

# CONFLICTING INFORMATION

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U.S. Department of Education

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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 Conflicting information defined
- 2 Institution responsibilities
- 3 Common scenarios
- 4 Verification Violations
- 5 Resources

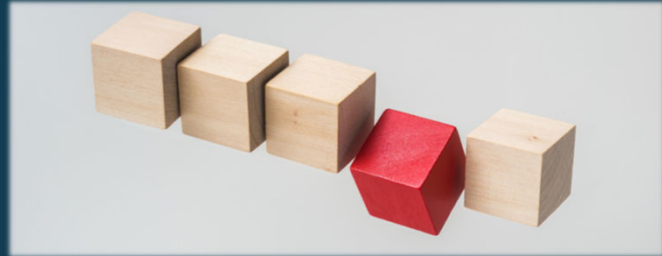
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Agenda...

1. Defining conflicting information?
  - Regulatory citations
  - Common sources
  - Common discrepancies
  - Data that is not conflicting information
2. What are a school's responsibilities in resolving conflicting information?
  - System and procedures
  - Documentation and record retention
  - Disbursement considerations
  - Professional judgment
  - Referral of fraud cases
3. How would we resolve some common situations?
4. What are some causes of the Top 10 audit and program review finding?
5. Helpful Resources

## CONFLICTING INFORMATION

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## CONFLICTING INFORMATION

34 C.F.R. 668.16

### STANDARDS OF ADMINISTRATIVE CAPABILITY

*(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.*

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The Standards of Administrative Capability are found in Part 668, Student Assistance General Provisions, Subpart B, Standards for Participation in the Title IV, HEA Programs. The regulations outline the standards a school must meet for administrative capability. Resolving conflicting information is among those standards.

*(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;*

## CONFLICTING INFORMATION

### 34 C.F.R. 668.16

#### STANDARDS OF ADMINISTRATIVE CAPABILITY

(b)(3) Communicates 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.

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34 C.F.R. 668.16(b)(3) requires all school offices to *timely* communicate any appropriate information to the Financial Aid office.

## CONFLICTING INFORMATION

34 C.F.R. 668.54

### SELECTION OF AN APPLICANT'S FAFSA INFORMATION FOR VERIFICATION

*(a)(2) If an institution has reason to believe that an applicant's FAFSA information is inaccurate, it must verify the accuracy of that information.*

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The verification regulations have their own subpart in Part 668: Subpart E, Verification and Updating of Student Aid Application Information: 668.51 – 668.61.

