

CONFLICTING INFORMATION

Pam Gilligan | Training Officer
U.S. Department of Education
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Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

AGENDA

- 01 What is conflicting information?
- 02 How does conflicting information arise?
- 03 How do schools resolve conflicting information?
- 04 Helpful tools
- 05 Resources

WHAT IS CONFLICTING INFORMATION?



DEFINITION – 34 C.F.R. § 668.16(F)

(f) Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs...

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

HOW DOES CONFLICTING INFORMATION ARISE?



COMMON SOURCES

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

COMMON SOURCES

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

COMMON DISCREPANCIES

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

COMMON DISCREPANCIES

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

WHAT IS NOT CONFLICTING INFORMATION?

- Dependency status differences between the Education Department and Internal Revenue Service
- Low income or no income
- Privacy-protected information
 - Mental health professionals, chaplains, physicians, attorneys

WHAT IS NOT CONFLICTING INFORMATION?

- 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

HOW DO SCHOOLS RESOLVE CONFLICTING INFORMATION?



SCHOOL RESPONSIBILITIES

- Internal system to identify conflicting information
 - Regardless of school office or department
 - Regardless of verification selection or completion
 - Must monitor all subsequent ISIR transactions (while student is still enrolled at the institution)
 - 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

REFERRAL OF FRAUD CASES

OIG Address and Phone Numbers		
<i>Regional Offices</i>	<i>Telephone No.</i>	<i>National Hotline</i>
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	215-656-8693	
Pittsburgh, PA	412-395-4528	
Atlanta, GA	404-974-9430	
Pembroke Pines, FL	954-450-7346	1-800-MIS-USED (1-800-647-8733) Hours: M, W 9–11 a.m. T, Th 1–3 p.m.
Chicago, IL	312-730-1630	
Dallas, TX	214-661-9530	
Ann Arbor, MI	734-330-2058	To submit a complaint online at any time, go to https://www2.ed.gov/about/offices/list/oig/hotline.html and click on the appropriate link.
Denver, CO	303-844-0058	
Nashville, TN	615-736-2205	
Kansas City, MO	816-268-0500	
Long Beach, CA	562-980-4141	
Phoenix, AZ	602-507-6174	
San Juan, PR	787-773-2740	
Washington, DC	202-245-6918	



DOCUMENTATION

- Information collected to resolve conflict is considered student eligibility documentation
- For grant and Campus-Based Programs:
 - retain at least 3 years from the end of the award year for which the aid was awarded
- For Direct Loans:
 - retain at least 3 years after the end of the award year in which the student last attended the school

BASIC TAX KNOWLEDGE

Financial aid administrators are not expected to be tax experts, but are expected at a minimum to know

- Whether an individual was required to file taxes
- What an individual's correct filing status should be
- That an individual cannot be claimed as an exemption on more than one tax return

See 2020-21 AVG (page AVG-132)

TAX FILING STATUS – 2020

Table 1-1. 2020 Filing Requirements for Most Taxpayers

IF your filing status is...	AND at the end of 2020 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$12,400
	65 or older	\$14,050
Married filing jointly***	under 65 (both spouses)	\$24,800
	65 or older (one spouse)	\$26,100
	65 or older (both spouses)	\$27,400
Married filing separately	any age	\$5
Head of household	under 65	\$18,650
	65 or older	\$20,300
Qualifying widow(er)	under 65	\$24,800
	65 or older	\$26,100

IRS Publication 17: Tax Guide 2020: <https://www.irs.gov/pub/irs-pdf/p17.pdf>

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.

1. Your unearned income was more than \$1,100.
2. Your earned income was more than \$12,400.
3. Your gross income was more than the larger of—
 - a. \$1,100, or
 - b. Your earned income (up to \$12,050) plus \$350.

TAX FILING STATUS

Table 1-3. Other Situations When You Must File a 2020 Return

- You had net earning from self-employment of at least \$400
- 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.

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*.

TAX FILING STATUS

Considered Unmarried

To qualify for head of household status, you must be either unmarried or considered unmarried on the last day of the year. You are considered unmarried on the last day of the tax year if you meet all the following tests.

