

Buddy4Study Socio-Economic Status (SES) Verification SOP

For Donors, CSR Partners, Universities, & Scholarship Audits

Scholarships create pathways to education, opportunity, and social mobility. To ensure that these benefits reach the students who truly need them, it is essential to follow a transparent, standardised, and reliable method of assessing financial need.

Buddy4Study's Socio-Economic Status (SES) Verification Framework has been developed after 12+ years of working with donors, scholars, universities, and CSR partners across India. Built on evidence, experience, and integrity, this framework helps identify *deserving students*—those who demonstrate academic merit, strong character, genuine financial need, and a commitment to contribute positively to society.

This document outlines the complete SES verification process, enabling institutions and scholarship providers to allocate their support with fairness, confidence, and audit-ready transparency.

Definition of a “Deserving Student” for Scholarship Programs

A deserving student is one who demonstrates sustained merit, genuine financial need, strong personal character, and a commitment to contributing positively to society. A student qualifies as deserving when **all** of the following attributes are met:

- 1. Consistent Academic Excellence**
 - o Strong, sustained academic performance
 - o Demonstrated discipline and improvement
 - o Clear commitment to learning
- 2. Genuine Education Funding Need**
 - o Socio-economic constraints affecting access to education
 - o Family unable to support education without external help
 - o Need validated through SES and financial checks
- 3. Aspirations to Give Back**
 - o Intention to uplift family, community, or society
 - o Commitment to pay-it-forward or mentor others
 - o A mindset of gratitude and responsibility
- 4. High Ethical Standards & Integrity**
 - o Honest, disciplined, responsible behaviour
 - o Respectful conduct in personal and academic life
 - o Strong moral and ethical values
- 5. Low Socio-Economic Status (SES)**
 - o Verified hardship through objective SES parameters
 - o Parent-wise income and bank behaviour checks
 - o Education burden and household conditions validated

Deserving Student Definition: *A “Deserving Student” is an academically strong, ethically grounded individual from a low-income background who demonstrates genuine financial need, high moral character, and a sincere aspiration to give back to society.*

1. Purpose of the SES Verification SOP

This Standard Operating Procedure (SOP) outlines **Buddy4Study's comprehensive and auditable Socio-Economic Status (SES) Verification Framework** used for evaluating students applying for need-cum-merit scholarships.

The objective is to ensure a **fair, consistent, and transparent** assessment of every applicant's financial background before scholarship selection.

This SOP ensures that:

- A **genuine financial need** is accurately established.
- Risks of **fraud, misrepresentation, duplicate identities, or selective disclosure** are minimised.
- **Uniform screening** is applied across all scholarship programs and institutions.
- Every eligibility or rejection decision is backed by **complete documentation** for internal and external audits.
- The verification process aligns with **Buddy4Study's 71-parameter Fraud Prevention & Profile Verification Framework**.

Who Can Use This SOP

This SES verification framework is applicable for:

- **Universities & Institutions** seeking independent income and background verification for applicants.
 - **Scholarship Providers & CSR Partners** defining or auditing their selection process.
 - **Buddy4Study Delivery Teams** conducting SES assessment during scholar shortlisting.
 - **Third-party auditors** requiring evidence and justification for SES-linked decisions.
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2. Core Components of SES Verification

- **Parent-wise income verification** for father, mother, and/or guardian.
 - **Full ITR mandatory**; ITR-V acknowledgements not accepted.
 - **3–6 months bank statement analysis** to validate actual earning and spending patterns.
 - **Review of education expenses** including student fees and sibling burden.
 - **Assessment of hardships** such as illness, disability, job loss, or single-parent situations.
 - **Structured clarification process** to resolve any discrepancies.
 - **Enhanced Due Diligence (EDD)** for medium/high-risk applications.
 - **Physical verification mandatory** for scholarships of **₹1,00,000+** (annual or cumulative).
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3. Parent-Wise Occupation Mapping

- Each parent is categorised as **Salaried, Self-employed, or Not Working**.
- **Salaried**: Full ITR (if taxable), 6-month bank statements, salary slips if required; Form 16 optional.
- **Self-employed**: Full ITR mandatory; both business and personal bank statements required.
- **Not Working**: Government income certificate + bank verification to rule out hidden income.
- Guardian income is assessed using the same rules.

