



### **IMPORTANT DATES:**

#### **February 4**

Deadline-Underuse Penalty Waivers for CB Programs

#### **February 6**

DJA Webinar: Consumer Information  
11:00 a.m. CST

#### **February 27- March 1**

Association of Business Administrators of Christian Colleges (ABACC) Annual Conference

#### **April 29 – Save the Date!**

DJA Annual Client Training  
Kansas City, MO

### **IN THIS ISSUE:**

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- Compliance Corner
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*The government shutdown has come to a close and is back up and running, though it may be on a temporary basis. The President signed a bill on Friday January 25<sup>th</sup> indicating he would open the government and restore funding to the shuttered agencies for three weeks until February 15<sup>th</sup>. While the Department of Education wasn't directly affected, many administrators were initially feeling the effects of the IRS closure. However, the ED responded swiftly to cries of concern by following through with a previously stated promise of waiving the need for official transcripts and allowing institutions to collect and use Income Tax Returns to complete the verification process. More on this change is included in the newsletter.*

*In other good news, the 19/20 Pell Grant Payment and Disbursement Schedules have been released. Now that processing may begin, February will be a very demanding period for schools with so many deadlines during this time of peak processing for multiple award years!*

*IPEDs reporting closes mid-February and the Draft Cohort Default Rates will be released at the end of this month. And those are just a few of the challenges you are facing right now. It can all be a bit overwhelming! DJA is here to assist in any of the processing needs you are currently facing. Please visit our website at [www.gotodja.com](http://www.gotodja.com) if you are interested in learning more about how DJA services can benefit your school in the coming years; or you may contact Kristi Cole, Director of Client Services at [kcole@gotodja.com](mailto:kcole@gotodja.com) or myself at [djohn@gotodja.com](mailto:djohn@gotodja.com).*

*Thank you and until next time, have fun!  
Deborah John, President*

### **CHANGES IN VERIFICATION REQUIREMENTS**

The USDE released guidance allowing institutions to collect and use Income Tax Returns to complete verification requirements! First announced at the FSA Training Conference back in November, the USDE has decided to provide flexibilities to schools to complete verification. If any of you attended, you know that the crowd responded with a huge amount of applause and cheer.



This decision to accept the tax returns in lieu of the transcripts, supersedes all other guidance at this time as well as provides some flexibility for nontax filers as well.

Acceptable documentation for Income Tax Information:

- **Signed** copies of 2016 or 2017 income tax return, as applicable, that the tax filer submitted to the IRS or other tax authorities to verify FAFSA/ISIR income and tax return information. Remember that tax account information obtained from the IRS through the IRS DRT that has not been changed and a transcript from the IRS or other tax authorities continues to be acceptable documentation as long as all of the verifiable information is provided.

Acceptable documentation for Nontax Filers:

- Verification from the IRS for individuals that were not required to file must still be collected preferably from the IRS. However, if an individual is unable to obtain the verification of non-filing (VNF) from the IRS, the institution can make the determination to accept a **signed and dated** statement from the individual if they feel there is no reason to doubt the student's or family's good-faith effort to obtain the required VNF from the IRS.
  - The **signed and dated** statement from the individual needs to certify that they 1) Attempted to obtain the VNF from the IRS or other tax authorities, but was unsuccessful, 2) has not filed and was not required to file for the 2016 or 2017 (which ever pertains to verification) tax year, and 3) provides a listing of the sources of any 2016 or 2017 (which ever pertains to verification) income earned from work and the amount. In addition to the statement they must also provide copies of their **W-2 Form** for each source of income earned from work, or an equivalent document, for the tax year of 2016 or 2017, which ever pertains to verification.

