



## Financial Aid Office Verification Policy

Once students have submitted the Free Application for Federal Student Aid (FAFSA) to the Central Processing System (CPS), there is a possibility that the application will be selected for a process called "verification." This is an audit/review process in which the student's school of choice will be required to conduct a file review in order to determine the student's aid eligibility. Generally, CPS will select the application for verification based on various reasons including conflicting data, a change from the prior year, or due to a random selection process. If the application is selected, an asterisk will appear on the ISIR and Student Aid Report (SAR) next to the Expected Family Contribution (EFC). However, the school's Financial Aid Office is also authorized to "Institutionally" select applications for verification.

ArtCenter will verify the FAFSA application data of those applicants who are selected for verification by CPS, or by the College. ArtCenter completes verification in accordance with the guidance set forth by the Department of Education's Federal Student Aid Handbook, as well as any *Federal Registers*, Dear Colleague Letters, and any additional U.S. Department of Education (ED) guidance related to completing verification for federally selected applicants. ArtCenter will not disburse any aid until the verification process has been completed.

Students who are selected for verification must submit the completed verification forms, along with the required supporting documentation requested such as the IRS Tax Return Transcripts, W-2 forms, etc.

Students are generally first notified of missing information upon receipt of the FAFSA for admitted and continuing students, and thereafter every two weeks via email. Students may also access the Financial Aid Dashboard on Inside.ArtCenter.edu for a list of all required documents to be submitted. Students are encouraged to submit documentation as soon as possible to avoid processing delays. As the file is reviewed, there may be additional requests for documentation as needed. The verification process cannot begin or be completed until all required documents have been submitted.

The list below includes the most common verification items that may be required to be verified on a student's FAFSA:

### Verification Items:

- Adjusted Gross Income (AGI)
- U.S. Income Tax Paid
- Untaxed Portions of IRA Distributions and Pensions
- IRA Deductions and Payments
- Tax-Exempt Interest Income
- Education Credits
- Income Earned from Work
- Number of Household Members
- Number in College
- Identity/Statement of Educational Purpose information

**Verification Tracking Groups: V1, V4, V5**

When students are selected for verification by CPS, they are assigned one of the following Verification Tracking Groups (V1, V4, or V5) which determines the items requiring verification.

**V1: Standard Verification Group - Tracking Flag V1:**

Students and/or parents of students in this group must be verified for the following if they are tax filers: AGI, U.S. Income Tax Paid, untaxed portions of IRA distributions and pensions, IRA deductions and payments, tax-exempt interest income, education credits, number of household members, number in college.

Students and/or parents of students who are non-tax filers must be verified for the following: Income earned from work, number of household members, number in college.

**V4: Custom Verification Group - Tracking Flag V4:**

Students must verify their identity/statement of educational purpose.

- Identity Verification – Students are asked to appear in person to present their valid government issued photo ID (ex. Driver's License, State ID or Passport).
- In the event the student is unable to appear in person, then they must appear before a notary with all required IDs and documents to have their identity or educational purpose confirmed.

**V5: Aggregate Verification Group - Tracking Flag V5:**

Students must verify both their identity/statement of educational purpose (V4), in addition to the items in the Standard Verification Group (V1).

**Time period to submit verification documents:**

Generally, from the time we send the student the initial notice – Missing Information Letter (email), students are requested to submit required documents within **thirty days** (30 calendar days). Students will continue to receive subsequent email notices until all requested documents are submitted.

Note: In order to process a financial aid file, all required documents must be submitted and a valid ISIR must be on file prior to the end of the academic year or the student ceasing enrollment. Ceasing enrollment can include withdrawing completely from the term, dropping below half-time enrollment prior to the end of the term, or not enrolling in the following term within the same academic year.

**Consequences for Failing to Submit Documents**

Documents that are not submitted in a timely manner could result in negative consequences, including:

- 1) The student's file cannot be processed due to time limitations.
- 2) The student will be responsible for paying their tuition and fees out of pocket.
- 3) The student may incur late payment fees.
- 4) The student's outstanding balance will prohibit them from registering for a future semester.
- 5) The student's account may be turned over to a collection agency after a period of time.
- 6) Students who do not respond to any request for documentation from the Financial Aid Office several weeks after enrolling may reflect a "Closed File" status. Please Note: Prior to this occurring a FINAL Notice will be e-mailed to the student's ArtCenter email address. Normally this does not occur until after the term begins and several attempts have been made to contact the student. Students may reopen their file during the award period upon submission of required documents.

**Making corrections to the FAFSA data**

Once the student receives their Student Aid Report (SAR) from the Department of Education following submission of their FAFSA, they should review the SAR for accuracy. If changes are needed, the student (and/or parents) should submit corrections to FAFSA online by using their FSA ID and password.

Often times, corrections are required if the requested documentation submitted does not match the FAFSA data. The Financial Aid Office will submit corrections on the student's behalf. The corrections will be sent to the Federal Processor, CPS, via the Department of Education system. Documents are normally reviewed in the order received so students are encouraged to submit their documents early. Once all verification documents are received by the Financial Aid Office, the file will be reviewed for accuracy and completeness. Generally, the corrected data is processed and received back in our office approximately 72 business hours after corrected data is submitted to CPS.

If no additional corrections are needed and the student meets all necessary eligibility requirements, then the financial aid will be packaged. An email notification will be sent to the student's ArtCenter email address informing them to review their financial aid offer letter.

**If the student's EFC and Title IV aid amounts change:**

In the event the EFC changes from the initial SAR/ISIR prior to the student being awarded, the offer will be based on the last valid SAR/ISIR transaction.

If the EFC changes after the student has been awarded, the file will be reviewed to determine if additional documentation is necessary or if the changes were made in error.

If the EFC changes result in a change to the financial aid offer, the student will receive a revised Offer Letter Notification via their e-mail address. Students should review their billing statement. If the EFC change reduces the student's aid eligibility, they will be responsible for paying any outstanding balance owed to ArtCenter. If the EFC change causes an increase in the aid eligibility, the student will be awarded accordingly (e.g., if the student receives an increase to the Pell Grant after their bill was paid in full, the excess will be credited to their student account and a refund generated).

**Office of Inspector General (OIG):**

Students and parents who willfully submit fraudulent information will be investigated to the fullest extent possible. All cases of fraud and abuse will be reported to the proper authorities (Central Processing Servicer (CPS), Judicial Services, IRS (if applicable), including the Office of Inspector General.

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