided by applicants for Federal Title IV student financial aid.

#### **PROCEDURE:**

1. Only those students selected for verification by the U.S. Department of Education (ED) or those with conflicting information in their records will be required to submit supporting documentation. In most cases, the required documentation consists of a completed Verification Worksheet and if the IRS DRT is not used then a Federal Tax Return Transcript (and an IRS Form 1040X *if* an amended tax return was filed) from the prior year (e.g., 2014 calendar year for the 2015-2016 processing year, etc.). Any conflicting information in the student's file must be resolved before any financial aid may be disbursed, regardless of the student's verification status. Exceptions are allowed in rare cases.

2. No Federal Pell Grant, Campus-Based aid, or Subsidized Direct Stafford Loan funds will be disbursed prior to the completion of verification.

**Conflicting information:** Conflicting information is defined as information which does not match up, for example, the student marks on the FAFSA they are single and in conversation they refer to their husband.

If there is a discrepancy between the information reported on the Free Application for Federal Student Aid (FAFSA) and other information available to the school, including federal income tax returns, the school's financial aid administrator may not disburse federal student aid funds until the conflicting information is resolved. The financial aid administrator is also precluded from making an adjustment as part of a professional judgment review until the conflicting information is resolved.

For example, if the student, the student's spouse (if the student is married) or the student's parents (if the student is a dependent student) refuse to complete verification, refuse to provide documentation requested by the school's financial aid administrator or refuse to help resolve conflicting information, the school cannot disburse federal student aid funds.

Conflicting information is resolved in many different ways, it may be a change or amendment is needed on the FAFSA or additional documentation might need to be produced by the student.

Types of Verifications:

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## 2015–2016 Verification Tracking Groups FAFSA Information Required to be Verified

Verification Tracking Flag	Verification Tracking Group Name	FAFSA Information Required to be Verified
V1	Standard Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> <li>• Adjusted Gross Income</li> <li>• U.S. Income Tax Paid</li> <li>• Untaxed Portions of Individual Retirement Account (IRA) Distributions</li> <li>• Untaxed Portions of Pensions</li> <li>• IRA Deductions and Payments</li> <li>• Tax Exempt Interest Income</li> <li>• Education Tax Credits</li> </ul> <p>Nontax Filers</p> <ul style="list-style-type: none"> <li>• Income Earned from Work</li> </ul> <p>Tax Filers and Nontax Filers</p> <ul style="list-style-type: none"> <li>• Number of Household Members</li> <li>• Number in College</li> <li>• SNAP, if indicated on the ISIR</li> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> </ul>
V2	Reserved	N/A
V3	Child Support Paid Verification Group	<ul style="list-style-type: none"> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> </ul>
V4	Custom Verification Group	<ul style="list-style-type: none"> <li>• High School Completion Status</li> <li>• Identity/Statement of Educational Purpose</li> <li>• SNAP, if indicated on the ISIR</li> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> </ul>
V5	Aggregate Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> <li>• Adjusted Gross Income</li> <li>• U.S. Income Tax Paid</li> <li>• Untaxed Portions of IRA Distributions</li> <li>• Untaxed Portions of Pensions</li> <li>• IRA Deductions and Payments</li> <li>• Tax Exempt Interest Income</li> </ul>

