

# Mid-America Christian University

## Financial Aid Verification Policy and Procedure

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### 1. Summary

This policy outlines the process and responsibilities related to verifying student data reported on the Free Application for Federal Student Aid (FAFSA). Verification is a federal requirement and ensures that financial aid is distributed based on accurate and complete information.

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### 2. Rationale

Mid-America Christian University (MACU) is committed to maintaining compliance with U.S. Department of Education regulations regarding Title IV financial aid. Verification ensures the integrity of the financial aid process and fair distribution of federal funds.

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### 3. Entities Affected

Students applying for and receiving federal financial aid.

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### 4. Definitions

- FAFSA: Free Application for Federal Student Aid
  - ISIR: Institutional Student Information Record
  - FA-DDX: FUTURE Act Direct Data Exchange
  - SAI: Student Aid Index
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### 5. Policy

#### A. Verification Overview

Students selected for verification must submit supporting documentation to confirm the accuracy of FAFSA data. Verification may be initiated by the federal processor (FPS), MACU, or as a result of FAFSA corrections.

#### B. Selection for Verification

Federal Selection: Indicated by a verification flag on the ISIR (V1, V4, or V5).

Institutional Selection: MACU may initiate verification if discrepancies are found.

Correction-Triggered Selection: Any updates to FAFSA may trigger a new selection.

#### C. Exclusions from Verification

There are times when MACU doesn't need to verify a student's application. The school is, however, still required to resolve conflicting information (except when a student dies during the award year or when they are no longer enrolled and will not re-enroll; see Chapter 5). MACU should document the basis for the verification exclusion. Other

information not excluded must still be verified according to all other requirements. The following are examples of when verification does not need to be completed:

- **Death of the student.** You don't have to continue verification if you made an interim disbursement and the student died before verification was completed. You cannot make any additional disbursements, except for FWS funds already earned, to any of the student's beneficiaries. You cannot originate or disburse their Direct Subsidized Loan or consider any interim disbursement you made of Pell or FSEOG funds or provisional FWS employment to be an overpayment.
- **Not an aid recipient.** The student won't receive *Title IV* aid for reasons other than a failure to complete verification. This includes being ineligible for that aid and withdrawing without receiving it.
- **The applicant is eligible to receive only unsubsidized student financial assistance.** However, students selected for V4 or V5 verification should complete it in accordance with the answer to DOC-Q18 on the [verification Q and A page](#).
- **Applicant verified by another school.** The student completed verification for the current award year at another school before transferring. Their FAFSA data must be the same as it was at the previous school, and you must get a letter from that school stating that it verified the student's application and providing the transaction number of the pertinent valid ISIR.
- **Post-enrollment.** The student was selected for verification **after** ceasing to be enrolled at your school, they do not intend to reenroll for the award year, and no further (including late) disbursements will be made.

Unless you have reason to believe it is inaccurate, you don't have to verify the reported FAFSA information of the **parents of a dependent student** if any of the following apply (including in cases where there is only one parent):

- Both parents are mentally incapacitated.
- Both parents, or the custodial parent, have died.
- The parents are residing in a country other than the United States and can't be contacted by normal means.
- The parents can't be located because the student does not have and cannot get their contact information.

Unless you have reason to believe it is inaccurate, you don't have to verify the reported FAFSA information of the **spouse of an independent student** if any of the following apply:

- The spouse has died.
- The spouse is mentally incapacitated.
- The spouse is residing in a country other than the United States and can't be contacted by normal means.
- The spouse can't be located because the student does not have and cannot get their contact information

#### **D. Notification and Deadlines**

MACU will notify selected students via email. Required documentation must be submitted within 14 calendar days of notification.

Consequences of Non-Compliance:

- Delay or cancellation of aid
- Ineligibility for institutional awards
- Withdrawal of estimated financial aid offers

#### **E. Acceptable Documentation**

Required documents may include:

- FAFSA verification worksheet
- Tax documents (via FA-DDX or IRS transcripts)
- W-2s or 1099s
- Identity verification forms (for V4/V5)
- Any additional documents as requested

#### **F. Data Elements to be Verified**

Depending on the tracking group, elements may include:

- Adjusted Gross Income
- Income earned from work
- Federal tax paid
- Household size
- Identity and Statement of Educational Purpose

#### **V1—Standard Verification Group**

**Tax filers** (student, student spouse, parent, and parent spouse/partner, as applicable) must verify the following:

- Adjusted gross income
- Income earned from work
- U.S. income tax paid
- Untaxed portions of IRA distributions
- Untaxed portions of pensions
- IRA deductions and payments
- Tax-exempt interest income
- Education Credits
- Foreign income is exempt from federal taxation
- Family size

**Non-tax filers** (student, student spouse, parent, and parent spouse/partner, as applicable) must verify the following:

- Income earned from work
- Family size

#### **V4—Custom Verification Group**

Students must verify the following:

- Identity
- Statement of educational purpose (SEP).

#### **V5—Aggregate Verification Group**

This group is essentially a combination of V1 and V4. Tax filers and non-tax filers must verify the items listed in the Standard Verification Group (V1). Students must also verify identity and a statement of educational purpose.

#### **G. Conflicting Information**

Any conflicting data must be resolved before aid can be awarded or disbursed. Failure to correct discrepancies may result in referral to the U.S. Department of Education Office of Inspector General (OIG) if fraud is suspected.