**NOTE: A dependent student is not required to provide confirmation of non-filing from the IRS or other tax authority.**

Acceptable documentation for Filer Extensions: For those granted a filing extension by the IRS beyond the automatic 6 month extension for the tax year of either 2016 or 2017, the institution may accept the following to satisfy verification requirements-

- **Signed and dated** self-certifying statement which states 1) Attempted to obtain the VNF from the IRS or other tax authorities, but was unsuccessful, 2) has not filed for the 2016 or 2017 (which ever pertains to verification) tax year, and 3) provides a listing of the sources of any 2016 or 2017 (which ever pertains to verification) income earned from work and the amount. If self-employed, the statement must indicated the amount of AGI and U.S. income tax paid for the applicable tax year; and
- Copies of their **W-2 Form** for each source of income earned from work, or an equivalent document, for the tax year of 2016 or 2017, which ever pertains to verification; and
- Copy of the IRS Form 4868, "Application for Automatic Extension of Time to File U.S. Individual Income Tax Return", the individual filed with the IRS for the appropriate tax year; and



- Copy of the IRS's approval letter of an extension beyond the automatic 6 month extension for the appropriate tax year.

Acceptable documentation for Amended Income Tax Returns: The new guidance also applies to individuals who filed an amended income tax return with the IRS.

- a signed copy of the IRS Form 1040X that was filed with the IRS for the applicable tax year or documentation from the IRS that include the change(s) made to the tax filer's tax information by the IRS, in addition to one of the following--
  - IRS Data Retrieval Tool information on an ISIR record with all tax information from the original applicable year income tax return;
  - A transcript obtained from the IRS that lists the tax account information of the tax filer(s); or
  - A signed copy of the IRS Form 1040 that was filed with the IRS.

Acceptable documentation for Victims of Identity Theft: As before, schools should ask students to obtain a copy of the Tax Return DataBase View (TRDBV) transcript. However, the new guidance allows schools to accept a signed copy of the paper tax return, if the applicant is unable to obtain the TRDBV (as long as the school has no reason to doubt the identity of the applicant). The Department does still require a signed statement from the applicant indicating that they were victims of IRS-tax related theft and that they have notified the IRS.

NOTE: If you have individuals with special circumstances or difficulties beyond these situations, please refer to Electronic Announcement 2019-01-09 at

<https://ifap.ed.gov/eannouncements/010919Chngsto1819and1920VerificationReq.html>

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### ***DEADLINE FOR 2019-2020 UNDERUSE PENALTY WAIVER FOR THE CAMPUS-BASED PROGRAMS IS FEBRUARY 4, 2019***

In accordance with sections 413D(d)(2) and 442(d)(2) of the Higher Education Act of 1965 as amended (HEA), if a school returns more than 10 percent of its Federal Supplemental Educational Opportunity Grant (FSEOG) or Federal Work-Study (FWS) allocations in a given award year, the allocation for the second succeeding award year is reduced by the dollar amount returned unless the Secretary waives this provision. The deadline to request a waiver of the 2019–20 Award Year penalty of FWS and FSEOG for the underuse of 2017–18 Award Year funds is **February 4, 2019**. This deadline was announced in the “[2018–2019 Award Year Deadline Dates for Campus-Based Programs](#),” published in the Federal Register on January 3, 2018 (83 FR 356).

A school can determine if it is subject to an underuse penalty by reviewing its most recent Fiscal Operations Report and Application to Participate (FISAP) or Campus-Based Tentative Funding Worksheet for 2019–20 (see sections below). The school may submit an underuse penalty waiver request if the school is able to explain that the underuse was due to circumstances beyond its control and why those circumstances are not expected to recur.



The request and justification for the waiver of the underuse penalty must be submitted *electronically* by 11:59 p.m. Eastern Time (ET) on February 4, 2019.

The transmission must be completed and accepted by 11:59 p.m. ET to meet the deadline. *Paper waiver request submissions will not be accepted.*

**Note:** Schools impacted by the 2017 hurricanes and/or that received 2017–18 supplemental funds due to the hurricanes *do not need to submit the underuse waiver*. If any such schools return more than 10% of their 2017–18 total (original plus supplemental) FWS and/or FSEOG allocation, the school will not receive a penalty to its 2019–20 FWS or FSEOG allocations. A school does not have to take any action to apply for a waiver of the underuse of funds— the waiver will be granted automatically to impacted schools that received supplemental funding.

