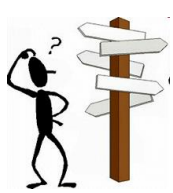


**Conflicting Information**



Kim Wells  
U.S. Department of Education  
IASFAA Conference  
October 2016

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**Agenda**

- What is conflicting information?
- GEN-16-14
- Why and how does it arise?
- How do schools handle conflicting information?
- What resources are available?

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**What is conflicting information?**

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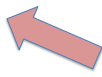
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**Definition**

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“A discrepancy in the information that a school has regarding a student that affects his or her eligibility for federal student aid.”



*Federal Student Aid Handbook Appendix A: Glossary and Acronyms*

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**Definition**

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“If an institution has reason to believe that an applicant’s FAFSA information is inaccurate, it must verify the accuracy of that information.”

*Verification selection: 34 CFR 668.54(a)(2)*  
*Administrative Capability: 34 CFR 668.16*

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**GEN-16-14**

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**GEN-16-14: Conflicting Information**

- ED will identify possible conflicting information resulting from use of 2015 income and tax information for 2016-17 and 2017-18 FAFSAs
- Limit burden and minimize instances of conflicting information related to 2015 income and tax information
- Normal conflicting information rules apply for non-income and tax related information

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**GEN-16-14: Conflicting Information**

- FOTW new edits warn if one or more income or tax amounts reported for 2017-18 differs from amount reported on 2016-17 FAFSA
- If corrections not entered, comments included on SAR and ISIR
- Edits NOT triggered if
  - 2016-17 FAFSA transaction was based on estimated income/taxes
  - Change in dependency status between two years
  - There has been a change in either student's or parents' marital status between two years

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**GEN-16-14: Conflicting Information**

- CPS will identify conflicting information between two years that once resolved would have significant impact on EFC
- CPS will NOT flag if
  - Student is not expected to be Pell-eligible
  - Change in dependency status between two years
  - Change in student's or parents' marital status between two years
  - PJ was performed in either year

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**GEN-16-14: Conflicting Information**

- Institutionally required resolution
- Student's 2017-18 ISIR and SAR will be flagged with 'C' code and comment code 399
  - Will NOT be included on 2016-17 ISIR
- If comment code 399 not included on 2017-18 ISIR, school is not required to determine if there are any differences in income or tax information between two ISIRs
  - *However, any other conflicting information (e.g., citizenship status or HS completion status) must be resolved*

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**GEN-16-14: Conflicting Information**

- Applicability of ISIRs
  - School does NOT have to resolve comment code 399 if
    - Never received 2016-17 ISIR
    - Received 2016-17 ISIR but did not and will not disburse TIV aid in *either* year
  - School does have to resolve comment code 399 if
    - Received 2016-17 ISIR and disbursed or may disburse TIV aid
    - Received 2016-17 ISIR but did not review or process 2016-17 ISIR

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**GEN-16-14: Conflicting Information**

- Resolving potential conflicting information
  - School must compare all of 2015 income and tax-related FAFSA/ISIR items from both years' ISIRs to determine which are in conflict
  - If, for either year, *school had verified conflicting information or student/parent used IRS DRT and did not change any of transferred data*, school can assume verified or DRT values are correct and submit changes to other ISIR's year's values
    - Exception
      - If school is aware that subsequent to verification, amended tax return was filed, school must ensure both years' ISIRs based on amended tax data

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**GEN-16-14: Conflicting Information**

- Conflicts must be resolved if information
  - Was not verified
  - Was not transferred using IRS DRT
  - Was transferred and then changed or
  - If school is aware amended tax return was filed with IRS
- May need to reach out to student for reasons why data is different between years

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**GEN-16-14: Conflicting Information**

- Additional disbursements and overpayments
- 2017-18 FAFSA/ISIR – if required correction is for 2017-18 year, school must use EFC from corrected ISIR to award/disburse
- 2016-17 FAFSA/ISIR – if required correction is for 2016-17 year, school must ensure that all awards/disbursements for 2016-17 are using corrected 2016-17 ISIR
  - Exception – not required to submit corrections to 2016-17 ISIR if 09/09/17 published deadline for making corrections has passed

