

CONFLICTING INFORMATION

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Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Welcome to this presentation on Conflicting Information. This information is current as of July 2021.

AGENDA

- 1 Defining conflicting information
- 2 School responsibilities to resolve
- 3 Conflicting information scenarios
- 4 Resources

Here is our agenda for the presentation.

1. What is and is not conflicting information?
 - Regulatory citations
 - Common sources
 - Common discrepancies
2. What are a school's responsibilities in resolving conflicting information?
 - Systems and procedures
 - Referral of fraud
 - Documentation retention
 - Disbursement considerations
3. How do we resolve some common situations?

DEFINING CONFLICTING INFORMATION



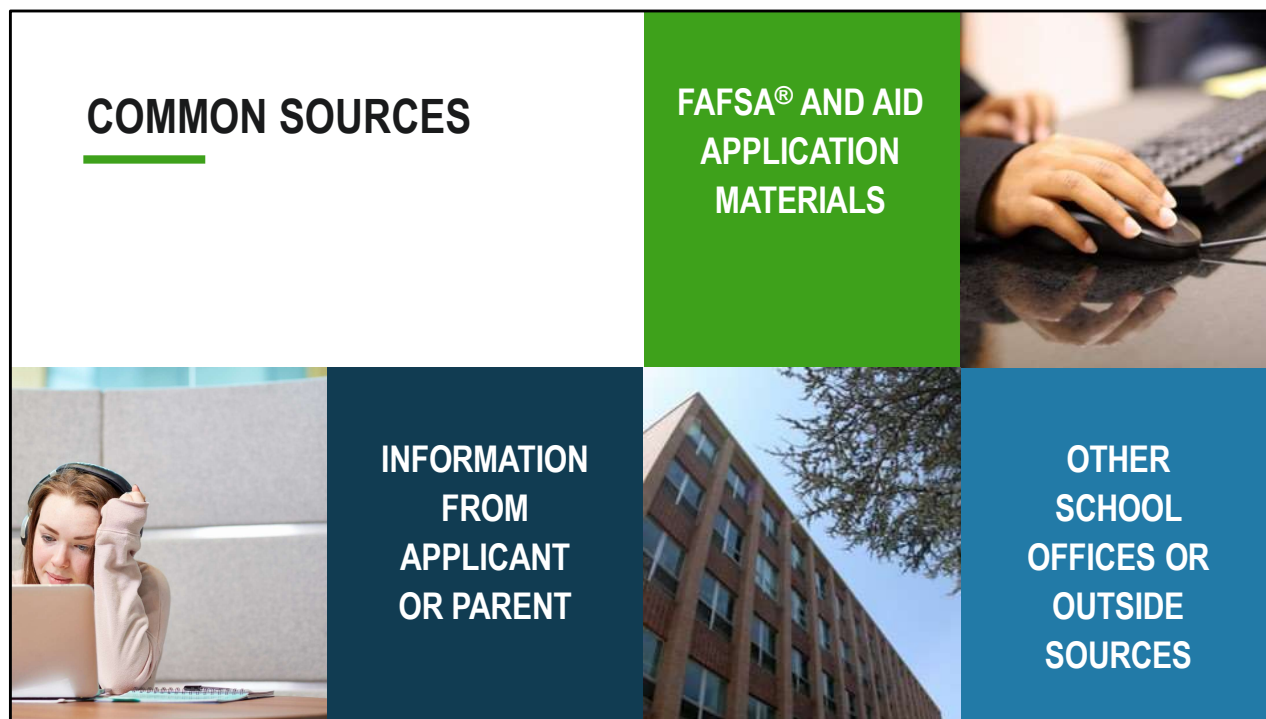
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Definition in the Federal Student Aid Handbook Glossary:

A discrepancy in the information that a school has regarding a student that affects his or her eligibility for federal student aid. A school must resolve conflicting information about a student before that student can receive federal student aid.