### **How to determine if there will be an Underuse Penalty prior to receiving the Tentative Funding Worksheets**

To determine if a school is subject to an allocation reduction in its 2019–20 FSEOG or FWS funds, review the 2019–20 FISAP that was due October 1, 2018.

**For FSEOG** – Determine the underused percentage by dividing the unexpended 2017–18 funds in Part IV, Section E, Item 18 by the school's 2017–18 FSEOG allocation in Part IV, Section A, Item 1. If that quotient is more than 10 percent, the 2019–20 FSEOG allocation will be reduced by the total amount of unexpended 2017–18 FSEOG funds (Part IV, Section E, Item 18).

**For FWS** – Determine the underused percentage by dividing the unexpended 2017–18 funds in Part V, Section E, Item 19 by the school's 2017–18 FWS allocation in Part V, Section A, Item 1. If that quotient is more than 10 percent, the 2019–20 FWS allocation will be reduced by the total amount of unexpended 2017–18 FWS funds (Part V, Section E, Item 19).

**Note:** If a school returned 2017–18 FWS and/or FSEOG program funds to the Department of Education (the Department) via the reallocation process in August, it must include those funds among the total unexpended and allocation amounts for that program in order to determine the underuse percentage (even though this amount is not reported on the school's FISAP).

### **How to determine if there is an Underuse Penalty based on the Tentative Funding Worksheets**

The Campus-Based Tentative Funding Worksheets for 2019–20 will be posted to the [Common Origination and Disbursement \(COD\) Web Site](#) by February 1, 2019. If the school failed to expend more than 90 percent of its 2017–18 program allocation(s), the underuse penalty will be applied to the tentative 2019–20 award allocations.

Schools may access their Tentative Funding Level worksheets from the COD Web Site, and from the School tab, select the link for Campus-Based. Once directed to Campus-Based, select “Self-Service”. The percentage of underused FSEOG funds is shown in the FSEOG Tentative Funding worksheet at *Item 32. Underused*



**Percentage**, and the tentative FSEOG Allocation Reduction amount is shown at **Item 33. Allocation Reduction**. The percentage of underused FWS funds is shown in the FWS Tentative Funding worksheet at **Item 35. Underused Percentage**, and the tentative FWS Allocation Reduction amount is shown at **Item 36. Allocation Reduction**. The full explanation of all the fields in the Tentative Funding worksheet will be provided in an attachment to a forthcoming Electronic Announcement posted on the [Information for Financial Aid Professionals \(IFAP\) website](#).

### **How to Request an Underuse Penalty Waiver**

Once logged in to the COD Web Site, navigate to the “Forms and Waivers” page, click on “Manage Application,” then click on the option to “Create” or “Edit” the underuse waiver.

In the comment box, the school must explain the following, in detail:

- the circumstances that caused the underuse of the allocation
- why those circumstances were beyond the school's control
- why those circumstances are not expected to recur and/or how the school plans to prevent future underuse
- indicate that the entire underused portion of the allocation has been returned to the Department through G5

#### ***Notes:***

1. Only schools that reported greater than 10% underuse for FWS and/or FSEOG on their FISAP will have the option to submit the underuse waiver.
2. ***New for 2019:*** If a school did not already complete the underuse waiver via the FISAP submission process, it must use the “Forms and Waivers” page to create or edit the underuse waiver. Schools should not attempt to submit or edit the underuse waiver by accessing their most recently submitted FISAP.

### **What Happens Next**

The Department will review the penalty waiver requests and justifications and will notify the school in an email to the school’s Financial Aid Administrator whether the request has been granted or denied.

