



2020-2021 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.

IMPORTANT REMINDERS:

Only complete Verification Worksheets and/or send tax returns/W-2's, 1099's etc. to CIM if you have been selected for Verification and you have been notified by the CIM Financial Aid Office. If this is required, the student will see the applicable Verification Worksheet listed on their NetPartner Required Documents screen.

Federal Verification for the 2020-2021 academic year requires 2018 income tax data.

Who is selected

Any student who completes a FAFSA may be chosen for verification by the Department of Education (Federal Verification). Nationwide, about 30% of FAFSA applications are selected this way.

In addition, CIM may select any FAFSA for Verification when there appears to be a possibility of conflicting information.

Also, any student requesting a Special Circumstance Review when there has been a dramatic loss of income or ability to pay, is required to complete the Verification process before any potential Professional Judgment FAFSA changes may be considered by the CIM Financial Aid Office, per the appeal.

Students selected for Verification, will find the **Verification Worksheet Dependent or Verification Worksheet Independent**, listed on their 2020-2021 NetPartner Required Documents screen. Dependent students need to have a parent complete the parent section of the form and submit applicable income/tax documents. Independent students only submit information about themselves, and their spouse, if married.

For Federal Student Aid purposes, information about dependent vs independent status is found [here](#). Please understand this is **not** the same definition as dependency status for tax purposes.

Submit requested documents in person, by postal mail, fax (216-791-1530) or through **password-protected** email (password must be sent

Mailing address: CIM Financial Aid Office, 11021 East Blvd., Cleveland, OH 44106.

The [FAFSA IRS Data Retrieval Tool \(DRT\)](#) is the preferred, most efficient way to submit processed tax returns.

NOTE: Do NOT send photographs of the form or required documents.

The CIM Financial Aid Office will verify all mandatory items identified by the U.S. Department of Education (household size, the number in college, adjusted gross income, U.S income tax paid, untaxed portions of IRA account, untaxed IRA distributions, untaxed portion of pensions, education credits, IRA deductions and payments, tax exempt interest income, education tax credits and for non-tax filers the income earned from work). We must ensure the correct tax filing status was used and that those who are required to file, do. In addition, some students will be required to verify High School/GED completion status as well as complete a statement of Educational Purpose. CIM may also verify discretionary items as we see fit. Any data element on the FAFSA may be asked about for Verification.

After the initial verification document request has been met, CIM will compare the information provided on the FAFSA. If all data matches, we will document the process as completed. We may ask for additional information if we find discrepancies that cannot be explained.

CIM must resolve any conflicting information before disbursing any federal financial aid. All federal aid and need based institutional aid is subject to change until verification is completed and applicable FAFSA corrections have been made. To avoid any last-minute changes to what you may be eligible to receive, make every effort to complete your Verification Form(s) and submit appropriate tax documents as soon as possible.

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.

If any changes to eligibility occur as the result of Verification, the CIM Financial Aid Office will communicate via email to the student to detail what changes are required and such updates will be posted to the student's NetPartner account and to the Business Office for billing, as applicable.

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," federal aid funds cannot be officially disbursed until verification is completed.

Holds will be placed on accounts, which will block ability to begin classes if verification is not completed by **August 15, 2020 for the Fall Semester** and **December 15, 2020 for the Spring Semester** to allow processing time for your financial aid. If verification is submitted past the above dates, aid may still be able to 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 on hold, pending verification. **The absolute cutoff for any verification to be accepted with final/acceptable documents/FAFSA corrections processed for the 2020-2021 academic year is May 1, 2021.**

Federal aid for the academic year will be forfeited if the student was selected for verification and did not complete all required components of the review by the deadlines noted above.

In some cases, CIM may request a **Low Income Supplement Form**, if the dependent student and/or family income/assets listed on the 2020-2021 FAFSA and reviewed during Verification appear insufficient to support the number of people reported in your household, relative to the published [2018 U.S. Poverty Guidelines](#). For CIM to verify your eligibility for federal student aid, we may need additional information to document your means of support.

Reporting to the Office of the Inspector General (OIG)

Warning: if you purposely give false or misleading information on any application for Title IV or HEA programs, including the Verification Worksheet and income/tax documents, you may be fined, sentenced to jail, or both. Any suspected fraud will be reported to the Office of the Inspector General (OIG) of the Department of Education as required by CFR Title 34 section 668.16 (g) and 668.53a5. This may include, but is not limited to, false claims of independent status, false claims of citizenship, use of false identities, forgery of signatures or certifications, or false statements of income.

Tax Documents to Submit

In addition to the **Verification Worksheet Dependent or Verification Worksheet Independent**, as applicable, students (and their parent(s), if dependent) chosen for verification must submit 2018 income/federal tax information in one of these ways:

Tax-filers:

One of the following must be submitted to CIM with the Verification Worksheet, if the IRS Data Retrieval Tool was not already used to import the tax return data into the FAFSA:

- **Import completed 2018 tax return data via the IRS Data Retrieval Tool to the FAFSA, OR**
- **Submit an official 2018 Federal Tax Return Transcript as obtained from www.irs.gov, OR**
- **Submit a signed personal copy of the 2018 Federal Tax Return**

Non-filers:

- **The parent and/or student must list all employer(s) and the amount earned in 2018, AND**
- **Attach copies of all 2018 W-2 and 1099 Forms, AND**
- ***Submit a 2018 Verification of Non-Filing Letter** - Order a free Verification of Non-Filing Letter at www.irs.gov.

