

WHAT IS FEDERAL TAX INFORMATION (FTI) FAFSA-RELATED



Federal Tax Information

Definition

FTI is any return or return information received from the IRS or any secondary source which is protected by the confidentiality provisions of Internal Revenue Code section 6103. This includes all tax data derived from the Federal Aid Direct Data Exchange (known as FA-DDX) when completing the FAFSA.

Limitations

Beginning with the 2024-25 FAFSA cycle, FTI received via Institutional Student Information Records (ISIRs) is no longer considered FAFSA data; therefore, prior data sharing rules do not apply to FTI. Financial aid offices cannot share FTI with TRIO programs to determine participant eligibility.

What Info is Covered?

Tax Year; Filing Status; **Adjusted Gross Income (AGI); Number of Exemptions (or number of dependents); Income Earned from Work;** Taxes Paid; Education Credits; Untaxed IRA Distributions; IRA Deductible and Payments; Untaxed Pension and Tax-exempt Interest Amounts; Schedule C Profit/Loss; and the ISIR will also include an **IRS response code (IRS-RC).**

Bold terms include information historically used to determine TRIO eligibility

What is Included in the IRS-RC

IRS-RC indicates the status of the tax filer/ FTI with the IRS, to include one of the following:

- Tax filer and FTI provided to FTIM
- Not found at the IRS
- **Found and a non-filer**
- Found but IRS not able to provide information

Any FTI Data Sharing Exceptions?

Awarding Aid TRIO programs (specifically SSS) can have direct access to FTI if the data is used to determine eligibility for **SSS Grant Aid**.

FAFSA Data

Definition FAFSA data includes information that students and parents provide on the Free Application for Federal Student Aid (FAFSA) form, not collected from the DDX.

What Info is Included Personally Identifiable Information (PII): Name, date of birth, address, Social Security number; Demographic Information: First-Generation Status; List of Colleges; Student Aid Index (SAI); Pell Grant Eligibility or Recipient Status; Award Amounts; and Everything Not Directly Derived from the Direct Data Exchange

A TRIO of Suggestions

1. Recruitment Request a list of Pell recipients who identified themselves as first-generation. Programs will still have to verify low-income status

2. Certifying Low-Income Status A signed statement from independent students or dependent student parents verifying that they meet the guidelines; Certification from financial aid that students AGI meets the taxable income limits established by The Department (after the student completes a [waiver](#) authorizing the discussion); Getting the student to request an unredacted copy of the ISIR for evaluation; and Collecting tax returns or financial documents directly from the participant.

3. Getting Completion Data TRIO programs are able to contact state grant agencies to get participant completion data. TRIO programs are eligible entities designated to receive FAFSA Filing Status Information for a student with whom it has an established relationship.