If the waiver request is granted, the 2017–18 allocation for the program that was approved will be reduced by the unused amount, but the underuse penalty for that program will not be applied when final awards for 2019–20 are made.

If the waiver request is denied, the 2017–18 allocation for the program that was denied will be reduced by the unused amount and the underuse penalty for that program will be applied when final awards for 2019–20 are made.



## **Contact Information**

For questions regarding an underuse penalty waiver justification, contact the COD School Relations Center at 1-800-848-0978. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

<https://ifap.ed.gov/eannouncements/010719ReminderDeadlineCB1920UnderuseWaiverFeb42019.html>

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## ***2019-2020 FEDERAL PELL GRANT PAYMENT AND DISBURSEMENT SCHEDULES***

With the Dear Colleague Letter GEN-19-01 the much anticipated 2019-2020 Pell Grant Program Payment and Disbursement Schedules have been released. All 2019-2020 Federal Pell Grant awards must be based on the attached schedules. With the release of the 2019-2020 Free Application for Federal Student Aid (FAFSA<sup>®</sup>) on October 1, 2018, the Department is providing the Pell Grant Payment and Disbursement Schedules so that institutions may inform students and their families of their potential eligibility for a Federal Pell Grant.

On September 28, 2018, the President signed the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (P.L. 115-245) which included an increase to the maximum Pell Grant. The maximum Pell Grant award for the 2019-2020 award year is \$6,195, and the corresponding maximum Pell Grant eligible expected family contribution (EFC) is 5576.

Section 401(b)(4) of the Higher Education Act of 1965, as amended (HEA), establishes the minimum Pell Grant award to be 10 percent of the maximum award amount for the award year. Because ED uses mid-points in both the EFC columns and the cost of attendance (COA) rows in constructing the schedules, the actual 2019-2020 award year minimum scheduled award amount will be \$650.

Although \$6,195 is the maximum Pell Grant scheduled award for the 2019-2020 award year, institutions are reminded that beginning with the 2017-2018 award year, a student may be eligible to receive Pell Grant funds for up to 150 percent of the student's Pell Grant scheduled award for an award year. To be eligible for the additional Pell Grant funds, the student must be otherwise eligible to receive Pell Grant funds for the payment period and must be enrolled at least as a half-time student, as defined in 34 CFR 668.2(b), in the payment period(s) for which the student receives the additional Pell Grant funds in excess of 100 percent of the student's Pell Grant scheduled award. For additional information see Dear Colleague Letter [GEN-17-06](#).

As a reminder, in using the attached schedules for awarding a Federal Pell Grant to a student, the full nine-month EFC must always be used regardless of the student's actual period of attendance. Also, the Title IV COA to be used is always based on the costs for a full-time student for a full academic year, regardless of the actual enrollment status or actual time the student will be enrolled during the award year. It is also important to note that the statutory restrictions of using only certain cost components in constructing a COA in some circumstances still apply. For example, for a less-than-half-time student, the COA includes only cost components for tuition and fees, books, supplies, transportation, room and board for a limited time period, and dependent care expenses. For more information on these COA restrictions please refer to Volume 3, Chapter 2, of the Federal Student Aid Handbook.



Also, note that a student's eligibility to receive a Federal Pell Grant award may be limited by the statutory provision in section 401(c)(5) of the HEA that sets a lifetime Pell Grant eligibility limit of 12 semesters (or its equivalent). Institutions should review information on Pell Grant eligibility determinations and the Lifetime Eligibility Used (LEU) limit posted on our Information for Financial Aid Professionals (IFAP) website. For additional information on the LEU limitation see Dear Colleague Letter [GEN-13-14](#) and Volume 3, Chapter 3 of the Federal Student Aid Handbook.

Institutions should also be aware of recently published guidance regarding the Children of Fallen Heroes Scholarship which extends maximum Federal Pell Grant eligibility for certain students who have a Pell Grant-eligible EFC and who had a parent or guardian die while serving as a public safety officer. See the Electronic Announcement published on [November 19, 2018](#), for more information regarding this scholarship.

