CLEVELAND INSTITUTE OF MUSIC

16-17 Verification Policy and Procedures

Each year the U.S. Department of Education requires schools participating in the distribution of federal student aid to verify the consistency and accuracy of data submitted on the Free Application for Federal Student Aid (FAFSA). This verification process involves the review of tax documents and household information to ensure the accuracy of the FAFSA application. To complete verification, students and parents, as applicable, are asked to submit federal tax documents and forms to the CIM Financial Aid Office.

Who is selected: Any student who completes a FAFSA may be chosen for verification by the Department of Education. Nationwide, about 30% of all FAFSA applications are selected this way.

In addition, CIM also requires verification for undergraduate students with need-based federal aid, any student who has petitioned for a special circumstance review and any student where there appears to be a possibility of conflicting information reported to CIM.

Students selected for any of the reasons listed above, will find the **Verification Form (Student)** and **Verification Form (Parent),** as applicable, listed on their 16-17 NetPartner "Documents" screen. The Verification Form (Parent) is only applicable for verification of dependent undergraduate students. These forms are also found on the Links and Forms page of CIM.edu at http://www.cim.edu/conservatory/finaid/forms.php.

Submitting forms and documents to CIM: Forms may be faxed, mailed or scanned/emailed to the CIM Financial Aid Office. Always keep a copy for your records. If emailing, the scanned file item(s) must be clearly labeled, otherwise the file will not be opened at CIM. We strongly discourage emailing any document with anyone's SSN listed; fax is more secure. The FAFSA IRS Data Retrieval Tool is the most secure way to verify tax return data (discussed below).

The CIM Financial Aid Office will verify all mandatory items identified by the U.S. Department of Education (household size, the number in college, number of exemptions, adjusted gross income, taxes paid, untaxed income, untaxed IRS distributions, education credits, IRA deductions, tax exempt interest, receipt of food stamps and child support paid). In addition, some students will be required to verify High School/GED completion status as well as complete a statement of Educational Purpose. CIM can also verify discretionary items as we see fit.

CIM must resolve any conflicting information before disbursing financial aid. Students whose financial aid information requires reprocessing, based on the verification process, will have corrections electronically processed by CIM. Any corrections will generate an updated Student Aid Report which will be sent to the student by the Central Processing System (CPS). The Expected Family Contribution (EFC) may change based on the corrections made. If conflicting information is discovered after aid is awarded or disbursed, CIM must resolve the conflicting information and the student will be required to repay aid received in excess of his/her eligibility. All conflicts must be resolved regardless of whether the student was selected for verification or not.

After the initial verification document request has been met, CIM will compare the information provided on the FAFSA and might ask for additional information if we find discrepancies that cannot be explained.

CIM's Financial Aid Office will correct any variances and resubmit your FAFSA to CPS. CPS will then send you an updated Student Aid Report (SAR). If you have received a financial aid package before completing verification, your aid eligibility will be reevaluated by your financial aid adviser after verification has been completed. You will be notified if your awards change after verification.

Timeline and deadlines: Please allow three weeks for the verification process to be completed, once all items have been submitted. The process might take longer if we receive incomplete documents or require additional information.

While pending aid may post to the student's CIM billing account as "anticipated aid," financial aid funds cannot be officially disbursed until verification is completed. Return the requested documents to us as soon as possible.

To avoid a delay in the processing of your aid and a hold placed on your account, verification must be completed by **August 15, 2016 for the Fall Semester** and **December 15, 2016 for the Spring Semester** to allow processing time for your financial aid. If verification is submitted past the above dates, aid may disburse, however, it may be on a delayed schedule and the student may face delays in obtaining the standard registration documents needed to begin classes on time if the student shows a balance due without the federal aid that is otherwise on hold, pending verification. **The absolute cutoff for any verification to be completed for the 16-17 academic year is May 1, 2017.**

In some cases, CIM may request a **Low Income Supplement Form,** if the dependent student and/or family income/assets listed on the 16-17 FAFSA and reviewed during Verification appear insufficient to support the number of people reported in your household, relative to the 2015 U.S. Poverty Guidelines published at http://aspe.hhs.gov/poverty/14poverty.cfm. In order for CIM to verify your eligibility for federal student aid, we may need additional information to document your means of support.

Documents: In addition to the Verification Form Student and Verification Form Parent, as applicable, students (and their parent(s), if dependent) chosen for verification will be required to submit a copy of their completed 2015 federal tax return information via the **IRS Data Retrieval Tool on the FAFSA** (preferred) or an **IRS Tax Return Transcript** http://www.irs.gov/Individuals/Order-a-Transcript. This is a requirement from the Department of Education to guarantee the accuracy of the information reported on the FAFSA to insure that federal aid is awarded properly. Except in specific unusual filing scenarios, noted below, photocopies of personal returns are not acceptable for this documentation requirement.