*If the individual is **unable to obtain a Verification of Non-Filing letter** from the IRS or other tax authorities the following are acceptable:

Nontax filers - For independent students, and parents of dependent students who did not file and are not required to file an income tax return for the applicable tax year and are not able to obtain a Verification of Non-filing letter from the IRS, submit the following:

- A signed statement certifying that the individual—
 - Attempted to obtain the Verification of Non-filing letter from the IRS or other tax authorities and was unable to obtain the required documentation; and
 - Has not filed and is not required to file a 2018 income tax return, and a listing of the sources of any 2018 income earned by the individual from work and the amount of income from each source.

SPECIAL CIRCUMSTANCES AND HOW TO REPORT:**Taxpayer has filed an amended federal tax return for 2018 (1040X)**

An individual who filed an amended IRS income tax return for tax year 2018 must provide a signed copy of the 2018 IRS Form 1040X, "Amended U.S. Individual Income Tax Return," that was filed with the IRS or documentation from the IRS that include the change(s) made by the IRS, in addition to one of the following:

- IRS DRT information on an ISIR record with all tax information from the original tax return; or
- A signed copy of your original 2018 income tax return that was submitted to the IRS or

- A 2018 IRS Tax Return Transcript (that will only include information from the original tax return and does not have to be signed), or any other IRS tax transcript(s) that includes all of the income and tax information required to be verified.

Taxpayer had an IRA/Pension Rollover in 2018:

Students or parents who had an IRA or pension rollover during the 2018 tax year need to provide additional documentation.

Distributions from pensions, annuities, and other similar accounts are usually reported to you on IRS Form 1099-R. Federal regulations state that if you receive a lump-sum distribution, you can roll over the distribution into another qualified retirement plan or IRA and retain the tax-deferred status.

Please follow the steps below if all or some of an IRA or Pension has been rolled over. Untaxed IRA distributions are calculated using the difference between lines 15a and 15b of IRS form 1040 or lines 11a and 11b of IRS form 1040A. Untaxed pension/annuity distributions are calculated using the difference between lines 16a and 16b of IRS form 1040 or lines 12a and 12b of IRS form 1040A. **Please review your individual tax return, and include the following details/values in a signed, dated statement, with a copy of the 1099-R to the CIM Financial Aid Office:**

- Distribution Type: IRA or Pension/Annuity
- Total Amount
- Taxable Amount
- Untaxed Amount
- Amount of Untaxed Portion Reinvested

Victim of Identity Theft

An individual who was the victim of IRS tax-related identity theft must complete the following steps:

- Contact the IRS at 1-800-908-4490.
- Upon authentication of the tax filer’s identity, the IRS will provide, by U.S. Postal Service, an alternate transcript Tax Return DataBase View (TRDBV) of the tax filer’s IRS income tax return information or a signed copy of your 2018 tax return
- Provide a statement, signed and dated by the tax filer, indicating that he/she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

Filed Non-IRS Income Tax Return

- A tax filer who filed an income tax return with Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands may provide a signed copy of his or her income tax return that was filed with the relevant tax authority. However, if we question the accuracy of the information on the signed copy of the income tax return, the tax filer must provide us with a copy of the tax account information issued by the relevant tax authority before verification can be completed. Submit this documentation to the CIM Financial Aid Office.
- A tax filer who filed an income tax return with tax authority for American Samoa must provide a copy of his or her tax account information. Submit this documentation to CIM Financial Aid

Office.

- A tax filer who filed an income tax return with tax authorities not mentioned above, i.e. a foreign tax authority, and who indicates that he or she is unable to obtain the tax account information free of charge, must provide CIM with documentation that the tax authority charges a fee to obtain that information, along with a signed copy of his or her income tax return that was filed with the relevant tax authority. Submit this documentation to CIM Financial Aid Office.

Granted a Filing Extension by the IRS for 2018 and have not yet filed the return*

A tax filer who is required to file a 2018 IRS income tax return and has been granted a filing extension by the IRS, beyond the automatic six-month extension, must provide CIM with the following:

- 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 tax year 2018 (For an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, in lieu of IRS Form 4868, CIM will accept a signed statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because of that service);
- A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2018;
- Verification of Non-Filing Letter (confirmation that the tax return has not yet been filed) from the IRS or other relevant tax authority dated on or after October 1, 2019;
- A copy of IRS Form W-2 for each source of employment income received for tax year 2018, 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 2018.
- **Submit this documentation to the CIM Financial Aid Office.**

***Please be advised that CIM will NOT move forward with a review of a student's institutional financial aid eligibility until we have received a valid tax return that has been received and processed by the IRS. We cannot accept draft returns or extension approvals in lieu the required tax return.** The above will allow us to verify the accuracy of the aid eligibility, but actual disbursement of funds will be on hold until the tax return is processed.

If the student's Verification Selection by the Dept. of Education is V4 / Custom Verification Group or V5 / Aggregate Verification Group, the student must verify high school completion status and submit an identity/statement of educational purpose. This form would be provided by the CIM Financial Aid Office.

All Verification items must be submitted to the CIM Financial Aid Office:

- Postal mail (preferred): CIM Financial Aid Office, 11021 East Blvd, Cleveland, OH 44106
- Fax: 216-791-1530 (**call office first to ensure we are there to pick it up**)
- Email: financialaid@cim.edu (**password protected files ONLY** when emailing tax items)

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