In future electronic announcements, the Department will provide institutions with important information about system, web, and software modifications that will reflect the 2019-2020 Pell Grant Payment and Disbursement Schedules. These include changes to: the Central Processing System (CPS), the Institutional Student Information Record (ISIR) Analysis Tool, the Common Origination and Disbursement (COD) System, and the EDEXpress for Windows software.

To view the Dear College letter and the Pell Grant Payment and Disbursement Schedules in both Excel and PDF, please visit the following link: <https://ifap.ed.gov/dpcletters/GEN1901.html>.

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### **CAMPUS BASED PROGRAM DEADLINES FOR 2019-2020**

A Federal Register was released on January 24, 2019 detailing the deadlines for the 2019-2020 Award Year for the Campus Based Programs.

#### **2019-2020 Award Year Deadline**

<b>What Does an Institution Submit?</b>	<b>How is it Submitted?</b>	<b>What is the deadline for Submission?</b>
1. The Campus-Based Reallocation Form designated for the return of 2018–19 funds and the request for supplemental FWS funds for the 2019–20 award year.	The Reallocation Form must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> .	Monday, August 12, 2019.



<p>2. The 2020–21 FISAP (reporting 2018–19 expenditure data and requesting funds for 2020–21).</p>	<p>The FISAP must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a>. The FISAP signature page must be signed by the institution’s Chief Executive Officer with an original signature and mailed to: FISAP Administrator, U.S. Department of Education, P.O. Box 9003, Niagara Falls, NY 14302. For overnight delivery mail to: FISAP Administrator, 2429 Military Road, Suite 200, Niagara Falls, NY 14304.</p>	<p>Tuesday, October 1, 2019</p>
<p>3. The Work Colleges Program Report of 2018–19 award year expenditures.</p>	<p>The Work Colleges Program Report of Expenditures must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a>. The signature page must be signed by the institution’s Chief Executive Officer with an original signature and sent to the U.S. Department of Education using one of the following methods: Hand deliver to: U.S. Department of Education, Federal Student Aid, Grants &amp; Campus-Based Division, 830 First Street NE, Room 62B1, ATTN: Work Colleges Coordinator, Washington, DC 20002, or Mail to: The address listed above for hand delivery. However, please use ZIP Code 20202–5453.</p>	<p>Tuesday, October 1, 2019.</p>
<p>4. The 2018–19 Financial Assistance for Students with Intellectual Disabilities Expenditure Report</p>	<p>The Financial Assistance for Students with Intellectual Disabilities Expenditure Report must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a>. The signature page must be signed by the institution’s Chief Executive Officer with an original signature and sent to the U.S. Department of Education using one of the following methods: Hand deliver to: U.S. Department of Education, Federal Student Aid, Grants &amp; Campus-Based Division, CTP Program, 830 First Street NE, Room 64F2, Washington, DC 20002, or Mail to: The address listed above for hand delivery. However, please use ZIP Code 20202–5453.</p>	<p>Tuesday, October 1, 2019.</p>



5. 2020–21 FISAP Edit Corrections.	FISAP Edit Corrections must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> .	Friday, December 13, 2019.
6. The 2020–21 Perkins Cash on Hand Update as of October 31, 2019.	The Perkins Cash on Hand Update must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> .	Friday, December 13, 2019.
7. Request for a waiver of the 2020–21 award year penalty for the underuse of 2018–19 award year funds.	The request for the waiver of penalty for underuse of funds and the justification must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> .	Monday, February 3, 2020
8. The Institutional Application and Agreement for Participation in the Work Colleges Program for the 2020–21 award year	The Institutional Application and Agreement for Participation in the Work Colleges Program must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> . The signature page must be signed by the institution's Chief Executive Officer with an original signature and sent to the U.S. Department of Education using one of the following methods: Hand deliver to: U.S. Department of Education, Federal Student Aid, Grants & Campus-Based Division, 830 First Street NE, Room 62B1, ATTN: Work Colleges Coordinator, Washington, DC 20002, or Mail to: The address listed above for hand delivery. However, please use ZIP Code 20202–5453.	Monday, March 2, 2020.
9. Request for a waiver of the FWS Community Service Expenditure Requirement for the 2020–21 award year	The request for the waiver of FWS Community Service Expenditure Requirement must be submitted electronically through the Common Origination and Disbursement website at <a href="https://cod.ed.gov">https://cod.ed.gov</a> .	Monday, April 20, 2020

