

Mapping Your Future

Q & A from 2017-18 FAFSA Training

August 2016 and September 2016

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Question	Answer
Drug Convictions	
1. If a student is convicted of a drug offense during the fall semester, will he or she lose eligibility for federal aid for the spring semester or does it just impact future years?	A student loses eligibility as of the date of the conviction. In this scenario, the student would be ineligible to receive any additional funds for the fall semester and would also be ineligible for the spring semester.
2. At what point is the school responsible if a student doesn't tell the truth about a drug conviction?	The school is not liable if a student answers the drug conviction question incorrectly. Once a school becomes aware a student answered the questions incorrectly, it should help him or her submit corrections.
3. What impact does a drug conviction have on aid eligibility if it occurred when a student was a minor?	In order for a drug conviction to impact a student's eligibility for federal student aid, the conviction must occur when the student is enrolled and receiving financial aid. A drug conviction which occurred when a student was a minor should not impact eligibility for financial aid.
Financial Information	
4. Can you clarify when a school may need to reverify financial information which was verified for the 2016-17 award year?	<p>For 2017-18, the U.S. Department of Education (ED) will proactively identify potential conflicting information due to the implementation of prior-year. Its efforts will focus on students eligible to receive a Federal Pell Grant. If a school verified tax information for the 2016-17 award year, and the tax information provided by the applicant for 2017-18 does not match, the school should use the verified information from 2016-17 to update the student's 2017-18 application.</p> <p>One situation where a school may need to reverify tax information from 2016-17 is if it becomes aware the applicant filed an amended tax return for 2015 after it completed verification.</p>
5. Is Medicare considered when calculating a student's expected family contribution (EFC)?	No; Medicare is not considered when calculating a student's EFC.

Question	Answer
6. Does a Native American student who receives money from his or her tribe have to report it on the Free Application for Federal Student aid (FAFSA)?	The answer depends on the source of the funds; certain assets of Native Americans are excluded. Any income and asset of \$2,000 or less per individual payment (any amount over \$2,000 is reported as untaxed income) received under the Per Capita Act or the Indian Tribal Judgment Funds Use or Distribution Act is excluded. For more information, please see page 20 of the 2016-17 <i>Application and Verification Guide</i> .
7. Does Indian Health Services equate to Medicaid for the purpose of qualifying for a simplified formula?	No. The federal programs which could help qualify an applicant for a simplified formula are means-tested, which means an individual qualifies for benefits based on his or her income. Our understanding of Indian Health Services is that eligibility is based on a person's status as a Native American, not income.
8. Will eligibility for 2017-18 be based solely on 2015 tax information? Will applicants need to provide 2016 tax information later?	With the implementation of prior-prior year, the tax information used to complete a FAFSA will be from two years prior to the start of the school year (2015 for the 2017-18 school year). Applicants completing a FAFSA for 2017-18 will not have to provide 2016 tax information at a later date.
9. How are S corporations reported in terms of net worth for parents' current business and investments?	<p>S corporations are corporations that elect to pass corporate income, losses, deductions, and credits through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates.</p> <p>If an S corporation is a family owned and operated business (meaning the family owns or controls more than 50%) with 100 or fewer full-time equivalent employees, it is not a reportable asset on the FAFSA.</p>

Question	Answer
<p>10. I have a youth whose father is receiving Social Security benefits monthly and the father is responsible for everything. How would we submit this income? Mother does not assist in this youth's support. This father would not be able to use the IRS Data Retrieval tool, as he does not file taxes. What documents would be required for this family to complete the FAFSA? His son is a senior in high school and plans to attend college in August 2017.</p>	<p>If father's Social Security benefits are untaxed, he would not report them in the FAFSA because untaxed Social Security benefits are excluded from the definition of untaxed income. A counselor may want to meet with the family to determine if other types of untaxed income are present which should be reported on the FAFSA.</p> <p>It would also be a good idea to determine whether or not the father is required to file a tax return or is just choosing not to file. If he is required to file a tax return and doesn't, it could prevent the student from receiving financial aid.</p>
<p>11. If a student has a tax transcript on file for the 2016-17 school year and does not use IRS Data Retrieval for 2017-18, will he or she have to request a new tax transcript for 2017-18? Can the school use the one that is already on file?</p>	<p>As mentioned in Question 4, ED will identify applicants with conflicting information based on a review of 2016-17 and 2017-18 FAFSA transactions. If the school must resolve conflicting information identified by this process, Comment 399 will appear on the student's output document. If the school verified 2015 tax information for the 2016-17 school year using a tax transcript, it should correct the student's 2017-18 FAFSA record to reflect the verified 2015 tax information (the school can use the 2015 tax transcript it has on file).</p>
<p>12. We are a high-poverty area and all our students are provided free lunch regardless of parent income. Can all students indicate they received benefits under Free and Reduced Price Lunch?</p>	<p>If a student received benefits under the federal Free and Reduced Price Lunch program, he or she should indicate so on the FAFSA. Keep in mind that to qualify for a simplified EFC formula, the adjusted gross income (AGI) or income earned from work (non-tax filers) of the dependent students' parents must be less than \$50,000.</p>
<p>13. We have a student whose divorced parents live together. The mother's income was what she was receiving in alimony from the father. Can we remove that in verification or would that be a professional judgment (PJ) correction?</p>	<p>If a dependent student's biological or legal parents live together but are not married, both parents must report their information on the FAFSA. This is true even if the parents are divorced.</p>
General	
<p>14. Are Deferred Action for Childhood Arrivals (DACA) students eligible to receive federal student aid?</p>	<p>No; DACA students are not eligible to receive federal student aid.</p>
<p>15. What is the phone number of the Federal Student Aid Information Center?</p>	<p>The Federal Student Aid Information Center's phone number is (800) 433-3243.</p>

