

WHAT IS PENNSYLVANIA STATE GRANT INCOME VALIDATION?

PHEAA ensures the integrity of the Pennsylvania State Grant Program through annual reviews. The Income Validation process verifies the accuracy of application data which PHEAA uses to make eligibility determinations. Please do not confuse PHEAA's income validation with the verification required for federal programs

PHEAA accomplishes Income Validation through a data exchange with the Pennsylvania Department of Revenue (PDR). First, PDR provides prior-year tax data (e.g. 2015 for the 2016-17 Academic Year) for electronic analysis. Next, PHEAA determines the eligibility impact of using state taxable income in State Grant award determination.

Finally, PHEAA sends notifications requesting copies of all appropriate federal tax information when the student's eligibility is significantly impacted.

Please see the reverse side of this document to view the Pennsylvania State Grant Income Validation work flow. Use it as a guide to follow the impact of Income Validation processing on disbursement and crediting decisions.

FINANCIAL AID ADMINISTRATOR - FREQUENTLY ASKED QUESTIONS



WHEN DOES THIS PROCESS BEGIN?

This process typically begins in May with weekly selections through mid-July. Additional selections typically occur in October.



WHAT IS THE NOTIFICATION PROCESS?

PHEAA sends two email notifications to any student who has a valid email address. When there is no reply to email, PHEAA sends a final notification via postal mail. PHEAA sends one postal mail request to any student without a valid email address.



WHAT IS 'APPROPRIATE FEDERAL TAX INFORMATION'?

A signed copy of all Federal Income Tax Returns, supporting forms and schedules, and Wage and Tax Statements (W-2 forms) are required. W-2's must be legible and contain figures in Box 1 and either Box 16 or 18. Other documents may include any amended returns (1040X), Form 1099 (other than Interest and Dividends), and copies of the most recent U.S. partnership and/or corporation tax return(s), including completed balance sheet(s) and K-1 schedules (if there is interest in a corporation and/or partnership).



ARE FEDERAL TAX TRANSCRIPTS ACCEPTED?

Federal Tax transcripts are accepted. However, remind students to submit **all** requested information.



ARE W-2 FORMS NECESSARY?

Yes. PHEAA requires all issued W-2 forms.



HOW DOES THE IRS DATA MATCH IMPACT THE STATE GRANT INCOME VALIDATION PROCESS?

Income Validation ensures the accuracy of not only the reported adjusted gross income, but other reported family data as well. The IRS data match does not account for tax-deferred income, earnings from work, or asset data, etc. Therefore, PHEAA may still request a complete copy of the prior-year tax information even though the student and/or family did use the IRS data match.



HOW DO I IDENTIFY STUDENTS THAT ARE IN A PHEAA INCOME VALIDATION REVIEW?