Notes: D The deadline for electronic submissions is 11:59:00 p.m. (Eastern Time) on the applicable deadline date. D Paper documents that are sent through the U.S. Postal Service must be postmarked or you must have a mail receipt stamped by the applicable deadline date. D Paper documents that are delivered by a commercial courier must be received no later

than 4:30:00 p.m. (Eastern Time) on the applicable deadline date. D The Secretary may consider on a case-by-case basis the effect that a major disaster, as defined in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)), or another unusual circumstance has on an institution in meeting the deadlines.

<https://ifap.ed.gov/fregisters/FR012419.html>

## **2019-2020 COLLEGE FINANCING PLAN (COLLEGE SHOPPING SHEET)**

In July 2012, the U.S. Department of Education (ED) released the Financial Aid Shopping Sheet (now the College Financing Plan) format and asked institutions to voluntarily commit to supplying financial aid information to students in a way that could be better understood and compared.

However, despite the commitment to using the standardized format, there were a number of concerns about elements of the template that could be improved to make it more user friendly to institutions and students. The Department also reviewed the NASFAA report *No Clear Winner: Consumer Testing of Financial Aid Award Letters* as well as comments that have been submitted to [ShoppingSheet@ed.gov](mailto:ShoppingSheet@ed.gov). As a result, a revised format has been developed with the following changes:

- 1 The name of the template is being changed from the Financial Aid Shopping Sheet to College Financing Plan to more accurately reflect that loans may be a significant part of the student's investment, and to emphasize to students that they are making a financial transaction when enrolling in an institution.
- 2 The College Financing Plan template is being released this year as part of a beta testing protocol. While institutions are not required to use the updated template, the ED hopes that some will use it in their financial aid packaging in order to share what improvements could be made before rolling the new template out in final form next year.

For those institutions which choose to test the new format this year, any comments or suggestions must be sent to [shoppingsheet@ed.gov](mailto:shoppingsheet@ed.gov) no later than April 1, 2019.

Similar to past releases, attached to this Electronic Announcement are all components needed by institutions to complete institutional College Financing Plans (i.e., HTML specifications and the institutional metric data file, as well as the technical guide and a set of Frequently Asked Questions - FAQs).

The format of the College Financing Plan will be updated in 2020-2021 to include additional data elements as well as a new responsive design and the ability to customize the colors of the College Financing Plan to match those of your institution. ED has made a preview of the new College Financing Plan format available this year so institutions can review the changes, provide feedback and prepare for the changes in store for the 2020-2021 College Financing Plan. The Department is still working to develop a format and additional data elements that are more appropriate for graduate and professional school students. ED welcomes any and all comments on how best to meet the needs of those students.



<https://ifap.ed.gov/eannouncements/011619CollegeFinancingPlanShoppingSheet1920.html>

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## **LOGIN REQUIREMENT FOR CPS WEB APP REMOVED**

On January 20, 2019, Federal Student Aid (FSA) will remove the login requirement for access to the Central Processing System (CPS) Web Applications Demonstration (Web Demo) System, located at <https://fafsademotest.ed.gov>. A user ID and password will no longer be required.

**Note:** Prior to January 20, 2019, users must continue to provide the existing case-sensitive user name and password to access the Web Demo System.