#### **H. Professional Judgment**

Adjustments based on unusual circumstances may be made by MACU's Director of Financial Aid following completion of verification and submission of supporting documentation.

#### **I. Student Notification of Changes**

Students will be notified via email if verification results in changes to financial aid eligibility. Aid will not be disbursed until verification is finalized and corrections are reflected on the ISIR.

#### **J. Interim Disbursements**

Limited disbursements may be made prior to verification completion (e.g., one Pell disbursement). MACU assumes liability if aid is improperly disbursed.

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### **6. 2024–2025 FAFSA Verification Compliance Updates**

In accordance with updates from the U.S. Department of Education and the implementation of the FUTURE Act, the following changes and additions apply to the 2024–2025 award year verification process at Mid-America Christian University:

#### **A. FUTURE Act Direct Data Exchange (FA-DDX)**

Beginning with the 2024–25 award year, students and all applicable contributors (parents or spouses) must provide formal consent and approval for the U.S. Department of Education to retrieve and share Federal Tax Information (FTI) via the FUTURE Act Direct Data Exchange (FA-DDX). Without this consent, the student will be ineligible for Title IV federal aid.

**B. Automatically Verified Tax Data via FA-DDX**

FA-DDX-transferred FTI is considered verified for Title IV purposes if the information does not require manual entry and is not flagged for Professional Judgment. No additional documentation is required in such cases.

**C. IRS Response Codes and Required Actions**

MACU will follow Department of Education guidance regarding IRS Response Codes as follows:

- Code 200 (Successful Match): No further documentation needed.
- Codes 203/206/212 (Match Failed or Incomplete): Manual documentation of tax information required.
- Code 214 (No Return Filed): Documentation of non-filer status or alternate income verification required.

**D. Removal of Verification of High School Completion for V4 and V5**

As of 2022–23 and continuing through 2024–25, verification of high school completion is no longer required. MACU will not require this documentation unless otherwise directed by the Department of Education.

**E. Updated Verification Tracking Groups**

MACU will adhere to currently active federal tracking groups V1 (Standard), V4 (Custom – Identity and Statement of Educational Purpose), and V5 (Aggregate). Groups V2, V3, and V6 are not currently in use.

**F. Foreign and Non-Tax Filer Clarification**

Students or contributors with foreign income or who are non-tax filers must submit wage documentation, foreign tax transcripts (if available), or a signed statement of income. If the IRS cannot confirm non-filer status, a Verification of Nonfiling Letter must be submitted.

**G. Identity and Statement of Educational Purpose (SEP)**

Students in verification group V4 or V5 must appear in person with a valid government-issued ID to complete identity verification and sign the Statement of Educational Purpose. If unable to appear in person, the student must submit a notarized SEP form and a copy of their government-issued ID. Verification results will be reported via FAA Access.

**H. Verification Following Disasters**

The Dear Colleague Letter (DCL) [GEN-17-08](#) gives general guidance for awarding aid in federally declared disasters. It states that the Secretary will not enforce the verification requirements during the award year for applicants whose records were lost or destroyed because of a disaster if the school has tried to preserve and reconstruct any records. The school must document when it does not perform verification for this reason and use status code “S” when reporting the disbursement of Pell Grants to affected students. Also, the requirement for dependent students to submit a statement signed by a parent regarding

family size is waived if the parents cannot provide the signature due to the disaster. The school must note why no parent was able to provide the statement.

Schools that experience a local disaster (rather than a federally declared one) that affects *Title IV* administration should consult their regional [school participation division](#)

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## **7. Financial Aid Verification Procedure**

- **Implementation:** Director of Financial Aid
- **Oversight:** Executive Vice President
- **Publication:** Policy available in the MACU Policy and Procedure Manual
- **Review Cycle:** Reviewed biennially or as federal regulations are updated

### **Step 1: Notification of Selection**

Students are notified of their selection for verification via email. The notice will include a list of required documents. The verification forms are located at [Financial Aid Forms](#)

### **Step 2: Submission of Documentation**

Students are asked to submit all required documents within 14 calendar days of notification. These may include tax return transcripts, W-2s, identity verification forms, and the appropriate verification worksheet. Any delay in submitting the needed verification documentation may have an adverse impact on the student's ability to enroll unless they establish appropriate payment plans with the Bursar's Office.

### **Step 3: Review of Submitted Information**

The Financial Aid Office will review submitted documentation to determine whether the information matches the data reported on the FAFSA. If discrepancies are found, corrections will be made through the FAFSA Processing System (FPS).

### **Step 4: IRS Data Verification (if applicable)**

If FA-DDX successfully transfers IRS data, and the data is not flagged for manual correction or professional judgment, it is considered verified and does not require further review.

### **Step 5: Resolution of Conflicting Information**

Any conflicting or inaccurate information identified during the verification process must be resolved before financial aid can be awarded. The student will be contacted for clarification or additional documentation if needed.

### **Step 6: Completion and Award Notification**

Once verification is complete, the Financial Aid Office will issue a final financial aid offer via email.

**Step 7: Reporting and Documentation**

Verification results for V4 and V5 groups will be reported to the U.S. Department of Education via FAA Access. Documentation will be retained per federal and institutional record-keeping policies.

**Step 8: Referral for Fraud (if applicable)**

If fraud is suspected, the Financial Aid Office will refer the case to the Office of Inspector General (OIG) of the Department of Education.