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		<ul style="list-style-type: none"> <li>• Education Tax Credits</li> </ul> <p>Nontax Filers</p> <ul style="list-style-type: none"> <li>• Income earned from work</li> </ul> <p>Tax Filers and Nontax Filers</p> <ul style="list-style-type: none"> <li>• Number of Household Members</li> <li>• Number in College</li> <li>• SNAP, if indicated on the ISIR</li> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> <li>• High School Completion Status</li> <li>• Identity/Statement of Educational Purpose</li> </ul>
V6	Household Resources Verification Group	<p>Tax Filers</p> <ul style="list-style-type: none"> <li>• Adjusted Gross Income</li> <li>• U.S. Income Tax Paid</li> <li>• Untaxed Portions of IRA Distributions</li> <li>• Untaxed Portions of Pensions</li> <li>• IRA Deductions and Payments</li> <li>• Tax Exempt Interest Income</li> <li>• Education Tax Credits</li> </ul> <p>Nontax Filers</p> <ul style="list-style-type: none"> <li>• Income Earned from Work</li> </ul> <p>Tax Filers and Nontax Filers</p> <ul style="list-style-type: none"> <li>• Other Untaxed Income on the 2015–2016 FAFSA–             <ul style="list-style-type: none"> <li>○ Payments to tax-deferred pension and savings (Questions 45a and 94a)</li> <li>○ Child support received (Questions 45c and 94c)</li> <li>○ Housing, food, and other living allowances paid to members of the military, clergy, and others (Questions 45g and 94g)</li> <li>○ Veterans noneducation benefits (Questions 45h and 94h)</li> <li>○ Other untaxed income (Questions 45i and 94i)</li> <li>○ Money received or paid on the applicant’s behalf (Question 45j)</li> </ul> </li> <li>• Number of Household Members</li> <li>• Number in College</li> <li>• SNAP, if indicated on the ISIR</li> <li>• Child Support Paid by the student (or spouse), the student’s parents, or both, if indicated on the ISIR</li> </ul>

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3. A Direct Stafford Loan will not be originated until all verification has been completed.
  
4. Students eligible to receive a Pell Grant, Campus-Based aid or a Subsidized Direct Loan will have until 120 days after their last day of attendance or by the deadline published in the Federal Register each year (deadline is usually around the end of September) whichever is earlier, to complete verification. However, in the interim, the student must have made arrangements with the school for payment of all tuition and fees due, or risk termination from the school. After the aforementioned period, all financial aid that might have been due is forfeited.
  
5. All students will have 5 business days (of the school's notification) if they were selected for verification, to provide proof of amendment to FAFSA, Tax Return, or supporting documentation as required. At that time, the student will be informed in writing of the time parameters and the consequences of not completing the verification process. The institution will notify the student in writing of the results of the verification process and any other documentation needed. The institution will assist the student in correcting any information that is inaccurate and will notify the student via award letter if an award changes. The institution will use as its reference the most recent Verification Guide supplied by ED.
  
6. If the student receives an overpayment based on inaccurate or conflicting information on any application and refuses to correct the information or repay the Federal funds after being counseled by the institution, the school will refer the case.

## REFERRAL OF FRAUD CASES

If the school suspects that a student, employee, or other individual has misreported information or altered documentation to fraudulently obtain federal funds, the school should report the suspicions and provide any evidence to the Office of Inspector General. See also Volume 2.

### OIG Address and Phone Numbers

Regional Offices	Telephone No	National Hotline
Boston, MA New York, NY Philadelphia, PA Atlanta, GA Pembroke Pines, FL Chicago, IL Dallas, TX Denver, CO Kansas City, MO Long Beach, CA Phoenix, AZ San Juan, PR Washington, DC	(617) 289-0174 (646) 428-3861 (215) 656-6900 (404) 974-9430 (954) 450-7346 (312) 730-1630 (214) 661-9530 (303) 844-0058 (816) 268-0530 (562) 980-4141 (562) 980-4141 (787) 773-2740 (202) 245-6911	Inspector General's Hotline Office of Inspector General U.S. Department of Education 400 Maryland Avenue, SW Washington, DC 20202-1500 1-800-MIS-USED (1-800-647-8733) Hours: M, W 9:00–11:00 a.m. T, Th 1:00–3:00 p.m. To submit a complaint online at any time, go to <a href="http://www2.ed.gov/about/offices/list/oig/hotline.html">http://www2.ed.gov/about/offices/list/oig/hotline.html</a> and click on the appropriate link.

7. The financial aid file must be documented with the date that verification is completed.