If you filed your 2015 federal tax return electronically you should be able to use the IRS Data Retrieval Tool on the FAFSA or request a Tax Return Transcript within 2 weeks. If you filed a paper return, you should be able to use either process within 6-8 weeks. For a step by step demonstration of the IRS DRT process, please watch this video: http://www.youtube.com/watch?v=9ZNRdk3iXeM. If you use the IRS Data Retrieval Tool and alter the data, you will be required to submit a copy of the IRS Tax Return Transcript.

Not all students can use the IRS Data Retrieval Tool. If any of the following apply to the student or parent (as applicable), he/she cannot use the IRS Data Retrieval Tool and will have to submit a Tax Return Transcript to CIM.

- The student/parent indicated they **will file** or are **not going to file** a federal income tax return. (You will be given the option to use the IRS Data Retrieval Tool only if you indicate that you have **already completed** your federal income tax return.)
- The student/parent does not have a valid Social Security Number.
- The student/parent marital status changed after December 31.
- The student/parent is married, and either the student/parent or his/her spouse filed as Married Filing Separately.
- The student/parent is married, and either the student/parent or his/her spouse filed as Head of Household.
- The parents' marital status is "Unmarried and both parents living together."
- The student/parent filed an amended tax return.
- The student/parent filed a Puerto Rican or foreign tax return.

UNUSUALTAX FILING SITUATIONS – HOW TO REPORT TO CIM:

- **Individuals Granted a Filing Extension by the IRS -** If an individual is required to file a 2015 IRS income tax return and has been granted a filing extension by the IRS, provide the following documents:
  - A copy of IRS Form 4868, ''Application for Automatic Extension of Time to File U.S. Individual Income Tax Return,'' that was filed with the IRS for the tax year;
  - A signed copy of the 1040 form sent to the IRS OR a copy of IRS Form W–2 for each source of employment income received for tax year 2015 and, if self-employed, a signed statement certifying the amount of the individual's Adjusted Gross Income (AGI) and the U.S. income tax paid for the tax year.
  - CIM may tentatively complete Verification with the above documents and make a first disbursement of aid. However, before the second disbursement (2nd semester) may happen, the tax return data must be submitted to CIM via either the IRS Data Retrieval Tool or Tax Return Transcript.

- **Individuals Who Filed an Amended IRS Income Tax Return -** If an individual filed an amended IRS income tax return for tax year 2015, provide the following:
  - A signed copy of the original IRS income tax return that was filed with the IRS and **IRS Tax Account Transcript** for the tax year
  - A signed copy of the 2015 IRS Form 1040X, "Amended U.S. Individual Income Tax Return," that was filed with the IRS.

- **IRS Identity Theft Victims -** A victim of IRS identity theft who is not able to obtain a **2015 IRS Tax Return Transcript** or use the IRS DRT must contact the IRS at 1-800-908-4490. Upon authentication of the tax filer's identity, the IRS will provide a copy of the Tax Return Database View (TRDBV) transcript, by U.S. Postal Service. We will also need a statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

IRS Data Retrieval Information

Demo for using the IRS Data Retrieval Tool: https://www.youtube.com/watch?v=eiNkqyCIuro

CIM will only accept Federal Tax Return information received directly from the Internal Revenue Service. We will not accept individual taxpayer copies of tax returns or that of a paid tax preparer.

Federal Income Tax Return Transcripts may be obtained directly from the IRS. Tax data may also be transferred electronically directly from the IRS to the FAFSA via the IRS Data Retrieval Tool available when completing the FAFSA.

What is the IRS Data Retrieval Tool?

The IRS Data Retrieval Tool allows students and parents access to their Federal Tax Return information needed to complete the Free Application for Federal Student Aid (FAFSA). Students and parents may be eligible to transfer IRS data directly onto their FAFSA. If eligible to use the IRS Data Retrieval Tool, we highly recommend using the tool for several reasons:

- It's the easiest way to provide tax information to CIM.
- You don't have to manually fill in Federal Tax Return data on your FAFSA.
- It's the best way of ensuring your FAFSA has accurate tax information.
- It streamlines the verification process. For FAFSA applications that are selected for verification, retrieval of your Federal Tax Return information to update the FAFSA application is the most efficient and fastest way to provide tax information.

How does the IRS Data Retrieval Tool work?

Students and parents who have filed their current year taxes will be given the option to use the IRS Data Retrieval Tool when completing the Financial Information portion of the FAFSA application. This option is available approximately 2-3 weeks after electronically filing Federal Income Tax returns and 8-11 weeks after mailing Federal Income Tax returns.

Please note, there are two separate financial information sections on the FAFSA for dependent students. Students will use the IRS Data Retrieval Tool for the Student Financial Information section and parents of dependent students will use the IRS Data Retrieval Tool for the Parent Financial Information section.

- Upon selecting the IRS Data Retrieval Tool, users will be directed to the IRS website.
- Users will then need to authenticate their identity before any personal information is displayed or transferred onto the FAFSA application.
- After viewing tax data, you will then have the option to "Transfer" the tax information directly to the FAFSA application.