The regulations at 34 CFR 668.16(f) address a school's requirement to resolve conflicting information:

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.



- FAFSA® data
- ISIR comments and rejects
- Documents for verification
- Documents for C-flag resolution
- Tax returns or tax return transcripts
- Information from different school offices
 - Registrar or academic departments
 - Residence life and student services
 - Bursar or student accounting
- Correspondence from students and parents
- Verbal statements made by students and/or parents
- Other financial aid applications: institutional applications, the CSS Profile, etc
- State and federal agencies
- Outside scholarship organizations and donors
- Information from other schools
- Tips from outside sources

COMMON DISCREPANCIES

As an aid administrator, you might encounter discrepancies in a variety of places.



- Household data
- Social Security Administration information
- Citizenship information
- High school completion
- Tax filing requirements (see IRS Publication 17)
- Financial data
- NSLDS history, including Unusual Enrollment History (UEH) codes 359 and 360
- Cost of Attendance elements
- Satisfactory Academic Progress
- Enrollment status
- Grade level status
- Date of withdrawal or last date of academic activity
- Outside resources

NOT CONFLICTING INFORMATION

The Department has said that some items are not considered conflicting information, even if they seem like they fit that definition



- 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
- 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

SCHOOL RESOLUTION

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The regulations at 34 CFR 668.16 outline the standards a school must meet for administrative capability. Resolving conflicting information is among those standards.

(b)(3) An institution must communicate to the individual designated to be responsible for administering Title IV, HEA programs, all the information received by any institutional office that bears on a student's eligibility for Title IV, HEA program assistance.

This means that all school offices must communicate all appropriate information in a timely fashion to the Financial Aid office.

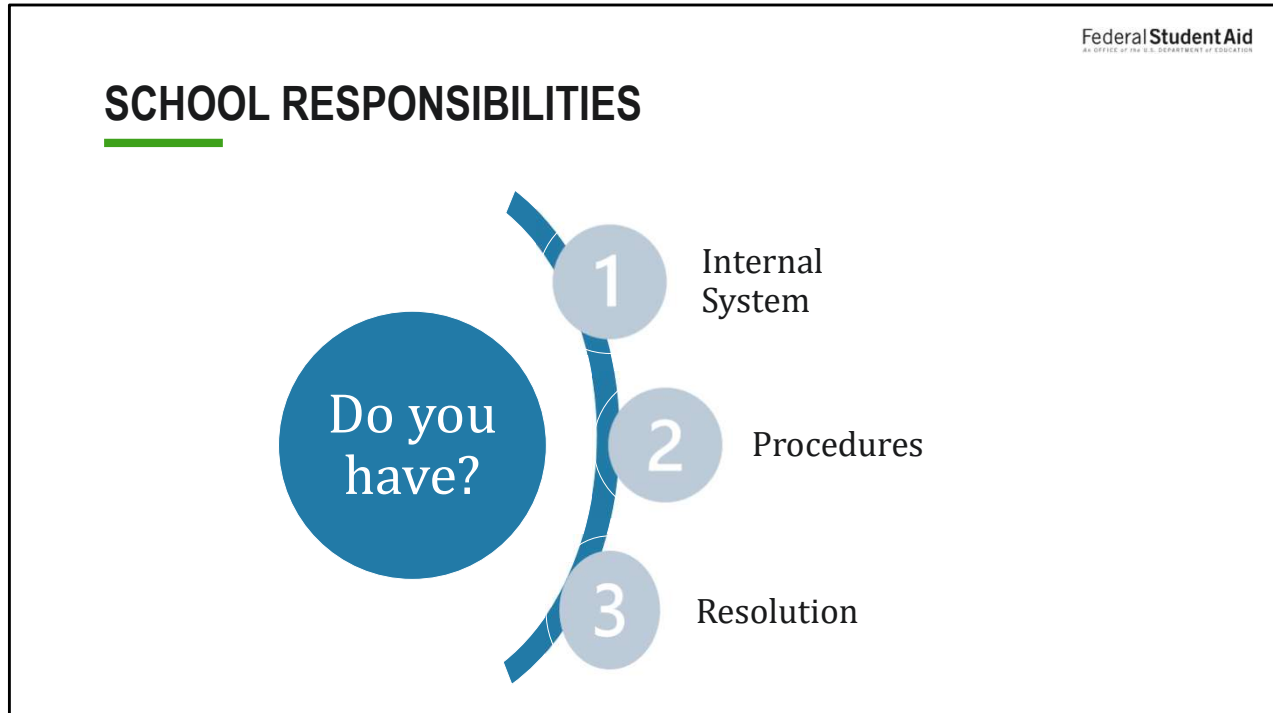
(f) Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate,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