The Web Demo system, which is preloaded with test data, can be used to demonstrate electronic applications to parents and students or as an aid in training financial aid administrators to assist applicants. Financial aid administrators can also use the website to become familiar with [FAA Access to CPS Online](#) functionality and train their staff to use the system. Most production-version features of the 2018–19 and 2019–20 [fafsa.gov](#) and [FAA Access to CPS Online](#) (including Return of Title IV Funds) websites are available on the Web Demo system.

In the near future, we will also update the [2019–20 CPS Test System User Guide](#) to indicate that login information is no longer required for the Web Demo system. The [2019–20 CPS Test System User Guide](#) is available in PDF format on the Federal Student Aid Download (FSAdownload) website, located at <https://fsadownload.ed.gov>, under “Technical References and Guides.” FSA encourages the community to watch the [Information for Financial Aid Professionals \(IFAP\) website](#) for this announcement in early February, 2019.

### **Contact Information**

If you encounter any issues or have questions regarding the [fafsa.gov](#) component of the Web Demo system, contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) or by e-mail at [FederalStudentAidCustomerService@ed.gov](mailto:FederalStudentAidCustomerService@ed.gov). TDD/TTY service is also available at 1-800-730-8913.

If you encounter any issues or have questions regarding the [FAA Access to CPS Online](#) portion of the Web Demo system, or if you have questions regarding the 2019–20 CPS Test System, contact CPS/SAIG Technical Support at 1-800-330-5947 (TDD/TTY 1-800-511-5806), or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).



## **COMPLIANCE CORNER**

### **IRS Data Retrieval Tool**

The following excerpt is from the Department of Education Handbook, in the Application and Verification Guide- page 15. Please pay particular attention to the bolded paragraphs outlining what is new for 2018-2019 year.

The IRS Data Retrieval Tool (DRT) allows students and parents who are using fafsa.gov and who have already submitted their federal tax return to electronically retrieve their tax data from the IRS database. The ISIR will show that data was imported and if it was altered. All students and parents of dependent students who indicate on the application that they have already filed a federal tax return and who are otherwise eligible to use the DRT will be directed to do so.

**Beginning with the 2018–2019 award year, the actual values of the imported data will not be viewable by students and parents (they will however still appear on the ISIR). This is to enhance security and privacy and to prevent the misuse of sensitive tax-related data. See the electronic announcement of May 3, 2017. Because aid officers and other officials will be able to see the transferred data, and in keeping with the expectation that they protect the confidentiality of data associated with the Title IV programs, they must not disclose income and tax information from the FAFSA with the applicant, his spouse, or his parents unless they can authenticate their identity. For example, a student appearing in person and presenting an unexpired, valid, government-issued photo ID such as a driver’s license would be an effective way to authenticate his identity. See the September 5, 2017, announcement for more information.**

As a result of IRS data being masked, students and parents will not be able to change it on the FAFSA; the financial aid office will need to make corrections. Also, rollovers will be handled differently. If the DRT transfers a non-zero amount into the untaxed pension or IRA distribution field, the applicant will be asked if any of it is due to a rollover. If he answers yes, he will then enter the rollover amount, which the CPS will subtract when calculating the EFC. And because of the data masking, students and parents who file a joint tax return will not be able to transfer their income earned from work but will have to manually enter those amounts. The income earned from work of single persons will, however, continue to transfer. See the August 7, 2017, announcement.

When the ISIR shows an IRS Request Flag value of 06 or 07, schools will need to contact the student or parent. A value of 06 indicates that after the DRT was used and the FAFSA was submitted, the student or parent changed an item on the FAFSA (e.g., the date of marriage) that would have made the person ineligible to use the DRT. The school must contact the student or parent to determine if all of the transferred data was correct or if it needs to be corrected. A value of 07, which is new for 2018–2019, is an indication from the IRS that the student or parent used the DRT but also has filed an amended tax return for the relevant year. Because the data that was transferred will be from the original return and not the amended one, the school must contact the student or parent and make any applicable corrections to FAFSA items, regardless of whether the application was selected for verification.



