



## 400/401 C-Code Resolution Procedural Documentation

|                                |                            |
|--------------------------------|----------------------------|
| Document type:                 | Policy and Procedure       |
| Status of document:            | Approved                   |
| Version:                       | V.1                        |
| Date of approval:              | KB - 09 March 2018         |
| Implementation date:           | 09 March 2018              |
| Date for completion of review: | 09 March 2018              |
| Owner:                         | Maricopa Processing Center |
| Applies to:                    | Processors                 |

|  |  |
|--|--|
| Input(s) to the Process                          | Tax documentation.   |
| Description of Process                           | This process details how to complete the 400/401 C-Code process  |
| Output(s) from the Process and Process End State | Verification of student documentation.   |
| Trigger  | Appearance of the student on the <b>MCFA_DFAO_CCODE_400_401_REVIEW</b> report.   |
| Policy   | N/A  |
| Reference  | <ul style="list-style-type: none"><li>Electronic Announcement August 7, 2017:<br/><a href="https://ifap.ed.gov/eannouncements/080717ChangestoIRSDRT1819FAFSAForm.html">https://ifap.ed.gov/eannouncements/080717ChangestoIRSDRT1819FAFSAForm.html</a></li></ul> <p>When an applicant completes a FAFSA form online, edits are performed just prior to submission. When triggered, these edits require online confirmation or correction of the information that caused the edit to display. Beginning with the 2018–19 FAFSA, because information transferred from the IRS does not display to the applicant or parent (nor can corrections be made), any web edits that include information transferred from the IRS will no longer be presented to the applicant or parent. Instead, new SAR comments will display on the ISIR (and SAR) to alert financial aid administrators that at least one edit was triggered but could not be displayed to the applicant or parent and therefore, could not be resolved online. The comment codes are 400 (for parents) and 401 (for applicants).</p> |
| No. of Steps                                     | 9  |



| Step # | Description  | Performed   |
|--------|--|---|
| 1.     | Access report by navigating to: <b>Z Drive&gt;Tech II File Reviewed&gt; Files Ready for Review&gt;MCFA_DFAO_CCODE_400_401_REVIEW_DATE.</b>   | Processor   |
| 2.     | <p>Upon review of the student's file, it will be determined if we are required to resolve the 400/401 code. There are only 3 instances where we are required to resolve these codes.</p> <p>If the student has a 400 C-code, the parental information on the ISIR needs to be reviewed.</p> <p>If the student has a 401 C-code, the student information on the ISIR needs to be reviewed.</p> <p>Processors will review the file, if it meets one of the three circumstances listed below, we are required to resolve.</p> <p>If the ISIR does not meet the following three circumstances, the processor may complete the "MCCCD 400/401 Review" checklist item and notate a comment that no resolution is required.</p> | Processor   |
| 3.     | <b>2019-2020 400/401 C-Code Resolution</b>   |   |
|        | <b>Circumstances</b>   | <b>Outcome</b>  |
|        | Student/Parent is a tax filer (FAFSA question 32/80 respectively), and AGI Retrieved from IRS is zero but the total Income Earned From Work (FAFSA question 39-40 & 88-89 respectively) is greater than 0.   | <p>For students/parents who are Single/HOH filers request <b>IRS TRT or 1040</b> to resolve.</p> <p>For students/parents who filed taxes Married Filing Jointly, request <b>IRS TRT or 1040</b> and <b>all W2s</b> to resolve.</p>  |
|        | The student/parent total <b>Additional Financial Information</b> fields reported on the FAFSA form (FAFSA questions 44a-f/93a-f, respectively) is <b>greater</b> than the <b>AGI</b> transferred from the IRS.   | <p>Identify the item(s) that cause this total to become greater than the AGI and obtain documentation.</p> <p>Examples of documents required: IRS TRT or 1040, Statement regarding Child Support, W2s, 1040, or Statement. See <b>400-401 Code Resolution Guidelines</b>.</p> |
|        | Any student/parent item from the FAFSA list of Untaxed Income (FAFSA questions 45a-j/94a-j, respectively) is <b>equal to or exceeds</b> the AGI transferred from the IRS.  | <p>Identify the item(s) that cause this total to become greater than the AGI and obtain documentation.</p> <p>Examples of documents required: IRS TRT, Statement –Child Support Received, W2, or Statement. See <b>400-401 Code Resolution Guidelines</b>.</p>                |