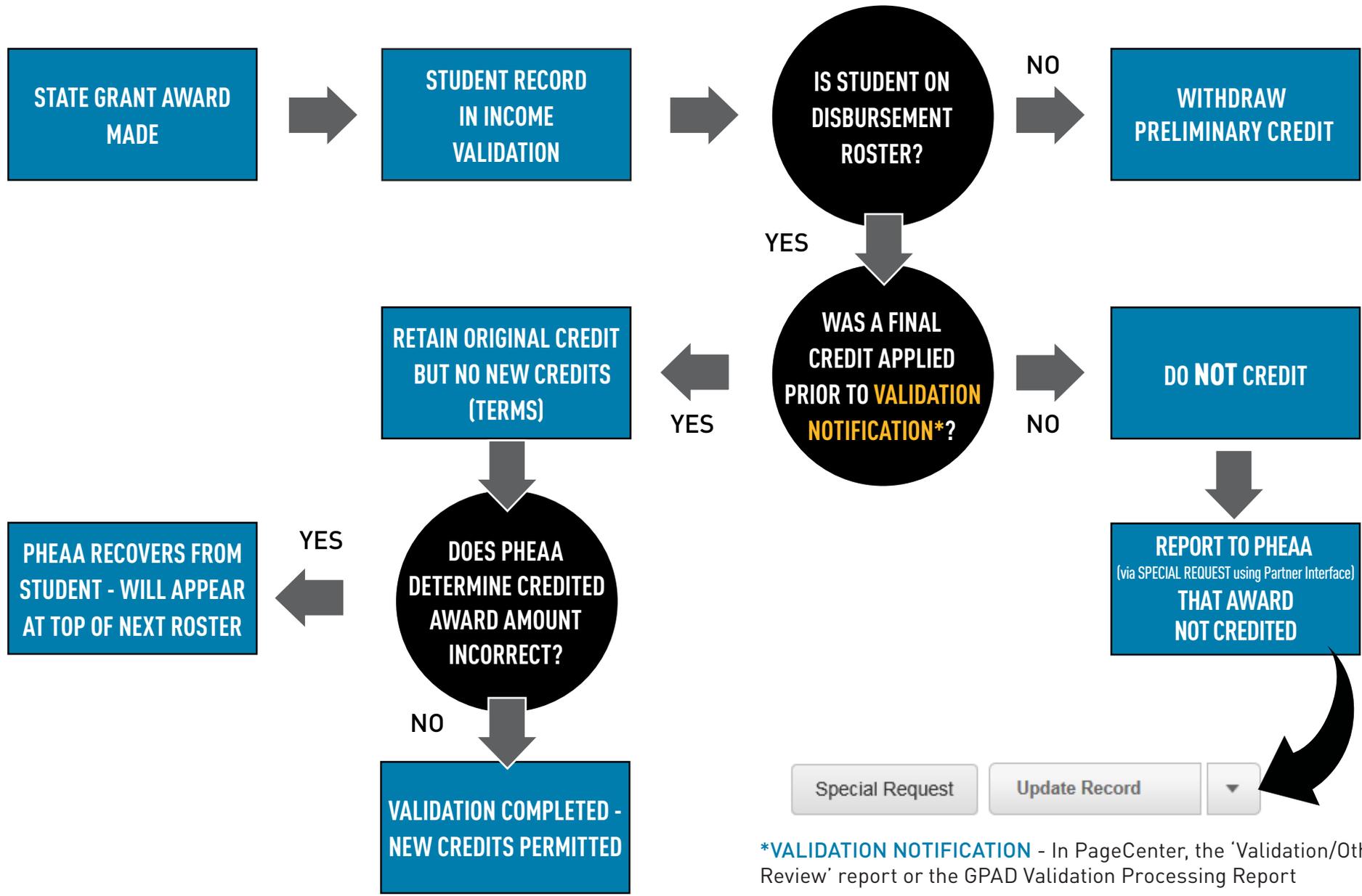
PHEAA includes students on the 'Validation/Other Rvw' report found in the PageCenter repository. Additionally, affected student records display 'PHEAA Validation – Under Review' or 'Validation/Review of Estimated Income' in the message box in the Partner Interface.



HOW DO I KNOW WHEN THE REVIEW IS COMPLETE ?

PHEAA removes students from the 'Validation/Other Rvw' report. The phrase 'Validation Complete' appears in the message box on the student record in the Partner Interface. Eligible students appear on any subsequent disbursement rosters. Additionally, the GPAD Validation Processing report records recent cancellations and reinstatements.

PENNSYLVANIA STATE GRANT INCOME VALIDATION WORK FLOW



***VALIDATION NOTIFICATION** - In PageCenter, the 'Validation/Other Review' report or the GPAD Validation Processing Report

These materials have been developed and paid for by the Pennsylvania Higher Education Assistance Agency (PHEAA) for informational purposes. Although the Information contained in this document is believed to be accurate at the time of printing, PHEAA does not guarantee its accuracy. You should independently verify that this information is correct.