(1) All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant;

(2) Any documents, including any copies of State and Federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and

(3) Any other information normally available to the institution regarding a student's citizenship, previous educational experience, documentation of the student's social security

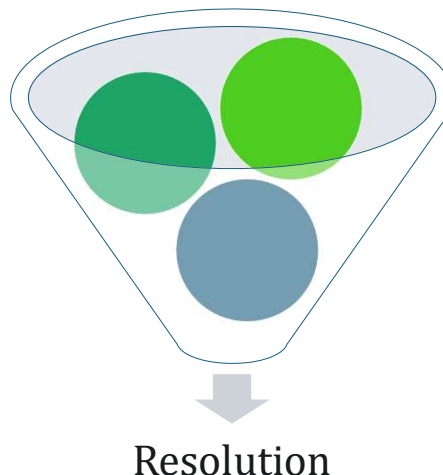
number, or other factors relating to the student's eligibility for funds under the Title IV, HEA programs;



- Do you have an internal system to identify conflicting information?
 - Regardless of school office or department
 - Regardless of verification selection or completion
 - Know the basic tax law information and EFC methodology
- Even if the conflict concerns a previous award year, you must still investigate it.
- Ensure you have procedures for collecting documents for resolution.
- You are resolving errors or inconsistencies, not fraud which will be discussed soon.
- You should also make sure your procedure has you reviewing subsequent ISIRs received while a student is still enrolled at the institution.

WHAT DOCUMENTATION DO I GET?

Documentation to resolve conflicting information can come from a variety of sources and could be anything that the FAA deems to be helpful in resolving the conflict



- Tax forms
- Citizenship status documents
- Written documentation from the student or parent
- Written documentation from other school officials
- Written documentation from outside sources (e.g. clergy, courts, other school administrators)

DOCUMENTATION RETENTION

Information collected to resolve conflict is considered student eligibility documentation and must be retained.



Document retention regulations are found in 34 CFR 668.24:

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

DISBURSEMENT

No disbursement for any Title IV aid until conflict resolved

If already disbursed, aid must generally be repaid if the student is later determined to be ineligible

Follow guidance for overpayments



If your school has conflicting information concerning a student's eligibility or you have any reason to believe his application information is incorrect, you must resolve the discrepancies before disbursing FSA funds and, as with verification, before making any PJ adjustment.

If you discover discrepancies *after* disbursing FSA funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

If a student is no longer in attendance and is not expected to return and all disbursements were already made, aid does not need to be repaid. This would apply to deceased students as well.

PROFESSIONAL JUDGMENT

Question: Must conflicting information be resolved before an institution considers doing a professional judgment adjustment for an award year?

Answer: 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.

Remember, you should be paying on an accurate ISIR, so if you have any conflicting information to resolve, that must happen before doing a professional judgment.

REFERRAL OF FRAUD CASES

You must resolve errors and inconsistencies. However, it is not your job to investigate fraud. But you should report it!

A school must refer to the Department’s Office of Inspector General (OIG) any credible information indicating that an applicant for federal student aid may have engaged in fraud or other criminal misconduct in connection with his or her application.