1. You file a separate return. A separate return includes a return claiming married filing separately, single, or head of household filing status.
2. You paid more than half the cost of keeping up your home for the tax year.
3. Your spouse didn't live in your home during the last 6 months of the tax year. Your spouse is considered to live in your home even if he or she is temporarily absent due to special circumstances. See [Temporary absences](#), later.
4. Your home was the main home of your child, stepchild, or foster child for more than half the year. (See [Home of qualifying person](#), later, for rules applying to a child's birth, death, or temporary absence during the year.)
5. You must be able to claim the child as a dependent. However, you meet this test if you can't claim the child as a dependent only because the noncustodial parent can claim the child using the rules described, later, in [Children of divorced or separated parents \(or parents who live apart\)](#) under *Qualifying Child* or in [Support Test for Children of Divorced or Separated Parents \(or Parents Who Live Apart\)](#) under *Qualifying Relative*. The general rules for claiming a child as a dependent are explained, later, under [Dependents](#).

DOCUMENTATION

If tax filing status was incorrect, to resolve conflicting information the school must obtain

- Tax return transcript, if initially did not file
- Amended tax return or tax transcript (1040X), if taxes were filed incorrectly
- Revised income information

DISBURSEMENT

- No disbursement for any Title IV aid until conflict resolved
- If already disbursed, aid must generally be repaid if the student was later determined to be ineligible
 - **Except** when the student is no longer in attendance, all disbursements were already made, and student is not expected to return
 - Includes deceased students

OTHER HELPFUL TOOLS AND IMPORTANT INFORMATION



HELPFUL TOOLS

- Electronic Announcement (EA) from 11/26/2019 provides an IRS Tax Return Transcript Matrix for 2020-2021
- DCL ID: GEN-19-02 provides information that supplements the 2020-2021 award year verification information that was provided in the Federal Register notice published May 24, 2019

C FLAGS 359 & 360

- NSLDS® Unusual Enrollment History (UEH) Flags
 - Purpose is to identify students that enroll in schools in order to obtain Pell Grant and then never attend and earn credit
- In order to resolve, a school must determine if academic credit was earned in each award year at all institutions where the student received Pell or Direct Loans during the requisite 4-year period
- Resolution may be required to obtain additional documentation if the student cannot provide information supporting that they earned credit at all the institutions in question.

FAFSA: Q&A

- **G-Q16: Must conflicting information be resolved before an institution considers doing a professional judgment adjustment for either or both years?**

G-A16: Yes, as is the case for a student who has been selected for verification, the institution must resolve any possible conflicting information and submit any required ISIR changes to the CPS before it makes a professional judgement determination. [September 6, 2016]

GRAMM-LEACH-BLILEY (GLB) ACT

- The Standards for Safeguarding Customer Information, 16 C.F.R. Part 314, issued by the Federal Trade Commission (FTC), as required by the Gramm-Leach-Bliley (GLB) Act, P.L. 106-102.
- These Standards are intended to ensure the security and confidentiality of customer records and information. The Secretary considers any breach to the security of student records and information as a demonstration of a potential lack of administrative capability as stated in 34 C.F.R. 668.16(c). Institutions are strongly encouraged to inform its students and the Department of any such breaches.