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**GEN-16-14: Conflicting Information**

- Unable to resolve
  - Until conflicting information is resolved, school may not disburse any additional 2016-17 or 2017-18 Title IV aid
  - If unable to resolve school must consider student in overaward status for any need-based 2016-17 Title IV aid that was disbursed
    - except FWS – though no more FWS can be earned

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**GEN-16-14: Conflicting Information**

- Additional disbursements and overpayments
  - **Lower EFC:** when correction results in lower official 2016-17 EFC, school must disburse any additional 2016-17 aid it determines student is eligible to receive
    - Consistent with late disbursement rules at 34 CFR 668.164(g)
  - **Higher EFC:** when correction results in a higher official 2016-17 EFC, school must determine student's 2016-17 Title IV eligibility based on corrected EFC and may not make any additional 2016-17 disbursements for which student is no longer eligible
    - Overawards may occur

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**GEN-16-14: Conflicting Information**

- Resolving overawards and overpayments
  - Title IV Grants and Perkins Loans
    - Adjust subsequent disbursements
    - If not resolved by adjusting subsequent disbursements, student must repay portion disbursed no longer eligible for
    - School is not liable
    - Follow normal overpayment rules and procedures
  - Direct Subsidized Loans
    - Does not need to be immediately repaid but instead will be repaid under terms of promissory note
    - No action school must take except to record its determination

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**How does conflicting information arise?**

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**Common Sources**

- FAFSA data
- ISIR comments and rejects
- Documents for Verification or C-flag resolution
- Tax returns and tax return transcripts
- Information from school offices
- Correspondence from students and parents
- Verbal statements

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**Common Sources**

- Other financial aid applications: institutional, CSS Profile, NeedAccess
- State and federal agencies
- Outside scholarship organizations and donors
- Information from other schools
- Tips from outside sources

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**Common Discrepancies**

- Household data
- Identity information
- Citizenship information
- Drug conviction information
- High school completion
- Tax filing requirements (*see IRS Publication 17*)
- Financial data
- NSLDS history

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**Common Discrepancies**

- Cost of Attendance elements
- Satisfactory Academic Progress and enrollment status
- Grade level status
- Date of withdrawal or last date of academic activity
- Outside resources

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**What is NOT Conflicting Information?**

- Differences between household size and exemptions on the tax return
- Dependency status differences between the Education Department and Internal Revenue Service
- Privacy-protected information
  - Mental health professionals, chaplains, physicians, attorneys

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**What is NOT Conflicting Information?**

- Central Processing System (CPS) assumptions
- Expired immigration documents with successful Secondary Confirmation match
- ISIR comment codes 361-368
  - Identify possible conflicts between tax filing and marital statuses
  - Schools are encouraged to review ISIR for errors

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## How do I resolve conflicting information?

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## School Responsibilities

- Internal system to identify conflicting information
  - Regardless of school office or department
  - Regardless of Verification selection or completion
  - Subsequent ISIR transactions
  - Basic tax law information and EFC methodology
- Procedures for collecting documents for resolution
- Resolution must occur prior to exercising Professional Judgment
- Resolving errors or inconsistencies, not fraud

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## Referral of Fraud Cases

OIG Address and Phone Numbers		
Regional Offices	Telephone No.	National Hotline
Boston, MA	(617) 289-0174	Inspector General's Hotline Office of Inspector General U.S. Department of Education 400 Maryland Avenue, SW Washington, DC 20202-1500
New York, NY	(646) 428-3861	
Philadelphia, PA	(215) 656-6900	
Pittsburgh, PA	(215) 656-6900	1-800-MIS-USED (1-800-647-8733) Hours: M, W 9-11am T, Th 1-3pm
Atlanta, GA	(404) 974-9430	
Pembroke Pines, FL	(404) 974-9430	To submit a complaint online at any time, go to <a href="http://www.ed.gov/about/offices/list/oig/hotline.html">http://www.ed.gov/about/offices/list/oig/hotline.html</a> and click on the appropriate link.
Chicago, IL	(312) 730-1630	
Ann Arbor, MI	(312) 730-1630	
Dallas, TX	(214) 661-9530	
Denver, CO	(303) 844-0058	
Kansas City, MO	(816) 268-0530	
Long Beach, CA	(562) 980-4141	
Phoenix, AZ	(562) 980-4141	
San Juan, PR	(787) 766-6278	
Washington, DC	(202) 245-6911	