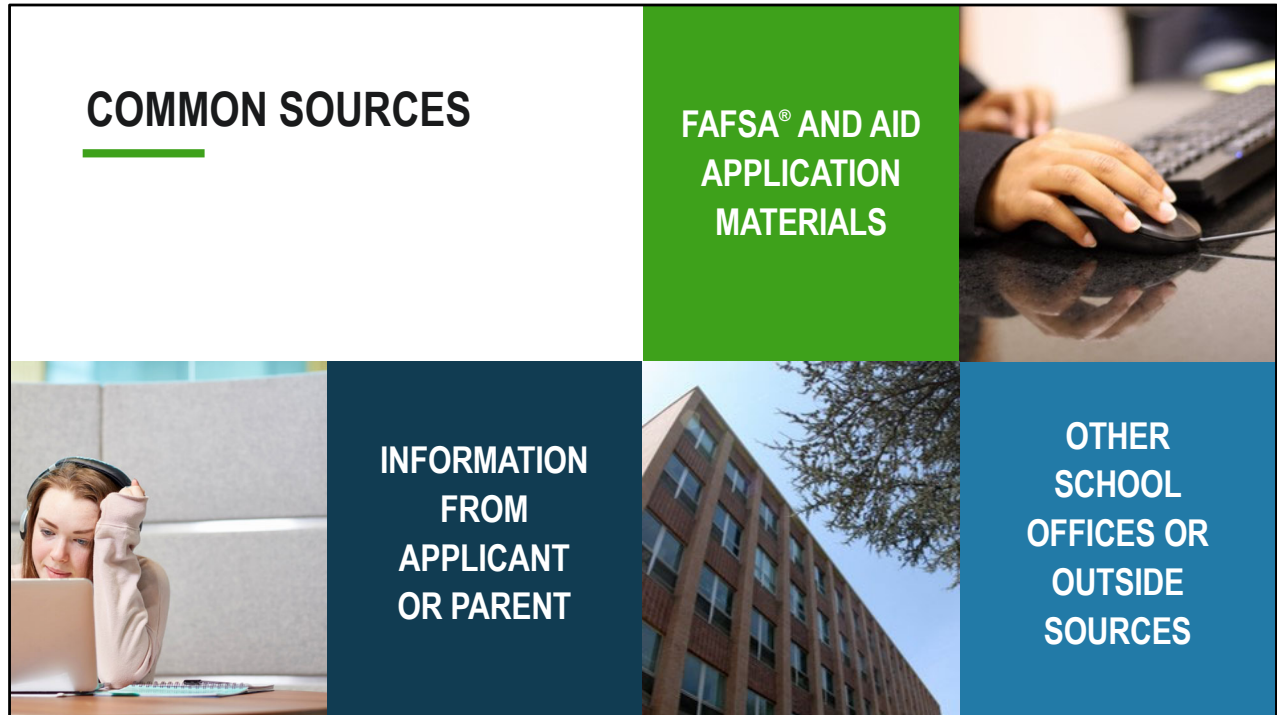
## CONFLICTING INFORMATION

### THE FEDERAL STUDENT AID HANDBOOK

- Appendix A: Federal Student Aid Glossary and Acronyms
- Application and Verification Guide (AVG)
  - Chapter 4: Verification, Updates, and Corrections
  - Chapter 5: Special Cases
- Volume 2, Chapter 3: FSA Administrative & Related Requirements

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You will find the conflicting information definition, institution's responsibilities, examples, and exclusions in the Federal Student Aid Handbook.



- 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
  - Admissions
  - Registrar or academic departments
  - Residence life and student services
  - Bursar or student accounts
- 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

Conflicting information appears in a variety of places.



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- 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 EVERYTHING IS CONFLICTING INFORMATION

Some items are not considered conflicting information, even if they appear to fit that definition.



Items not considered conflicting information:

