

Procedures Required by Federal Regulation for Resolving Conflicting Documentation under FM

Federal Student Financial Aid Regulations require procedures for resolving so-called "Conflicting Information" or "Conflicting Documentation" Regulations do not specify what these procedures should be nor do they define items which may or may not be considered Conflicting Documentation.

Resolution of Conflicting Documentation is separate and distinct from Federal Verification and may be required even if a student's FAFSA was not selected for Federal Verification. On the other hand, Conflicting Documentation resolution does not have to follow the same procedures as Federal Verification.

Conflicting Documentation may be resolved by Tax Returns, Verification Statements, letters or other documentation deemed appropriate by the Office of Financial Aid. In general and at the discretion of the Office of Financial Aid, information on the FAFSA is assumed to be correct for Federal purposes.

Income and assets which are higher on the FAFSA or FM deductions which are lower on the FAFSA can be considered resolved by review of the FAO if these situations would result in a higher FM FC when compared to other documentation (i.e. either the amount of the Federal aid or, for Stafford, the amount which is subsidized or unsubsidized) and it is plausible that the FAFSA data was correct at the time the form was filed..

If Conflicting Documentation exists which does not alter the FM FC, this can be considered resolved and the Financial Aid Officer will make a notation, if necessary for clarity, that there is no change in FM FC (e.g. additional assets which, when added to other assets, are not in excess of Asset Protection Allowance).

Assets or income whose sum is equal but which are reported in different categories on one more form, do not constitute Conflicting Documentation. This can be considered resolved and the Financial Aid Officer may make a note, if necessary for clarity, that the sums are equal. Of course, the type of income or assets can change the analysis under FM or can change the types of information gathered for Verification. For instance, income reported as untaxed on one form and taxed on another will require Conflicting Documentation resolution. Also, an asset reported as other real estate on one form and as home equity on another requires Conflicting Documentation resolution.

Child support received which is apparently Conflicting Documentation may be resolved by sending an e-mail to custodial parent or a statement of account from the custodial parent or by using other documentation in file or by using the Conflicting Documentation forms.

When a Profile and FAFSA (or other documents which cause Conflicting Documentation) are filed at different times, this can be considered resolved and the Financial Aid Officer may make a notation, if necessary for clarity, that assumes some or all of the assets were spent or added or rearranged among categories during the intervening period. This is especially true when the Profile is filed before taxes are completed and the FAFSA is filed after taxes are completed. In this case, the FAFSA income data can be considered valid. In addition, information updated at a later date can be considered to resolve

Conflicting Documentation on the assumption that it is a correction (e.g. a later ISIR transaction filed after a Profile).

Conflicting Documentation for students who are ineligible for Federal need-based aid may be considered resolved and the Financial Aid Officer may make a notation, if necessary for clarity, regarding the student's ineligible status. Also, a student eligible for only unsubsidized Stafford Loan with Conflicting Documentation which does not change that status can be considered resolved after review by the Financial Aid Officer.

Small differences resulting in changes within existing tolerance levels can be used to resolve Conflicting Documentation and can include items not specifically stated in existing tolerance procedures. This procedure is similar to tolerance levels allowed under FM. In addition, Conflicting Documentation information which would result in an increased FM FC for those who are not Pell Grant recipients but which does not change the amount of Federal Aid a student receives and/or does not result in an overaward can be considered resolved after review by Financial Aid Officer. Conflicting Documentation which would not change FC because of Simple Needs Test or Auto Zero analysis can be considered resolved after review by Financial Aid Officer.

Small differences (not necessarily within tolerance levels) in assets with forms completed in the same date and where the Profile is higher can be accepted using the higher assets. Since it seems that often rental or other real estate is left off of the FAFSA and, sometimes, the Profile, Financial Aid Officer may use Profile info on this type of asset when it seems from other info (e.g. tax returns, previous year's apps) that the assets exist or if just year purchased and or other Real Estate purchase price has been entered on Profile.

Simple Needs Test or Auto-Zero does not require Conflicting Documentation for assets. Auto-Zero does not require Conflicting Documentation for income unless that income moves student to Simple Needs Test or Regular analysis.

Information on a more comprehensive form like the Business Farm Supplement, Non-Custodial Parent's PROFILE or Rental Property/Other Real Estate Supplement may be used to resolve Conflicting Documentation over simple entries on the FAFSA or Profile.

Information from previous years' files may be used to resolve Conflicting Documentation (including but not limited to needs analysis forms, tax returns, verification statements, letters and notes of conversations).

Conflicting Documentation caused by entering the same items twice on various forms can be resolved through documented phone calls, e-mails or letters can be used to document resolution.

Items left blank on the FAFSA or Profile do not have to be resolved with items correctly entered or answered elsewhere.

The need for a notation is at the discretion of the Financial Aid Officer. In addition, a notation is not needed when, for example, the Conflicting Documentation between untaxed income on the Profile and the FAFSA can often be resolved by the tax return with no notation.

For any item or category not mentioned above, the Financial Aid Officer may make assumptions regarding which items are correct when Conflicting Documentation exists and approve Federal aid

based on those assumptions if Conflicting Documentation letter or e-mail is used to notify the applicant and to ask him or her to notify the Financial Aid Officer if the assumptions are incorrect.

Most common discrepancies:

- Family size/number in college
- Untaxed Income
- Child Support
- Alimony received/paid
- Other Real Estate
- Asset values vs. interest/dividend reported on Federal 1040's