RESOURCES

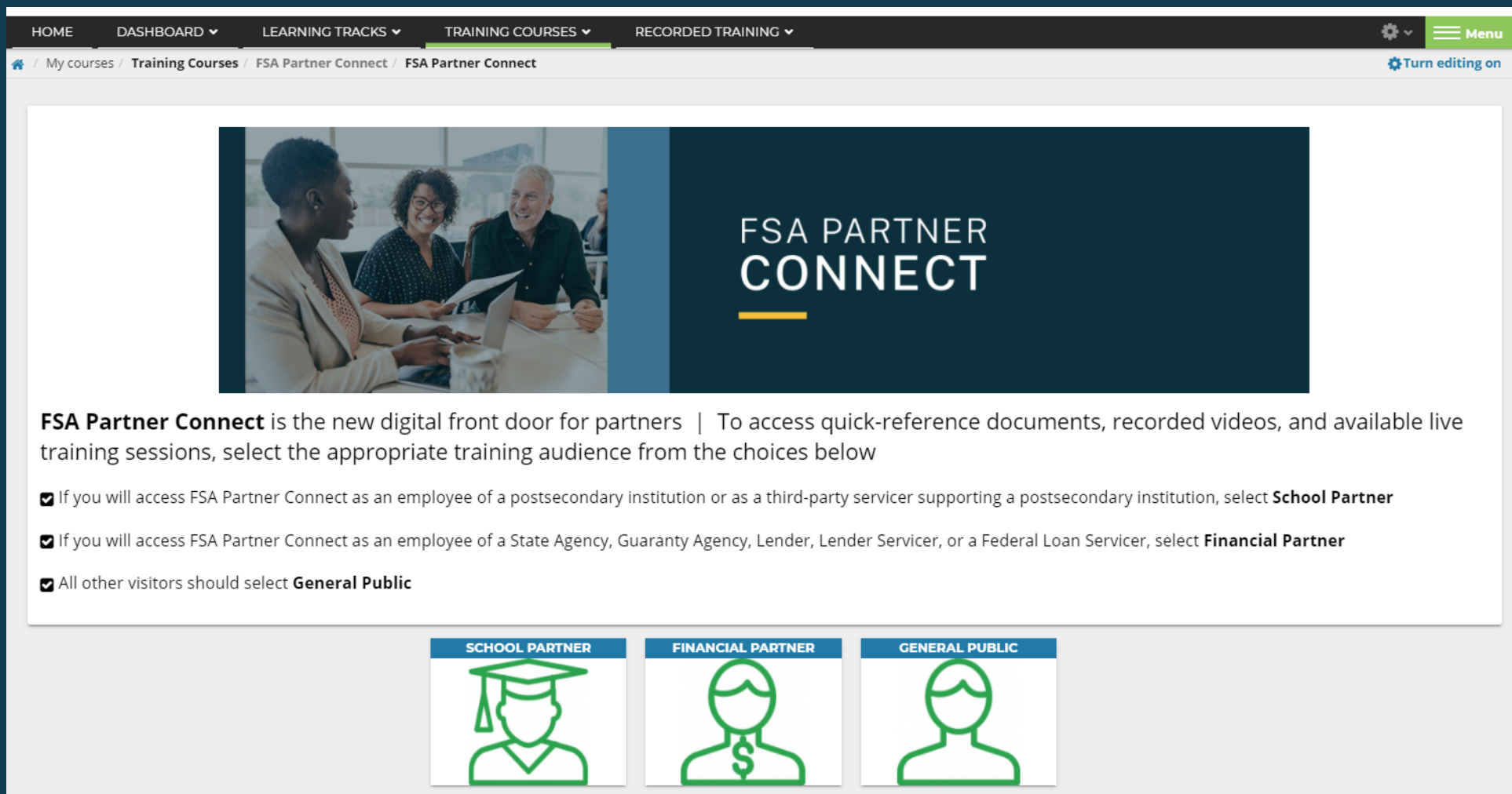


RESOURCES – KNOWLEDGE CENTER

- FSA 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
- ISIR Guide and SAR Comment Code and Text Guide

FEDERAL STUDENT AID E-TRAINING

<https://fsatraining.ed.gov>



The screenshot shows the FSA Partner Connect website. The top navigation bar includes links for HOME, DASHBOARD, LEARNING TRACKS, TRAINING COURSES, and RECORDED TRAINING. A breadcrumb trail below the navigation bar reads: / My courses / Training Courses / FSA Partner Connect / FSA Partner Connect. A 'Turn editing on' button is visible in the top right corner. The main content area features a large banner with a photo of three people in a meeting and the text 'FSA PARTNER CONNECT'. Below the banner, a paragraph explains that FSA Partner Connect is the new digital front door for partners and provides instructions on how to select the appropriate training audience. Three selection options are listed, each with a checked checkbox: School Partner, Financial Partner, and General Public. At the bottom, there are three icons representing these roles: a graduation cap for School Partner, a person with a dollar sign for Financial Partner, and a person icon for General Public.


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- ☒ If you will access FSA Partner Connect as an employee of a postsecondary institution or as a third-party servicer supporting a postsecondary institution, select **School Partner**
- ☒ If you will access FSA Partner Connect as an employee of a State Agency, Guaranty Agency, Lender, Lender Servicer, or a Federal Loan Servicer, select **Financial Partner**
- ☒ All other visitors should select **General Public**

SCHOOL PARTNER


FINANCIAL PARTNER



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FEDERAL STUDENT AID E-TRAINING

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Learning Plans


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[REVIEW TEAM MEMBERS \(FOR MANAGERS\)](#)


[CREATE PLANS FOR STAFF \(FOR MANAGERS\)](#)


ASK A FED

- The AskAFed email box is staffed by FSA training professionals every business day during normal business hours
- AskAFed can help with policy guidance inquiries related to Title IV administration
- The address is AskAFed@ed.gov



TRAINING FEEDBACK

- To ensure quality training, we ask all participants to please fill out an online session evaluation
- At the conclusion of the conference, all attendees will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool informs FSA of areas for improvement in our training presentations and offers an effective process for “listening” to our school partners