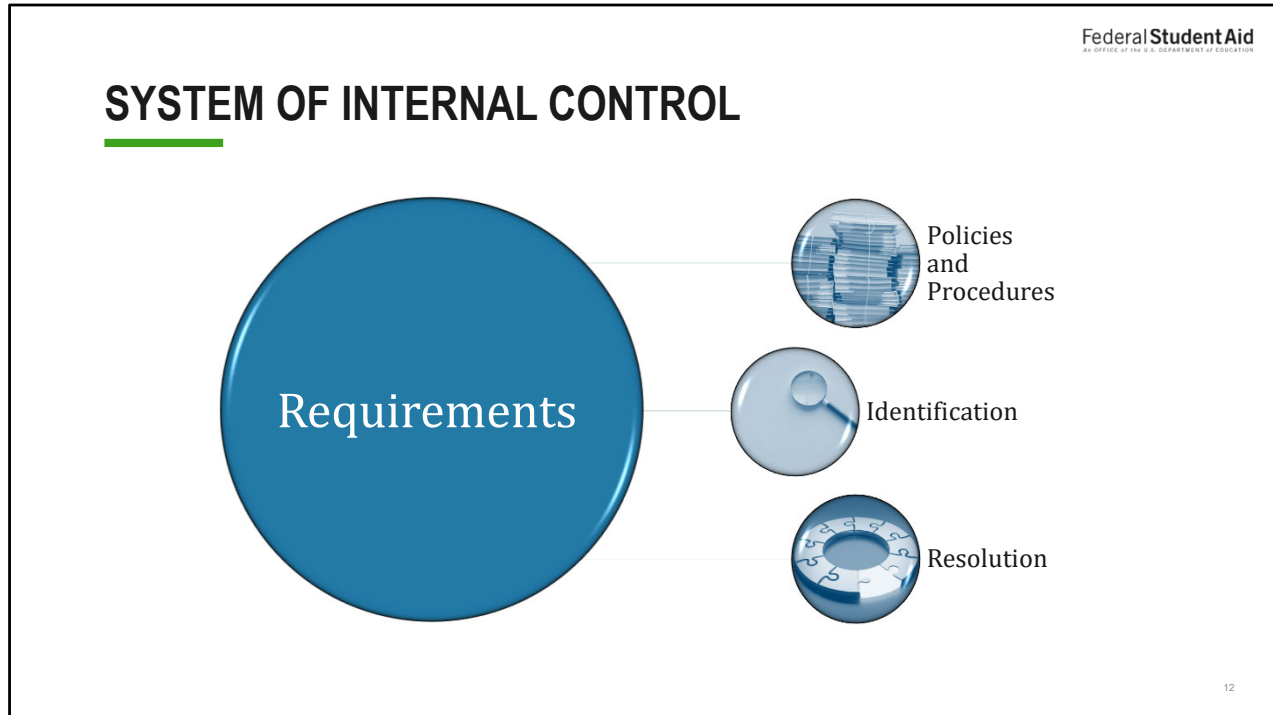
- Dependency status differences between The U.S. Department of Education and Internal Revenue Service
- Household size vs. number of exemptions on the tax return
- Low income or no income
- Privacy-protected information
  - Mental health professionals, chaplains, physicians, attorneys
- Expired immigration documents with successful Secondary Confirmation match
- Assumptions made by the Central Processing System
  - ISIR comment codes 361-368
    - Identify possible conflicts between tax filing and marital statuses
    - Schools are encouraged to review ISIR for errors

## INSTITUTION RESPONSIBILITIES

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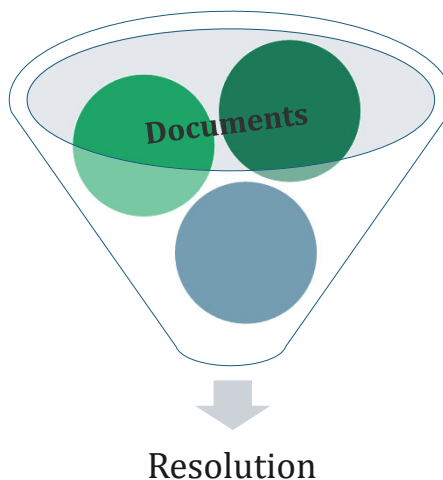
- Do you have an internal system to identify conflicting information?
- Your conflicting information policy and procedures must address:
  - Resolving issues regardless of
    - Which school office or department receives the information
    - Regardless of verification selection or completion
  - Knowing the basic tax law information
  - Collecting documents for resolution
  - Reviewing subsequent ISIRs received while a student is still enrolled at your school.
- Even if the conflict concerns a previous award year, you must still investigate it.
- You are resolving errors or inconsistencies, not investigating fraud.

### DOCUMENTATION

Variety of sources

Helpful to resolve conflict

Document, document, document!



- Tax forms
- Financial Documents
- 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)

## RECORD RETENTION

### 34 C.F.R. 668.24(e)

#### Record retention and examinations

Documentation to resolve conflicting information relates to student eligibility.

Retain records per regulatory requirements.



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Document retention regulations are found in 34 CFR 668.24.

