
FM Verification and Conflicting Information 2024-2025 Agenda

(Subject to change -- topics may be merged together or split into more discreet topics).

Modules available by August 1, 2024

Module: *FAFSA Data on the 2022 Tax Return*

A line-by-line look at the 2022 tax return and where each FAFSA data element derived from the tax return appears. This module will cover both verification items and non-verification items. We will also look at the FAFSA taxable grants and scholarship question to identify when an answer provided on the FAFSA conflicts with the information on the tax return.

Module: *Pell Grant Eligibility: Maximum, Calculated, and Minimum Pell Grant*

An overview of Pell Grant Eligibility for a student enrolled full-time for a standard academic year. This module covers Maximum Pell Grant, Calculated Pell Grant, and Minimum Pell Grant eligibility.

Module: *Foreign Earned Income Exclusion and Maximum Pell Grant*

In this module, we will look at what the Foreign Earned Income Exclusion is, how it is considered in the Student Aid Index Calculation and the eligibility for Maximum Pell Grant, and what a Financial Aid Administrator needs to do if a ISIR contains both the Maximum Pell Indicator flag and a non-zero value for the Foreign Earned Income Exclusion.

Module: *Splitting an Individual's FAFSA Data Out of a Joint Tax Return 1 – Background Information*

This is the first of four webinars looking at what a financial aid administrator needs to do when their documentation for verification, conflicting information resolution, or professional judgment is a joint tax return, but only one person on that tax return was required to contribute to a FAFSA. In this segment, we will look at why a person on a joint tax return may contribute to a FAFSA without the other filer, and the guidance FSA has issued about this topic.

Module: *Splitting an Individual's FAFSA Data Out of a Joint Tax Return 2 – Getting to the AGI*

In segment two of our *Splitting an Individual's FAFSA Data Out of a Joint Tax Return* module, we will use a case study to calculate the AGI of a dependent student's parent who is the only person from a joint tax return contributing to the student's FAFSA.

Module: *Splitting an Individual's FAFSA Data Out of a Joint Tax Return 3 – Proportional Distribution*

In segment three of our *Splitting an Individual's FAFSA Data Out of a Joint Tax Return* module, we will continue the case study we used in segment two and use the proportional distribution method to calculate the FAFSA Income Tax Paid. We will also perform a professional judgment on our case student and look at how that changes the scope of the work we need to do.

Modules to be released after August 1, 2024

Module: *What's New in 2022 Taxes?*

An overview of the changes to the 2022 tax forms and tax code. This module will include a discussion of how some taxpayers who took 2020 emergency IRA or pension withdrawals (Coronavirus Related Distributions) may have 2020 income included on their 2022 tax return.

Module: *Federal Tax Information*

Most 2024-2025 (and later) ISIRs will contain information provided directly by the IRS to the contributor's income section of the FAFSA. This data is not considered "FAFSA data" and is governed by more stringent rules than other data contained in the FAFSA. In this module, we will define Federal Tax Information (FTI), discuss how to identify and manage it. We will also look at the limited purposes for which FTI can be used by an institution, and how and when FTI can be shared with the student, other FAFSA contributors, and external entities who might request it.

Module: *V1 Verification of Tax-filers – Documentation Requirements*

Although the V1 verification burden in 2024-2025 will be lighter than prior years, there will be some students subject to V1 verification. In this module, we will look at the documentation an institution must have in-hand before it can perform verification on an application that includes one or more contributors who filed a tax return. This module will include discussions of IRA and pension rollovers, amended tax returns, and what to do if a contributor is unable to obtain a required document.

Module: *What is the Correct Filing Status for a Tax Filer?*

Financial Aid Administrators are required to know which filing status a tax filer can use, and to review applications for conflicting information related to filing status. In this module, we will look at the five filing statuses and who can use them, with a focus on the head of household filing status.

Module: *V1 Verification of Non-filers – Documentation Requirements*

Income earned from work is still a verification item for non-filing contributors, but non-filers will not be asked to report income earned from work on the FAFSA. Instead, the information collected will be used to determine if a non-filing contributor is required to file a tax return. In this module, we will look at the changes to the V1 verification documentation institutions must have in-hand to review a selected application and determine whether a non-filer is required to file a tax return.

Module: *When is a Person Required to File a Tax Return 1 – Income Thresholds*

The purpose of V1 verification of a non-filer in 2024-2025 is to determine whether a person who did not file a tax return should have filed a tax return. In this segment of our filing requirements module of our training, we will look at gross income and self-

employment income, each of which must be considered when assessing whether a person is required to file a tax return or not.

Module: *When is a Person Required to File a Tax Return 2 – Exceptions and Unusual Situations*

In segment 2 of our filing requirements module, we will look at situations in which a person might look like they might be required to file a tax return based on segment 1, but do not have to file. This segment will include a look at household employee income, that is frequently confused with self-employment income, earned income that is exempt from income taxation, and hobby income.

Module: *Changes to the FAFSA Data Definitions 1 – FAFSA Parent and Family Size*

In this module, we will compare the definition of FAFSA parent for 2024-2025 to the definition from 2023-2024 and earlier. We will also compare 2023-2024's definition of household size with 2024-2025's definition of family size.

Module: *Changes to the FAFSA Data Definitions 2 – Income and Taxes Paid*

The FAFSA Simplification Act and Department of Education Guidance have significantly changed the definitions of various FAFSA data elements, including Income Tax Paid, Income Earned from Work, and the Education Credits. In this module, we will look at the new definitions and how the changes impact the work that financial aid administrators perform.

Module: *Changes to the FAFSA Data Definitions 3 – Assets*

This module will review the changes to the definitions of the asset questions on the FAFSA. We'll cover the child support question (now treated as though it were an asset), changes to the reported of college savings plans, and the new requirement that the values of small family businesses and working family farms be reported on the application. This module will include a discussion of when an institution might have conflicting information related to the reported of business and farm values.

Module: *Applicants Exempt from Asset Reporting*

There's always been some applicants who were not required to report their or their contributor's assets on the FAFSA. The old asset-free Simplified Formula has been replaced with a different set of criteria for the asset exemption. In this module, we will look at the new methods through which an applicant is exempt from asset reporting.

Module: *Student Aid Index and Pell Eligibility Hand Calculation*

A step-by-step look at the new Student Aid Index formula, with a focus on how the allowances have been redefined, removed, or otherwise changed.

Module: *Understanding the SAI Index and Professional Judgment*

Applicants are being coached and encouraged to request special consideration, and as a result the number of appeals is growing each year. Many appeals are valid and warrant a professional judgment, but even valid appeals may not result in additional financial aid for a student. In this module, we will look at how income or asset adjustments can change the Student Aid Index or Pell Eligibility. With just a bit of understanding how the SAI is calculated and Pell eligibility is determined, an aid administrator can determine if the requested change will create new aid eligibility or not. This can help aid administrators set realistic expectations when counseling applicants requesting adjustments, and to manage their workloads.

Module: *Splitting an Individual's FAFSA Data Out of a Joint Tax Return 4 – Tax Table Method*

In segment four of our *Splitting an Individual's FAFSA Data Out of a Joint Tax Return* module, we will finish our discussion by calculating the income tax paid for the case study discussed in the earlier module segments using the tax table