Who can use the IRS Data Retrieval Tool?

Students who are completing an initial FAFSA, completing a renewal FAFSA or making corrections to their initial FAFSA and meet all of the following criteria:

- Must have valid Social Security Number(s).
- Must have filed a current year Federal Income Tax Return electronically 2-3 weeks prior to filing out the FAFSA or 8-11 weeks if Federal Income Tax Returns were mailed, prior to filling out the FAFSA.
- Must have an unchanged marital status as of December 31.
- Must have a valid Federal Student Aid **Personal Identification Number (PIN)** when completing the **FAFSA.**

Who can NOT or should NOT use the IRS Data Retrieval Tool?

Students or parents who:

- Have filed an amended tax return for the current tax year.
- Are married filing separately for the current tax year.
- Filed a foreign tax return for the current tax year.
- Anyone who provided all zeros for Social Security Numbers on tax returns.
- Have a marital status date of January 1, of the current tax year or later.

When will I be able to use the IRS Data Retrieval Tool?

FAFSA on the web is available to complete January 1st of each year.

The IRS Data Retrieval Tool is available mid February each year.

What happens if I am selected for verification and do not use or cannot use the IRS Data Retrieval Tool?

If you did not or cannot use the IRS Data Retrieval Tool to transfer Federal Tax Return information to your FAFSA, you will need to obtain an official Federal Income Tax Transcript from the IRS and submit it to our office. If you are a dependent student, we will also need a copy of your parent(s) Federal Income Tax Transcript.

Tax filers can request Federal Tax Transcript information free of charge by:

1. PDF version of tax return transcripts available on the IRS website service "**Get Transcript**".
2. Online request at irs.gov transcript "**Order a Return Transcript**"
3. Apple Store or Google Play: **IRS2Go App**
4. Telephone request by calling 1-800-908-9946
5. Paper request form using IRS Form 4506-T

What happens if I haven't filed my current year taxes yet?

Even if you have not completed your current year Federal Tax Returns, you should complete your FAFSA using tax estimates.

Once current year Federal Income Tax Returns are filed, you can use the IRS Data Retrieval Tool to update the FAFSA by logging back onto your FAFSA using your PIN number assigned to you during **FAFSA** completion. Students will use the IRS Data Retrieval Tool for the Student Financial Information section and parents of dependent students will use the IRS Data Retrieval Tool for the Parent Financial Information section. If you are not eligible to use the IRS Data Retrieval Tool, you will need to submit and official IRS Tax Return Transcript to our office.

What happens if I file an IRS form 4868 "Application for Automatic Extension of Time to File U.S. Individual Income Tax Returns?

Even if you have not completed your current year Federal Tax Returns, you should complete your FAFSA using tax estimates. If your file is selected for verification, you will need to provide the following information to Student Financial Services to continue the processing of your financial aid:

- A copy of your current year IRS Form 4868, ''Application for Automatic Extension of Time to File U.S. Individual Income Tax Returns.'' It must be filed with the Internal Revenue Service, *and*
- Copies of current tax year IRS W–2 forms from each place of employment. If self-employed, a signed statement certifying the amount of the individual's approximate earnings for the tax year you are filing an extension.

What happens if I file an amended tax return changing the information I originally submitted to the IRS and to CIM?

The IRS Data Retrieval Tool will transfer information only from an original income tax return and NOT an amended income tax return. Provide amended tax information to CIM by submitting the following information:

- An individual taxpayer copy of IRS form 1040X "Amended" U.S. Individual Income Tax Return
- The original **Federal Tax Return Transcript** filed with the IRS.
- A tax return **Record of Account transcript** which can be requested from the IRS 3-8 weeks after submitting the amended 1040X form. The Record of ACCOUNT transcript will list all updated tax amendments accepted by the IRS.

Tax filers can requested an amended Record of ACCOUNT transcript free of charge 3-8 weeks after submitting by:

1. **New PDF version of tax return **Record of Account** transcript available on the IRS website service *Get Transcript.* **Get Transcripts** is the IRS's preferred transcript delivery channel for financial aid applicants.
2. Online request at irs.gov/and choose "**Order Account Transcript**"
3. Telephone request by calling 1-800-908-9946

What happens if I was a victim of IRS identity Theft and cannot obtain a current Tax Return Transcript?

- A victim of IRS identity theft who is not able to obtain a **2015 IRS Tax Return Transcript** or use the IRS DRT must contact the IRS at 1-800-908-4490. Upon authentication of the tax filer's identity, the IRS will provide a copy of the Tax Return Database View (TRDBV) transcript, by U.S. Postal Service.
- A statement signed and dated by the individual indicating that he or she was a victim of IRS identity theft and that the IRS is investigating the matter.

Questions, please contact the CIM Financial Aid Office at 216-795-3192.

All Verification items must be submitted to the CIM Financial Aid Office
*11021 East Blvd, Cleveland, OH 44145 * FAX 216-707-4519 or 216-795-3141 **
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