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 1-800-MIS-USED (1-800-647-8733) Hours: M, W 9–11 a.m. T, Th 1–3 p.m. 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.
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	
Chicago, IL	312-730-1630	
Dallas, TX	214-661-9530	
Ann Arbor, MI	734-330-2058	
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	

Referral of fraud cases to the OIG is a standard of administrative capability.

Common misconduct includes false claims of independent student status, false claims of citizenship, use of false identities, forgery of signatures or certifications, and false statements of income. Remember that fraud is the intent to deceive as opposed to a mistake. If you suspect such intent on the part of a student, report it to the OIG by phoning 1-800-MISUSED.

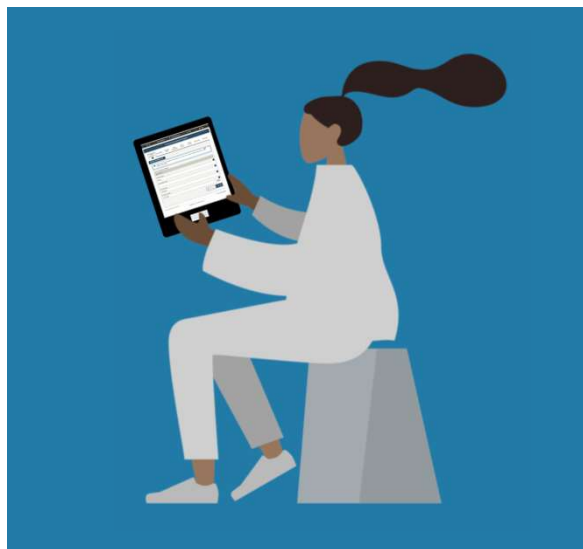
CONFLICTING INFORMATION SCENARIOS



Let's look at six common scenarios and talk about how we should resolve them.

SCENARIO #1

Tracey says on her FAFSA® form that she is not required to file taxes. However, the amount listed on the FAFSA form in the income from work field is \$14,000.



How might you resolve this situation?

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

See [*2021-22 Application and Verification Guide*](#) (page AVG-94)


Financial aid administrators do not need to be tax experts, yet there are some issues that even a layperson with basic tax law information can evaluate. Because conflicting data often involve such information, FAAs must have a fundamental understanding of relevant tax issues that can considerably affect the need analysis. You are obligated to know (1) whether a person was required to file a tax return and (2) what the correct filing status for a person should be.

The IRS's online Interactive Tax Assistant (<https://www.irs.gov/help/ita>) is a useful tool that can help with these and other issues by walking the user through a series of questions.

IRS PUBLICATION 17

irs.gov/pub/irs-pdf/p17.pdf

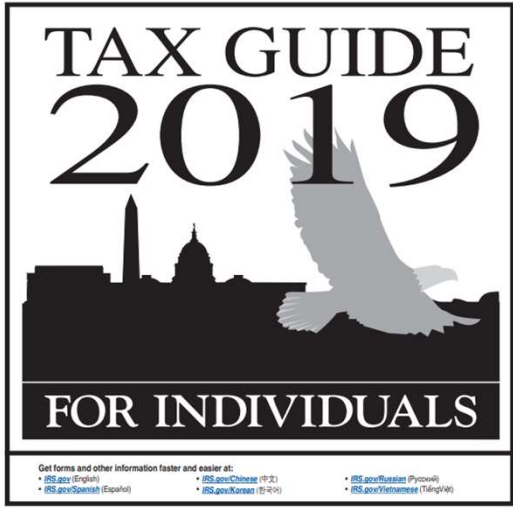
Publication 17 can assist in understanding if someone was required to file a tax return and if they filed with the correct status, such as Head of Household