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### Documentation

- Information collected to resolve conflict is considered eligibility documentation
- For grant and Campus Based Programs:  
3 years from year awarded
- For Direct Loans:  
3 years from year of most recent attendance

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### Documentation

- Financial information
  - Types of tax returns and schedules, including amended returns
  - Tax transcripts
  - IRS forms such as W2s and 1099s
- Eligible non-citizen status
  - G-845 paper confirmation process

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### Tax Filing Status

Table 1-1. 2015 Filing Requirements for Most Taxpayers

IF your filing status is...	AND at the end of 2015 you were...*	THEN file a return if your gross income was at least...**
single	under 65	\$10,300
	65 or older	\$11,850
married filing jointly**	under 65 (both spouses)	\$20,600
	65 or older (one spouse)	\$21,850
	65 or older (both spouses)	\$23,100
married filing separately	any age	\$ 4,000
head of household	under 65	\$13,250
	65 or older	\$14,800
qualifying widow(er) with dependent child	under 65	\$16,600
	65 or older	\$17,850

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### Tax Filing Status

**Single dependents**—Were you **either** age 65 or older or blind?

**No.** You must file a return if **any** of the following apply.

- Your unearned income was more than \$1,050.
- Your earned income was more than \$6,300.
- Your gross income was more than the **larger** of:
  - \$1,050, or
  - Your earned income (up to \$5,950) plus \$350.

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### Tax Filing Status

Table 1-3. Other Situations When You Must File a 2015 Return

3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

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### Tax Filing Status

**Head of Household**

You may be able to file as head of household if you meet all the following requirements.

1. You are unmarried or "considered unmarried" on the last day of the year. See [Marital Status](#), earlier, and [Considered Unmarried](#), later.
2. You paid more than half the cost of keeping up a home for the year.
3. A qualifying person lived with you in the home for more than half the year (except for temporary absences, such as school). However, if the qualifying person is your dependent parent, he or she does not have to live with you. See [Special rule for parent](#), later, under [Qualifying Person](#).

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**Disbursement**

- No disbursement until conflict resolved
  - Includes special provision for books and supplies
- After disbursement, aid must generally be repaid if the student was determined to be ineligible
  - *Except* when the student is no longer in attendance, and is not expected to return
    - Includes deceased students

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**Where can I get more information?**

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**Resources – IFAP.ed.gov**

- *FSA Student Handbook*
  - Application and Verification Guide
  - Volume 1: Student Eligibility
  - Volume 2, Chapter 3: School Eligibility and Operations
- *FSA Assessments*
  - Verification, Activity 1: Resolving Conflicting Data

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**ED Contacts**

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**Research and Customer Care Center**  
800.433.7327  
fsa.customer.support@ed.gov

**Reach FSA**  
855.FSA.4FAA – 1 number to reach 10 contact centers!

Campus-Based Call Center	eZ-Audit
COD	School Eligibility Services Group
CPS/SAIG	Foreign Schools Participation Division
NSLDS	Research and Customer Care Center
G5	Nelnet Total & Permanent Disability

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**Contact Information**

- For questions about this presentation  
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**Training Feedback**

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To improve our training, we ask all participants to complete an online session evaluation

- Go to <https://www.surveymonkey.com/r/KimberlyWells>
- Additional feedback about training can be directed to [joann.borel@ed.gov](mailto:joann.borel@ed.gov)

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