For grant and campus-based programs:

- Retain records at least 3 years from the end of the award year for which the aid was awarded and disbursed

For Direct Loans:

- Retain records at least 3 years after the end of the award year in which the student last attended the school

### DISBURSEMENT

Resolve conflicting information before disbursing any Title IV aid.

Resolve conflicting information discovered after disbursing Title IV funds.

Follow overpayment guidelines to determine if funds must be returned.



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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.

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, is not expected to return, and all disbursements were already made, you do not need to resolve the conflicting information. You are not required to resolve conflicting information if the student dies during the award year.

### PROFESSIONAL JUDGMENT

#### Question

Must we resolve conflicting information before making a professional judgment decision/adjustment for an award year?

#### Answer

Yes. Just as you must complete verification for a selected student before exercising professional judgment, you must resolve any possible discrepancies, and submit any required ISIR changes to the CPS, before exercising professional judgment.

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



### REFERRAL OF FRAUD CASES

#### RESOLVE ERRORS AND INCONSISTENCIES – REPORT SUSPECTED FRAUD

Report suspected fraud to ED Office of Inspector General (OIG).

Institutions may consult with legal counsel prior to OIG referral.

➤ [ED OIG Hotline information page](#)

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OIG Address and Phone Numbers		
Regional Offices	Telephone No.	National Hotline
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 <a href="https://www2.ed.gov/about/offices/list/oig/hotline.html">https://www2.ed.gov/about/offices/list/oig/hotline.html</a> 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

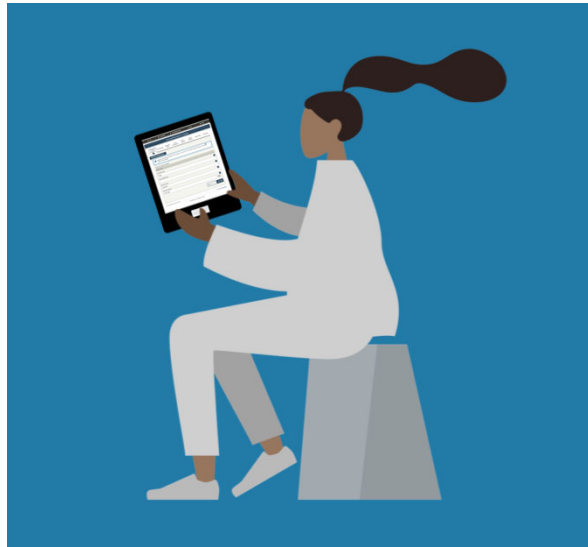
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### SCENARIO #1

Jenna indicated on her FAFSA® that she was not going to file a tax return. However, the amount of income earned from work she reported is \$14,000.



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How might you resolve this situation?

### **BASIC TAX KNOWLEDGE**

Conflicting information can include tax data.

Financial aid administrators are obligated to know:

1. If individual was required to file tax return, and
2. Correct filing status.

Use IRS publications and tools for references.

[2021-22 AVG, Chapter 5, p. AVG-94](#)

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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 involves tax return 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 - About Publication 17](https://www.irs.gov/irm/part17)

Publication 17 covers general rules for filing a federal income tax return, including:

- If individual must file a tax return, and
- Which filing status to use.

Department of the Treasury  
Internal Revenue Service

**Your Federal Income Tax**  
For Individuals

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

**TAX GUIDE**  
**2019**

**FOR INDIVIDUALS**

Get forms and other information faster and easier at:  
• [IRS.gov](https://www.irs.gov) (English)  
• [IRS.gov/Spanish](https://www.irs.gov/Spanish) (Español)  
• [IRS.gov/Chinese](https://www.irs.gov/Chinese) (中文)  
• [IRS.gov/Korean](https://www.irs.gov/Korean) (한국어)  
• [IRS.gov/Russian](https://www.irs.gov/Russian) (Русский)  
• [IRS.gov/Vietnamese](https://www.irs.gov/Vietnamese) (Tiếng Việt)

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 and the filing status requirements.

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 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.