|    |  |  |           |
|----|--|--|-----------|
| 4. | <p>Special Note: Sometimes there are reasons other than those outlined in this section why Comment Code 400 or 401 may appear on an ISIR. Those technical reasons do not require follow up by an institution. Therefore, once an institution has reviewed each of the conditions discussed above, it need not take any further action.</p>   | <p>If the 400/401 Code does not show any of the three circumstances listed above, <i>No Resolution is Required.</i></p>  | Processor |
| 5. | <p>Using the 400-401 spreadsheet, pull up each student to evaluate what is needed. If the student does not have the word "Review" under any category on the spreadsheet, there is no action required.</p>  | <p>Please complete the <i>MCCCD 400/401 Review</i> checklist item and put the following comment in View FA Status:</p> <p><b>DFAO: 2020: M400/401C: 400/401 Code Completed, no resolution is required.</b></p>   | Processor |
| 6. | <p>For Dependent Students, if there is a 400/401 Code, please check to see if student has parent's tax information listed. If student has the same or similar tax information to the parent, the student will be put on a report that will be sent monthly to the Financial Aid Directors.</p> <p><i>Only list students who are not selected for verification on this list.</i></p>  | <p>Please add student to <b><i>"Institution List – Students with Parent Tax Info XX-XX"</i></b> excel spreadsheet in the Z drive &gt; Tech II &gt; Reports Completed &gt; 400-401 Reports.</p> <p>List ID#, Institution, Aid Year, Comment, EFC.</p>   | Processor |
| 7. | <p>If the student has the word "Review" under a category on the spreadsheet, please review the student's ISIR for conflicting information based upon the above three circumstances that need to be resolved.</p> <p>Use the 400/401 C-Code Resolution Guidelines to determine which items are needed to resolve the 400/401.</p> <p><b>If student is awarded, please put FAD on account, send student email with 15 business days to submit documents, and place student on the Student Tracking Spreadsheet, located on the Z drive, Tech II file reviewed – Files Ready to Review.</b></p> | <p><b><u>Not Selected Verification</u></b><br/>Please complete the MSC400 checklist item and put the additional items needed to resolve the 400/401 underneath the MSC400 checklist item.</p> <p><b><u>Selected Verification</u></b><br/>Please complete the MSC400 checklist item and put the additional items needed to resolve the 400/401 underneath the verification checklist items.</p> | Processor |

|    |   |   |           |
|----|---|---|-----------|
| 7. |   | <p>If a statement is required, please send the student an email specifying the statement that is required to resolve 400/401 C Code.</p> <p>Add the following Comment in View FA Status:</p> <p><b>DFAO: 2020: M400/401C: Student needs to submit_____ to resolve 400/401 C-Code.</b></p> | Processor |
| 8. | <p>In order to process 400/401 Code students who are ready to be reviewed, run the following Query:<br/><b>DFAO_06_07_400_401_R2R</b></p> <p>This Query will identify IRS 06, 07, and 400 students that are ready to be reviewed.</p> | <p>Compare the information from the required documents. Update ISIR with any necessary corrections.</p> <p>Use this comment on View FA Status:</p> <p><b>DFAO: 2020: 400/401 Code resolved with documents on file, corrections to ISIR #____, EFC_____.</b></p>                           | Processor |

|           |  |  |                  |
|-----------|--|--|------------------|
| <p>9.</p> | <p><b><u>400/401 Code Students Not Selected for Verification</u></b></p> <p>If corrections are being made for the 400/401 Code, and there is more than one school on the ISIR transaction, update the checklist to complete only for the school where corrections are being made.</p> <p>The checklists for the other schools will need to be updated to complete after the ISIR corrections come back so the student does not get awarded on an incorrect ISIR.</p> | <p>The students with multiple schools on the same transaction will continue to appear on the report. Please check daily and when ISIR corrections come back for all schools, then update all checklists to complete.</p> <p>Use this comment on View FA Status:</p> <p><b>DFAO: 2020: 400/401 Code resolved with documents on file, corrections to ISIR #____, EFC_____.</b></p> | <p>Processor</p> |
|-----------|--|--|------------------|