

Wheaton College

Financial Aid Application Process – Providing Tax Information

Overview

Application Basics for Undergraduate Students:

- 1) Complete the FAFSA.
- 2) Complete the institutional application or the CSS Profile.
- 3) **If requested**, complete verification requirements.

Priority Deadlines:

Prospective students: February 15TH is the priority deadline for FAFSA and institutional application or CSS Profile; any requested verification information should be submitted as soon as possible.

Transfer students: March 1st is the priority deadline for FAFSA and institutional application or CSS Profile; any requested verification information should be submitted as soon as possible.

Continuing students: April 15th is the priority deadline for FAFSA, application and all requested verification information

A Closer Look at Providing Tax Data

The Department of Education stipulates that we receive tax data *directly from the IRS*, via one of the following:

- 1) The **IRS data retrieval option** on the FAFSA (preferred)
- 2) A **“tax return transcript”** ordered from the IRS

What is the IRS Data Retrieval Process?

This is an option on the FAFSA that eligible applicants can use to import their tax data from a processed tax return from the IRS directly into the FAFSA. The Department of Education is urging families to choose this option in order to complete their FAFSAs more easily and accurately.

Who is eligible?

Most applicants will be eligible. Please note that the student and parent(s) need to each choose the option. If an applicant is not eligible based on the responses to the FAFSA questions, the data retrieval option will not be offered.

However, some applicants will not be able to use this option. If this is the case, and the student is selected for verification, the parent (and student) will need to submit an IRS tax return transcript if they filed a tax return.

Please see separate instruction sheets for each process. While these are somewhat lengthy, knowing the details of each process can be helpful.

What is a “tax return transcript”?

A “tax return transcript” is a print-out from the IRS that contains most of the information on your tax return. Although the name is similar, it is NOT the same as the tax return that you file. A tax return transcript is provided free of charge by the IRS and can be requested online, by phone, or by mail. If you are not eligible to complete the data retrieval process, or if you have tried repeatedly to complete the data retrieval process without success, you will need to request a tax return transcript.

When will the data retrieval option be available on the FAFSA?

Generally, you’ll need to wait 2-3 weeks after the IRS has processed your tax return before trying to use the data retrieval tool. Since the IRS will not begin accepting electronic returns until late January, you may need to complete the 2016-17 FAFSA using estimates and then return to the FAFSA after your return has

been processed in order to update it with your finalized 2015 tax information and use the data retrieval tool.

What if I file my FAFSA before I submit my tax return?

If you are a prospective student, you may need to complete the FAFSA using your best estimates for your 2015 tax information, in order to meet the deadline. Once your tax return has been processed, you can return to the FAFSA to complete the data retrieval option.

I filed my FAFSA using estimates, and I have now filed my taxes. How long will it be before I am able to make the appropriate FAFSA updates using IRS data retrieval or order a tax return transcript?

	Electronic Filing	Paper Filing
Refund	Wait 2-3 weeks after filing before trying data retrieval or ordering a tax return transcript.	Wait 6-8 weeks after return has been accepted before trying data retrieval or ordering a tax return transcript.
Taxes Owed	<p>Taxes due paid in full when return is filed:</p> <ul style="list-style-type: none"> • Wait 2-3 weeks before trying data retrieval or ordering tax return transcript. <p>Taxes <i>paid in full after return is filed:</i></p> <ul style="list-style-type: none"> • Wait 3-4 weeks after balance due has been paid in full before trying data retrieval or ordering tax return transcript. <p>Taxes due <i>have not been paid in full:</i></p> <ul style="list-style-type: none"> • IRS will process return in May. 	<p>Mailed tax returns that show taxes due will be processed by the IRS in June.</p> <p>Data retrieval/tax return transcript should be available 2-3 weeks after the return has been processed.</p>

My son/daughter is a prospective student who has been selected for verification, but the IRS may not process my tax information until after the May 1 decision deadline. What should I do?

We can process an award estimate for a prospective freshman if the student meets **all** of the following criteria:

- 1) The student and/or his/her parents are unable to submit the data retrieval information or a tax return transcript by April 1.
- 2) The tax filing status is listed as “AlreadyCompleted” on the most recent FAFSA submission/correction.
- 3) All other required verification items have been submitted.