### **INCORRECT FILING**

Student or parent(s) must submit corrected information.

### **TAX RETURN TRANSCRIPT**



### **AMENDED TAX RETURN**



### **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 after corrections are made.

- Tax return transcript, if individual initially did not file but was required to file a tax return
- Amended tax return or tax transcript (1040X), if taxes were filed incorrectly
- Revised income information for non-filers

### SCENARIO #2

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



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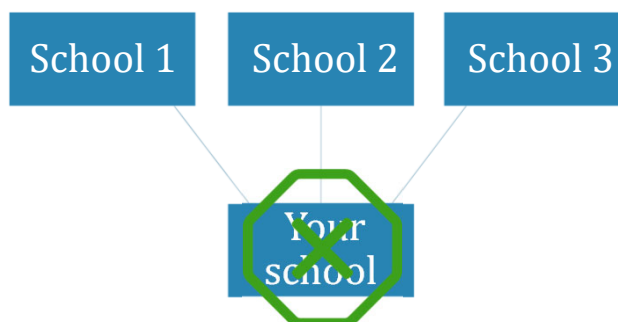
How might you resolve this situation?

### C FLAGS 359 & 360

#### NSLDS UNUSUAL ENROLLMENT HISTORY (UEH) FLAGS

UEH flags identify students who

- Enroll in an institution,
- Receive Title IV aid,
- Fail to complete courses, then
- Attend another institution.



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

[DCL GEN-15-05](#)

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Know your resources! You can find information on resolving UEH comment codes 359 and 360 in the SAR Comment Codes and Text Guide. In addition, there is information in Volume 1 Chapter 3 of the FSA Handbook (NSLDS Financial Aid History) and in DCL GEN-15-05.

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		<b>Resolution required.</b> 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 <a href="#">Dear Colleague letter GEN-15-05</a> 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		<b>Resolution required.</b> 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 <a href="#">Dear Colleague letter GEN-15-05</a> for additional information.



### SCENARIO #3

You receive an ISIR for Tenley. Her parents are divorced. Tenley used her mother's address and information on the FAFSA® form. But Tenley's admissions application indicates that she lives with her father.



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How might you resolve this situation?

### SCENARIO #4

You receive an ISIR for Kayla. Kayla's parents reported assets of \$100,000, making her ineligible for a Federal Pell Grant. You later receive a second ISIR transaction; the assets have been changed to \$0.



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How might you resolve this situation?

### SCENARIO #5

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



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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 Booster Club book scholarship at a recent school basketball game. None of the students have reported this scholarship to the financial aid office.



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How might you resolve this situation?

### SCENARIO #7

Belinda reported on the FAFSA® that she is single. She filed her base-year tax return as Head of Household. Belinda later applies for an emergency grant from your school and indicates on the grant application that she is married.



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How might you resolve this situation?

## TOP 10 FINDING... VERIFICATION VIOLATIONS

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You should be aware of common verification violations found in compliance audits and program reviews. Some of these errors include conflicting information.

## VERIFICATION VIOLATIONS

### Causes

Institutional Student Information Record (ISIR) vs. supporting documentation

ISIR corrections

Verification codes

Professional Judgment

Missing documents

Missing verification policy

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- 1) The AGI or taxes paid on the ISIR is not corrected to match the IRS Tax Transcript or tax return.
- 2) Verification completed but ISIR corrections are not submitted for processing.
- 3) Incorrect Verification Status Codes are submitted to COD.
- 4) Verification is not completed for a selected student before exercising professional judgment.
- 5) Documents to support verification are missing from the student's file
- 6) Institution is missing verification policy and procedures and/or the required statement to be given to selected students.