Department
of the
Treasury
Internal
Revenue
Service

**Your Federal
Income Tax**
For Individuals

Publication 17
Catalog Number 10311G
For use in preparing
2019 Returns



Get forms and other information faster and easier at:
 • [IRS.gov](#) (English) • [IRS.gov/Chinese](#) (中文)
 • [IRS.gov/Spanish](#) (Español) • [IRS.gov/Korean](#) (한국어)
 • [IRS.gov/Russian](#) (Русский)
 • [IRS.gov/Somali](#) (Soomaali)

Jul 17, 2020

Publication 17 of the IRS, Your Federal Income Tax, is a useful resource. It addresses pertinent tax issues: the filing requirements—i.e., who is required to file a return—are on pages 5-9 of the PDF version and the filing status requirements are on pages 20–25.

For example, an FAA who notices that a dependent student’s parents, who are married and live together, have each filed as head of household (which offers a greater tax deduction than filing as single or married) must ask if that is the right status. Publication 17 explains on pages 23–25 the criteria a person must meet to file as head of household. Resolution of the conflict could be the parents refiling and submitting a copy of the amended return or a reasonable explanation of why there really is no conflict under IRS rules.



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

If you believe that a student or parent filed incorrectly, obtain evidence from the IRS that the tax filer did file properly (IRS letter, IRS documentation, IRS instructions) or obtain the proper tax documents.

SCENARIO #2

You receive an ISIR for Ricardo with Comment Code 360, indicating an issue with unusual enrollment.

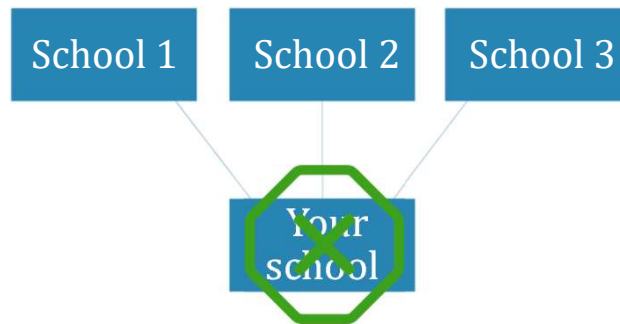


How might you resolve this situation?

C FLAGS 359 & 360

NSLDS UNUSUAL ENROLLMENT HISTORY FLAGS

Purpose is to identify students that enroll in schools in order to obtain Pell Grant or Direct Loan and then never attend and earn credit



[2021-22 SAR Comment Codes and Text Guide](#)

Comment Code	SAR Comment Text Definition	Mobile eSAR Comment Text Definition	Notes/ Changes	Reason for Comment	C Code	Reject Code	Action Needed
359	Your school may request additional information to determine your eligibility for federal student aid.	Your school may request additional information to determine your eligibility for federal student aid.	Updated year references in the Action Needed column	NSLDS Unusual Enrollment History Flag equals 2	Y		Resolution required. The institution must review the student's enrollment and financial aid records to determine if, during any of the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 award years, the student received a Pell Grant or a Direct Loan at the institution that is performing the review. If so, no additional action is required. If not, using information from the National Student Loan Data System (NSLDS), the institution must identify all institutions where the student received a Pell Grant or Direct Loan for any of the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 award years. The institution must then determine whether academic credit was earned at each of those institutions during the award year for which the student received a Pell Grant or Direct Loan. Based on those determinations, discussions with the student may be necessary. See Dear Colleague letter GEN-15-05 for additional information.
360	Based upon data provided by the National Student Loan Data System (NSLDS), your school will request additional information to determine your eligibility for federal student aid and before disbursement of funds can be made.	Your school will request additional information to determine your eligibility for federal student aid.	Updated year references in the Action Needed column	NSLDS Unusual Enrollment History Flag equals 3	Y		Resolution required. Using information from the National Student Loan Data System (NSLDS), the institution must identify all institutions where the student received a Pell Grant or a Direct Loan for any of the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 award years. The institution must then determine whether academic credit was earned at each of those institutions during the award year for which the student received a Pell Grant or a Direct Loan. Based on those determinations, discussions with the student may be necessary. See Dear Colleague letter GEN-15-05 for additional information.