If the above requirements are met, we will process an *award estimate* without final tax data. Our goal is to have an estimate to the student in time for the student to make an enrollment decision by Admission’s May 1 deadline. Final tax data will, however, need to be submitted before award funds can be disbursed.

What if I’m not selected for verification—do I still need to complete the data retrieval?

Technically speaking, no. However, since you don’t know ahead of time if you will be selected for verification, it is best to complete the data retrieval option on the FAFSA if you are eligible. In fact, those who are eligible but choose NOT to complete it are more likely to be selected for verification.

I’ve been selected for verification but I am not filing taxes – what do I need to do?

You may be asked to complete a verification worksheet. There is a box to check to indicate that you did not file a tax return.

FAFSA - IRS Data Retrieval Instructions

The Department of Education has provided what is called the IRS Data Retrieval Option on the FAFSA as a way of allowing tax filers to pull their tax data directly from the IRS (once a tax return has been processed) and transfer it to the FAFSA. This eliminates the need to submit an actual tax return to our office. This process ensures easier, quicker, and more accurate processing. However, there are some important details to pay attention to so that everything goes smoothly. Unfortunately, there are certain categories of tax filers (see following) who are ineligible to complete the data retrieval; they will need to request a tax return transcript instead.

Eligibility

There are a few situations in which a tax filer is **ineligible** to use the IRS Data Retrieval Process and will need to submit an IRS "Tax Return Transcript" instead (see instructions following):

- 1) Filing "Married filing separately" – You must submit a transcript for each spouse.
- 2) Filing an amended return. Contact our office for instructions.
- 3) Filing a Puerto Rican or foreign tax return. Contact our office for instructions.
- 4) Had a recent change in marital status. Contact our office for instructions.

Special situations

- 1) Rollovers: If a parent completed a retirement account rollover, please contact our office for instructions.
- 2) Tax-filing extension: If a parent filed for and was granted a tax-filing extension, please contact our office for instructions.

How to complete the IRS Data Retrieval

Please use the following steps to complete the IRS Data Retrieval process. See also **Troubleshooting** (following).

- 1) Log into your FAFSA at www.fafsa.gov.
- 2) Returning to the FAFSA to complete the data retrieval after having completed an initial FAFSA? Click on "Make FAFSA Corrections."
- 3) Click the "School Selection" tab. Ensure that Wheaton College in **Illinois** is a Selected School. Our Federal School Code is 001781.
- 4) Click on the "Financial Information" tab. You will need to do steps 5-9 separately for student and parent.
- 5) Change "Will File" to "Already Completed" if you have already completed your taxes. If you have not, stop here. You will need to wait until the IRS has processed your return to use IRS Data Retrieval.
- 6) If you are eligible to use the IRS Data Retrieval Process, click on "Link to IRS" link and click "OK."
- 7) On the IRS Web site, enter the requested information and click submit. Note your address must be entered **exactly** as it appears on your tax return.
- 8) Click on "Transfer My Tax Information into the FAFSA" and then click "Transfer Now."
- 9) You should see a message saying, "You have successfully transferred your 2015 tax information." You should later see questions that are filled in with tax information marked with "Transferred from the IRS." **Do NOT change the data once it has transferred, or we will not be able to download and use the results.**
- 10) Be sure to finish going through all the steps and electronically sign (if you are a dependent student, one of your parents also needs to electronically sign) and **submit** your FAFSA. **You are not finished until you have successfully submitted your FAFSA and received a confirmation number.**

Troubleshooting if IRS Data Retrieval does not work

Here are a few other common causes of problems:

1) Problem: You try to do the data retrieval, but you get a message saying you are not “eligible”.

Reason: This is not the same as being in an ineligible tax filing category (such as filing an amended return). This message usually indicates that the IRS cannot access your information, possibly because the IRS has not yet processed your return. It generally takes at least 2 weeks after e-filing and 8 weeks after paper filing for the IRS to process your return. These time frames may be longer if you owed taxes when you filed your return or you filed close to April 15th.

Solution: Check back in a few weeks to use the IRS Data Retrieval.