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, Chapters 4 and 5 (Verification and Special Cases)
  - Volume 1, Chapter 3: NSLDS Financial Aid History
  - Volume 2, Chapter 3: FSA Administrative & Related Requirements
- 2021-22 Verification and Conflicting Information
  - Dear Colleague Letter GEN-21-05
- FSA Assessments, Verification module
  - Verification Activity 1: Resolving Conflicting Data
- ISIR Guide and SAR Comment Code and Text Guide
- FSA Training Center, Recorded Training, Training Videos
  - Title IV Policy Guidance Videos: Conflicting Information Quick Takes Video

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### 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.

2020-2021 award year - last updated November 2020

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Federal Student Aid Assessment Activities

Helpful resources!

This screenshot is from the  
Conflicting Information  
Activity in FSA Assessments.

**FSA TRAINING CENTER**

[fsatraining.ed.gov](https://fsatraining.ed.gov)

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Take advantage of the FSA Training Center!

- Learning tracks
- Training courses
- Recorded policy and how-to videos
- Software training

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The FSA Training Center is a great resource for training! Create an account today for valuable free trainings on Title IV aid administration.

*The FSA Fundamentals Training* series and *FSA Basics for New Staff* are available in the FSA Training Center.

**KNOWLEDGE CENTER**

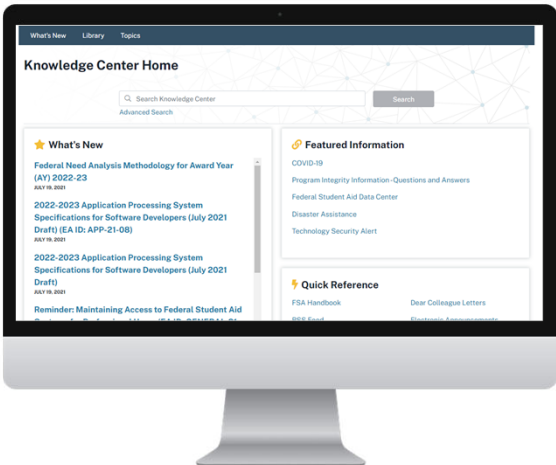
[fsapartners.ed.gov/knowledge-center](https://fsapartners.ed.gov/knowledge-center)

Use the Knowledge Center for Title IV resources!

Subscribe for daily or weekly email updates. ↓

**Knowledge Center Subscription**

Subscribe to get the latest news and updates from the Knowledge Center.



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The Knowledge Center 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.

The Knowledge Center Subscription option is found at the bottom of the Knowledge Center home page.

### FSA PARTNER CONNECT HELP CENTER

[fsapartners.ed.gov/help-center/](https://fsapartners.ed.gov/help-center/)

Use *Contact Customer Support Form* in Help Center to ask policy questions.

Choose “Ask A Fed/Policy” from Topic dropdown list.

The screenshot shows a computer monitor displaying the 'Contact Customer Support' form. The form is titled 'Contact Customer Support' and includes a note: 'Please complete the Customer Support form if you have a question or would like to provide feedback. If you need further assistance, please contact the School Relations Center during its operating hours.' The form has two main sections: 'Contact Customer Support' and 'School Relations Center'. The 'Contact Customer Support' section includes fields for 'First Name', 'Last Name', 'Email Address', and a 'Topic' dropdown menu. The 'School Relations Center' section includes the phone number '1-800-848-0978' and 'Phone Support Hours: Monday-Friday, 8:00 A.M. to 8:00 P.M. Eastern Time'. The 'Topic' dropdown menu is open, showing a list of options: 'Select...', 'Select...', 'Account Access', 'Ask A Fed/Policy', 'FSA Handbook', 'Financial Aid Delivery', 'General', 'Knowledge Center', 'Partner Connect Feedback', and 'Partner Support'. The 'Ask A Fed/Policy' option is highlighted.

You may use the Contact Customer Support form for many other FSA inquiries.

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

### TRAINING FEEDBACK

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



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Please fill out the survey when you receive the email. We value your feedback!

### QUESTIONS



What questions do you have about conflicting information?