New for 2018–2019, ISIRs will display IRS Data Field flags that indicate if any individual item was transferred from the IRS and if it was subsequently changed. A flag value of 1 will indicate that the data was transferred and was not changed. Such items do not need to be verified if the student is selected for verification.

There will be two new comment codes for 2018–2019, also due to the IRS data masking, that schools must respond to: code 400 for parents and 401 for students. When an ISIR indicates either of these codes, the school must check the FAFSA to see if any of the following conditions exist and make necessary corrections:

1. The student or parent is a tax filer and the AGI transferred from the IRS is zero, but the total income earned from work is greater than zero.
2. The total of the taxable income offsets (see page 19) for the student or parents is greater than the AGI transferred from the IRS.
3. Any of the untaxed income items (see page 21) for the student or parent is greater than or equal to the AGI transferred from the IRS.

The school may need to contact the student or parent for an explanation of one of the above conditions and to determine if any of the associated FAFSA items need to be corrected. Also, comment codes 400 and 401 can be considered resolved if (V1 or V5) verification is completed for the same ISIR.

**Please reference the article earlier in the newsletter regarding the new changes to the verification process in regards to obtaining tax returns.**

**Be sure to access and review the specifics in Application and Verification Guide of the 2018-2019 FSA Handbook at: <https://ifap.ed.gov/fsahandbook/1819FSAHbkAVG.html>**

## [DJA CALENDAR](#)

### [DJA MONTHLY WEBINARS](#)

*Consumer Information, Record Keeping and Disclosures – Wednesday, February 6, 2019: 11 a.m. CST*

**NOTE:** There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: <http://www.worldtimezone.com/time-usa12.php>  
Webinars are free to clients. There is a fee for all others who may be interested in joining us for these presentations. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Andrew Packard at [apackard@gotodja.com](mailto:apackard@gotodja.com). After registering, you will receive the log-in information. Questions can be directed to Andrew by email or by calling toll free at 1-800-242-0977.

### [2019 DJA WEBINAR SCHEDULE](#)

FEB 6	Consumer Information, Record Keeping and Disclosures
MAR 6	Administrative Capabilities
APR 3	Satisfactory Academic Progress



MAY 1	Return of Title IV Funds (Including LOA)
JUN 5	General Participation Requirements
JUL 3	Campus Crime Report
AUG 7	Entrance and Exit Counseling
SEPT 4	Cash Management
OCT 2	Enrollment Reporting Using NSLDS
NOV 6	Program Integrity (Audits, Program Review)

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**ABACC 60<sup>TH</sup> ANNUAL CONFERENCE  
ORLANDO, FL- FEB. 27<sup>TH</sup>- MARCH 1<sup>ST</sup> 2019**

This is only conference providing professional development and networking opportunities specifically for Christian Higher Education business officers. DJA will be in attendance as an exhibitor at this conference. Please stop by and visit with us!

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**ANNUAL DJA FINANCIAL AID TRAINING COMING IN APRIL 2019**

Be sure to mark your calendar for the Spring DJA Financial Aid Training Session, tentatively scheduled for Monday, April 29, 2019! We are in the process of working out the details with Harrah's North Kansas City Casino and Hotel located at One Riverboat Drive, Kansas City, MO.

Registration will begin at 7:30 a.m. with complimentary coffee and pastries. This session is free to DJA clients. All other interested institutions are welcome to attend. The cost is \$125 per person at the door, or \$95 per person, prepaid in advance of the seminar. All attendees will need to register in advance by contacting Andrew Packard at DJA at (800) 242-0977 or via email at [apackard@gotodja.com](mailto:apackard@gotodja.com).

***More information will be provided in the near future. Please begin making plans to join us in April.  
We are looking forward to seeing all of you again!***

*Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.*