2) Problem: The FAFSA won’t let you submit your correction.

Reason: It could be because your tax information on the FAFSA is identical to what is on the data retrieval.

Solution: To make the FAFSA recognize the data retrieval as a correction, you can “trick” it by making a minor change to your address on the FAFSA (but **not** on the Data Retrieval Tool) to signal that something needs to be corrected. An example is abbreviating “Street” to “St.” or vice versa.

3) Problem: You try to link to the IRS data, but after you input your name and address, you get a message telling you that they have no record of your account.

Solutions:

a. Make sure the information you enter is **exactly** the same as the information on your tax return. Occasionally—especially for those with addresses that are not standard U.S. addresses—a tax filer has needed to request a tax return transcript instead of doing the IRS Data Retrieval.

b. Also, especially for students, make sure you really did file a federal tax return. If a tax filer has filed a state return but NOT a federal return, there is no need to complete the IRS Data Retrieval.

How to Request a Tax Return Transcript

A “tax return transcript” is a print-out from the IRS that contains most of the information on your tax return. Although the name is similar, it is NOT the same as the tax return that you file. A tax return transcript is provided free of charge by the IRS and can be requested online, by phone, or by mail. If you are not eligible to complete the data retrieval process, or if you have tried the data retrieval process and have continued to have trouble with it, you will need to request a tax return transcript.

VERY IMPORTANT: When you request a tax return transcript, have it sent to your address. Once you have received it, **make a copy for yourself**, then **write the student’s name and ID number on the original transcript**, and **send it to our office**. (Make sure to add the **name** and **ID**. Otherwise, we may not be able to match the transcript to the student). There may be an option to have it sent to a third party, but we have found that we do not reliably receive these. Also, in cases where we do receive a transcript for the parent, we may not be able to match it to the student. Finally, although not required, it is helpful for those working with the document in our office if the **transcript pages have been numbered**.

Online Request—Visit <http://www.irs.gov/Individuals/Order-a-Transcript>.

- 1) Before visiting the website have your Social Security Number handy. You will also need the address used on your tax return.
- 2) Click on the “Order a Transcript” link listed in step 3.
- 3) Be sure to select “Return Transcript” under the “Type of Transcript” field. Make sure that you request the 2015 tax information sent for the 2016-2017 FAFSA. There are other transcript types, so be sure to select “Return transcript.”
- 4) Be sure to enter the address exactly as it is on file with the IRS—this will generally be the address listed on the latest tax return filed. If you used “Street” on your tax return, do not use “St.” on the transcript request.
- 5) If filed successfully, you can expect to receive a paper IRS Tax Return Transcript at the address you provided within 5-10 days.

Telephone Request—Call IRS at 1-800-908-9946 (from the U.S.) or 267-941-1000 (from overseas).

- 1) Have your social security number and street address available. Be sure that the address you provide is the address currently on file with the IRS—this will generally be the address listed on the latest tax return filed.
- 2) Select Option 2 to request an IRS TAX Return Transcript. Enter 2015 for the 2016-2017 FAFSA.
- 3) If filed successfully, you can expect to receive a paper IRS Tax Return Transcript at the address you provided within 5-10 days.

Paper Request—Download the IRS Form 4506T-EZ or IRS form 4506-T at <http://www.irs.gov/pub/irs-pdf/f4506tez.pdf>.

- 1) Fill out the required information. Be sure that the address you provide is the address currently on file with the IRS—this will generally be the address listed on the latest tax return filed.
- 2) Note that we prefer that you request to have the transcript sent to yourself, and then you send the transcript to us. This is more reliable than requesting the “3rd Party option” and having the IRS send the transcript directly to Wheaton College.
- 3) Make sure that you request the 2015 tax information sent for the 2016-2017 FAFSA.
- 4) Mail the form to the address provided on page 2 of the form.
- 5) If filed successfully, you can expect to receive a paper IRS Tax Return Transcript at the address you provided within 5-10 days of the IRS receiving and processing your signed request.

Additional Tips:

- 1) You may be able to have the IRS fax you the transcript. Call the IRS for more information.
- 2) If there is a local IRS office near you, and your return has been processed, you can request and receive a transcript in person.