- Cross-verification for undisclosed bank accounts as part of red-flag detection.
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4. Mandatory Full ITR Requirement (Critical Policy)

- Only **complete ITR forms (ITR-1/2/3/4)** are accepted.
 - ITR-V often underreports income by ₹2–2.5 lakh; hence **not accepted**.
 - Full ITR reveals gross total income and all income sources.
 - Helps prevent false eligibility and ensures audit compliance.
 - Declared income must align with bank behavior and occupation.
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5. Bank Behaviour Analysis

- Bank statements serve as the **strongest SES verification source**.
 - All credits are categorised: salary, business receipts, cash deposits, high-value deposits (>₹50,000), government benefits, internal transfers, third-party transfers, refunds, etc.
 - **Red-flag indicators include:**
 - 20–50% higher inflow than declared income → Medium risk
 - 50% higher inflow → High risk
 - Salary-like credits in a “Not Working” parent’s account
 - Multiple or undisclosed bank accounts
 - Lifestyle indicators (EMIs, high-value purchases, travel, etc.) cross-checked with declared SES.
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6. SES Red Flag Classification (Minor / Medium / Major / Fraud)

- **Minor:** Timing mismatches, rounding differences, one-off anomalies.
 - **Medium:** Missing bank accounts, unexplained deposits, 20–50% mismatch in declared vs actual income.
 - **Major:** >50% income mismatch, consistent unexplained deposits, undeclared income streams.
 - **Fraud:** Forged PDFs, fake income certificates, duplicated salary slips, mismatched QR codes, tampered documents.
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7. Clarification Protocol

- Mandatory for all **medium-risk** cases before any escalation.
- Clarifications may include: salary slips, employer letters, deposit explanations, property documents, loan papers, or missing bank accounts.
- If responses remain insufficient → case escalated to **Enhanced Due Diligence (EDD)**.
- All clarification notes are maintained in the **SES audit file**.

8. Enhanced Due Diligence (EDD)

- Applied for **unresolved, complex, high-value, or high-risk** SES cases.
 - EDD may include:
 - **Employer verification** – confirming salary, designation, employment continuity.
 - **School/college verification** – fee details, attendance, academic status, conduct.
 - **Guardian verification** – for students supported by non-parent guardians.
 - **Reference checks** – contacting teachers, principals, neighbours, or credible community members to validate hardship, behaviour, and family circumstances.
 - **Social media review** – conducted only when lifestyle–income inconsistencies are detected.
 - **Extended bank analysis** – deeper review of transactions, multiple accounts, and financial inflow patterns.
 - EDD outcomes directly influence SES scoring and the final selection decision.
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9. Physical Verification (Mandatory for Scholarships > ₹1 Lakh)

- Home visit conducted by a trained verifier.
 - Geo-tagged, consent-based photographs captured: exterior, rooms, kitchen, study area, family photo, visible assets.
 - Verification interview covers rent, monthly expenses, debts, income sources, school/college fees, sibling education costs, and hardship factors.
 - Acts as a critical safeguard against fraud for high-value scholarship programs.
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10. Education Burden Assessment

- Verification of the student's school/college fee details, especially for Class 12–passed applicants (institution, fee amount, payment status).
 - Sibling education expenses assessed for all currently enrolled children in the family.
 - High total education burden strengthens SES eligibility, even where income falls in borderline ranges.
 - Information collected through telephonic/video checks and revalidated during physical verification when applicable.
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11. SES Decision Matrix (6 Standard Outcomes)

- **Approved:** SES clean and fully validated.
- **Approved with Conditions:** Minor gaps; subject to review during renewal.
- **Pending Clarification:** Awaiting documents or clarifications.
- **Investigation Needed:** Significant discrepancies; EDD initiated.
- **Rejected:** Income/lifestyle mismatch or non-cooperation.
- **Fraud Case:** Forged/tampered documents; candidate blacklisted.

12. CSR Reporting, Governance & Transparency

- Anonymised SES summaries shared with partners for transparency.
 - Complete audit trail maintained: full ITRs, bank statements, SES review notes, physical verification reports, clarification logs, and red-flag assessments.
 - DPDP-compliant data protection with restricted, role-based access.
 - All exceptions or overrides require supervisor-level approval.
 - Redacted physical verification reports provided for high-value scholarship programs.
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13. Why Scholarship Providers Trust the Buddy4Study SES Framework

- 12+ years of SES verification experience across **1.4 lakh+ scholars**.
- Mandatory full ITR policy improves accuracy and eliminates under-reporting.
- Parent-wise assessment removes selective disclosure and ensures household-level truthfulness.
- Robust fraud prevention through red-flags, EDD, and physical verification.
- Entire process is **transparent, documented, and audit-ready**.
- Strong SES validation ensures accurate targeting and high-impact scholarship program success

This SES Verification Framework represents Buddy4Study's long-standing commitment to fairness, integrity, and responsible scholarship governance. By blending rigorous financial validation with a deep understanding of student circumstances, it ensures that support reaches truly deserving learners—those for whom education can become a life-changing opportunity. We remain dedicated to partnering with institutions and CSR leaders to uphold transparency, protect donor intent, and empower students across India to pursue their aspirations with dignity and confidence.



Mission: 10,00,000 Beneficiaries

Achieved: 1,44,204 Scholars 🌟