SCENARIO #3

You have a FAFSA® form from Treenyce that lists her parents as divorced. It states that she lives with her mother and provides mom's information. Your admissions office has Treenyce's application for admission showing that she lives with her father.



How might you resolve this situation?

SCENARIO #4

You receive an ISIR for Kim, a dependent student. On the ISIR, her parents list assets of \$100,000, making Kim ineligible for a Federal Pell Grant. You later receive a second ISIR transaction on which the assets have been changed to \$0.



How might you resolve this situation?

SCENARIO #5

You receive an ISIR for Jay with Comment Code 76, indicating that the Social Security number Jay provided belongs to a deceased person.



How might you resolve this situation?

SCENARIO #6

You are reading the school newspaper and see an announcement that five students were each awarded a \$1000 book scholarship by the booster club at a recent basketball game. None of the students have reported this scholarship.



How might you resolve this situation?

SCENARIO #7

You have an ISIR for Belinda. It states that she is single and that she filed her tax return for the base year as Head of Household. Belinda applies for an emergency grant from your school, and on it she lists that she is married.



How might you resolve this situation?



Let's look at some resources that are specific to conflicting information as well as some helpful websites for Title IV aid administration.

CONFLICTING INFORMATION RESOURCES

- 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
- Quick Takes Video on FSA Training Center

VERIFICATION ACTIVITY 1 Resolving Conflicting Data

Activity:

Review the charts below to assist in evaluating your processes for resolving conflicting data.

Since conflicting data can result from multiple sources, it can seem as if identifying conflicting information is an impossible task. However, many cases of conflicting information can be easily identified. The requirement for resolving conflicting data covers all information normally available to the institution regarding a student's eligibility. For example, for income and tax information, while it is expected that the financial aid administrator is required to know who is required to file, what filing status is correct (i.e. head of household, married filing jointly, etc), and whether or not exemptions are claimed correctly, it is also important to note that the financial aid administrator is not expected to be an expert in IRS tax law.

Good practices vs. what is required


The following two pages contain two charts.

1. The first chart provides examples of conflicting information and provides common examples of conflicting information. Generally this chart has been developed to help you review your policies and procedures.
2. The second chart provides examples of good practices for resolving conflicting information.

Chart A: Examples of conflicting information

- A student is not selected for verification, but a tax return or IRS transcript is on file and information conflicts with items on the FAFSA.
- An IRS 1040 transcript shows single head of household and on the FAFSA/ISIR shows the same person as married.
- A parent or student reports on their FAFSA and signed a verification worksheet that they will not file an IRS tax return. You have reason to believe that they would have been required to file a U.S. Income Tax Return, as the amount of reported income on the FAFSA is greater than or equal to the minimum amount required to file as indicated in the instructions provided by the IRS.
- A school received statements or information that suggests that the copy of the IRS Income Tax Return received is not the IRS Income Tax Return filed with the IRS.
- A school receives a "Profile" from CSS where the student reports a specific amount of untaxed income; FAFSA reports a different amount. (If the school receives the CSS Profile, it must ensure that information contained there does not conflict with other documents received by the school). The information on the FAFSA must be correct and must not conflict with the CSS Profile if a school collects it)
- Veterans Affairs (VA) benefits verified by the certifying official in the Registrar do not match the FAFSA. (To resolve conflicting information, the school can rely on the certifying official).
- Admissions information received impacts student eligibility (i.e., student accepted into a non-degree program, student received scholarship from high school, etc.)
- The student's academic progress or enrollment status on file in the Financial Aid Office does not agree with the information from the Registrar Office.