Question	Answer
16. For Selective Service registration, if the student has changed sex legally from either male to female or female to male, what guidelines should the student follow for registration?	The requirement to register with Selective Service is based on the gender the student was assigned at birth.
17. If we have two students going to college at the same time (twins for example), from a parent perspective, will this change how the parents fill out the FAFSA? Would there be somewhere for the parent to indicate this?	<p>Regardless if the students are twins, or just both in college at the same time, the parent would help the first student complete the FAFSA. At the end of the FAFSA, the parent will be asked if he has another student to complete a FAFSA for, and then can transfer the parent information to the second FAFSA.</p> <p>On each FAFSA, the parent would indicate two members of his or her household will be attending college during the 2017-18 school year.</p>
18. Is there a red flag or something that tells a student or parent they have not signed the FAFSA before they submit?	Students and parents will receive email reminders that they have an incomplete FAFSA.
19. Is there a way to transfer information from a 2016-17 FAFSA to a 2017-18 FAFSA?	If a student logs into FAFSA on the Web with his or her Federal Student Aid (FSA_ ID, some information will automatically populate, including information from the 2016-17 application.
20. How should the parents of a dependent student complete the FAFSA if they don't have Social Security Numbers?	The parents should enter all zeroes for their Social Security Numbers.
21. What should you do if you are assisting a student and parent and they are unable to obtain their FSA ID and you cannot assist?	Calling the Federal Student Aid Information Center is the best course of action. The phone number is (800) 433-3243.
Household Information	
22. If a parent has an undergraduate student and a graduate student who is receiving aid as an independent student but the parent still provides insurance, etc., can the parent list the graduate student as part of his or her household when completing the FAFSA for the undergraduate student?	If the parent is providing more than half of the support for the graduate student, then the graduate student should be included in the parent's household size and number in college.

Question	Answer
Parental Information	
23. If a student's parents are divorced, do both parents provide information on the FAFSA, or just one parent?	If the divorced parents live together, then both parents' information must be reported. If the parents do not live together, the parent with whom the student lived with the most during the last 12 months should complete the FAFSA. If the student lived equally with both parents, the parent who provided the most financial support should complete the FAFSA.
24. If a student's parent are divorced, should the parent who claimed the student on his or her taxes provide information on the FAFSA?	Dependency requirements for the Internal Revenue Service (IRS) are different from the dependency requirement used for federal student aid. The parent with whom the student lived the most during the last 12 months should complete the FAFSA. If the student lived equally with both parents, the parent who provided the most financial support should complete the FAFSA.
25. Which parent should complete the FAFSA if they have joint custody of the student?	If parents have joint custody of a student, the parent who provides the most financial support should complete the FAFSA. To determine which parent provides the most financial support, consider who paid living expenses, insurance, and educational expenses.
Unaccompanied Homeless Youth	
26. A school district liaison can only make a determination of a student's status as an unaccompanied homeless youth for his or her first year of college, correct? Would the student need to submit dependency status appeals for the following years?	A school district liaison can only make a determination of a student's status as an unaccompanied homeless youth for his or her first year of college. After the student's first year, another professional such as the financial aid administrator, should make a determination of the student's status. A student who meets the definition of an unaccompanied homeless youth should not submit a dependency status appeal.
27. What documentation should we request to verify a student's claim of being an unaccompanied homeless youth?	<p>Dependency status is not currently an item subject to verification; a financial aid administrator should only request documentation of an unaccompanied homeless youth's status if he or she has conflicting information.</p> <p>If a financial aid administrator does need to collect documentation, a documented interview is acceptable. A form to help financial aid administrators with a documented interview is available at http://www.naehcy.org/educational-resources/higher-ed.</p>

Question	Answer
<p>28. A student left home due to an abusive situation and is now unaccompanied. She has been living with her aunt. Does she meet the definition of an unaccompanied homeless youth</p>	<p>To be an unaccompanied homeless youth, a student must meet all three components of the definition. A student is homeless if he or she lacks fixed, regular, and adequate housing. If the student has been consistently living with her aunt, she is not homeless.</p> <p>The financial aid administrator could consider a dependency status appeal based on the abusive home situation the student left, with the appropriate documentation.</p>