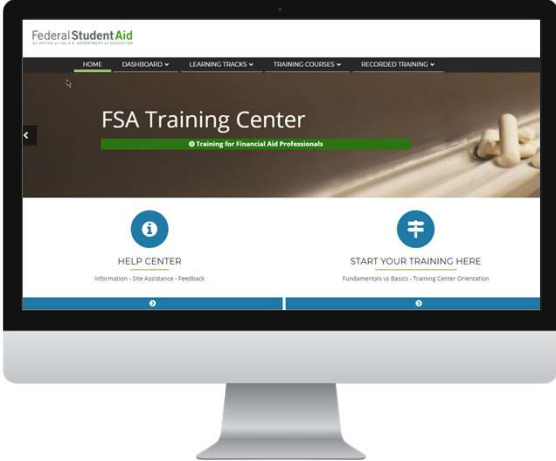
Here is a snippet of what the Resolving Conflicting Data activity on FSA Assessments looks like.




FSA TRAINING CENTER

fsatraining.ed.gov

Check out learning tracks, software training, recorded policy videos here, and register for *FSA Fundamentals Training* series or *FSA Basics for New Staff* course.



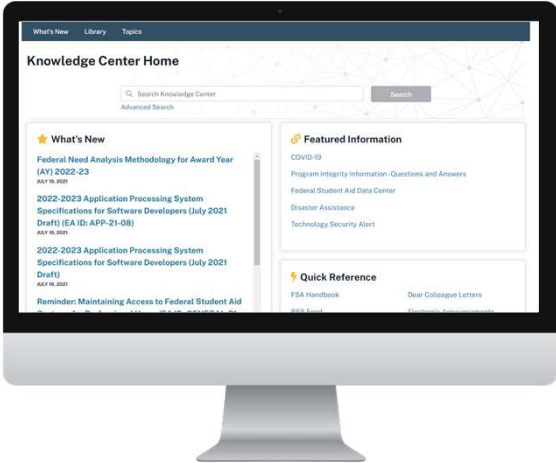
The FSA Training Center is a great resource for training! Create an account today for valuable trainings on Title IV aid administration as well as the new FSA Partner Connect Portal and Knowledge Center.



KNOWLEDGE CENTER

fsapartners.ed.gov/knowledge-center

IFAP is now the Knowledge Center!
Subscribe for daily or weekly email updates.

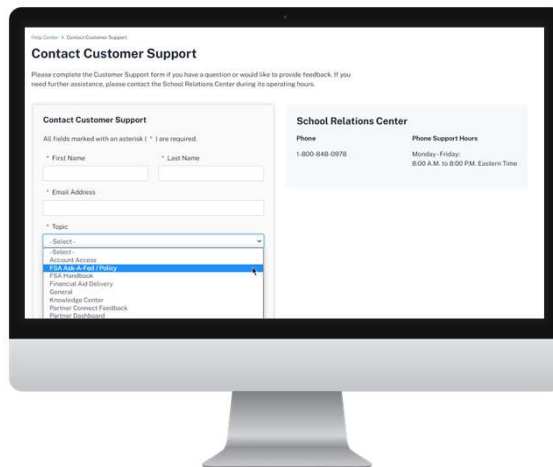


The Knowledge Center has replaced IFAP, and it is where you'll find links to laws, regulations, and guidance related to Title IV aid administration, including the FSA Handbook, Electronic Announcements and Dear Colleague Letters.

GETTING HELP

fsapartners.ed.gov/help-center/

For policy questions, use *Contact Customer Support Form* in Help Center on FSA Partner Connect. Choose “Ask A Fed/Policy” in Topic dropdown list.



You may use this contact form for other types of inquiries as well.

If you need further assistance, you may contact the School Relations Center at 1-800-848-0978.

TRAINING FEEDBACK

- All attendees receive email from FSA with link to online evaluation
 - Helps ensure quality training
 - Informs FSA of areas for improvement
 - Serves as effective tool for “listening” to our school partners

Please fill out the link to the provided survey!

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QUESTIONS



What questions do you have about conflicting information?