What You Need to Know About Financial Aid

Topics We Will Discuss

• What is financial aid?
• Cost of attendance (COA)
• Expected family contribution (EFC)
• Financial need
• Categories, types, and sources of financial aid
• Free Application for Federal Student Aid (FAFSA®)
• Special circumstances

What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses
What is Cost of Attendance (COA)?
- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous personal expenses

What is Expected Family Contribution (EFC)?
- Measurement of student's and family's ability to pay postsecondary educational expenses
- Student contribution
- Parent contribution (for dependent students)

What is Financial Need?

\[
\text{Cost of attendance (COA)} - \text{Expected family contribution (EFC)} = \text{Financial need}
\]
What You Need to Know About Financial Aid

Categories of Financial Aid

Need-based aid
Non-need-based aid

Types of Financial Aid

Scholarships
Grants
Work-Study Employment
Employment
Loans
Gift Aid
Self-Help Aid

Scholarships
What You Need to Know About Financial Aid

Grants

Self-Help Aid

Loans

Scholarships

Gift Aid

Work-Study Employment

Loans

Scholarships

Gift Aid

Grants

Self-Help Aid

Work-Study Employment

Loans

Scholarships

Gift Aid

What You Need to Know
What You Need to Know About Financial Aid

Sources of Financial Aid

Federal Government

Employers

States

Private Sources

College and Universities

Federal Government

Largest source of financial aid

Aid awarded primarily on the basis of financial need

Must apply each year using the FAFSA

Eligibility requirements must be met

Federal Student Aid Programs

Federal Pell Grant

Iraq Afghanistan Service Grant

Teacher Education Assistance for College and Higher Education (TEACH) Grant

Federal Work-Study (FWS)

Federal Supplemental Educational Opportunity Grant (FSEOG)

Federal Direct Student Loans (Direct Loans)

Federal PLUS Loans
What You Need to Know About Financial Aid

States
- Residency requirements usually apply
- Award aid on the basis of both merit and need
- Use information from the FAFSA and/or state aid applications
- Deadlines vary by state

Colleges and Universities
- Award aid on the basis of both merit and need
- Aid may be gift aid or self-help aid
- Use information from the FAFSA and/or institutional applications
- Deadlines and application requirements vary by institution

Private Sources
- Foundations, businesses, churches, civic, and charitable organizations
- Deadlines and applications procedures vary
- Begin researching private sources early
What You Need to Know About Financial Aid

Employers

- May have scholarships available to the children of employees
- May have educational benefits for their employees

Free Application for Federal Student Aid (FAFSA®)

- Collects demographic and financial information
- Information used to calculate the expected family contribution (EFC)
- Colleges use EFC to award financial aid
- Available in English and Spanish

Free Application for Federal Student Aid (FAFSA®)

- May be filed at any time during an academic year, but no earlier than October 1st prior to the academic year for which the student requests aid
- For the 2020-21 academic year, the FAFSA may be filed beginning October 1, 2019
- Colleges may set FAFSA priority dates
What You Need to Know About Financial Aid

Free Application for Federal Student Aid (FAFSA®)
- FAFSA on the Web (FOTW)
- myStudentAid mobile app
- Paper or PDF FAFSA
- FAFSA on the Phone (FOTP)
- FAA Access to CPS Online

Benefits of Using FOTW or myStudentAid
- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- Option to use Internal Revenue Service (IRS) Data Retrieval Tool to import tax data

Benefits of Using FOTW or myStudentAid
- More timely submission of original application and any necessary corrections
- More detailed instructions and “help” for common questions
- Ability to check application status online
- Simplified application process in the future
What You Need to Know About Financial Aid

FAFSA on the Web (FOTW)

- Mobile ability to begin, complete, save, and submit the FAFSA
myStudentAid Mobile App

• Information protected the same as FOTW
• Prompts applicant to create a save key, allowing completion at later time

myStudentAid Mobile App

• FAFSA completion tracked
• Successful completion of each section indicated

myStudentAid Mobile App

• Agreement of Terms checkbox
• Confirmation of submission
• Estimated EFC calculation
What You Need to Know About Financial Aid

IRS Data Retrieval Tool (DRT)

- Allows for certain tax return information to be transferred from the IRS database
- Participation is voluntary and student chooses whether or not to transfer data to FOTW
- IRS will authenticate taxpayer’s identity
- If tax record is found, IRS transfers information to populate the FAFSA
- Reduces documents requested by financial aid office

IRS Data Retrieval Tool

Certain tax filers cannot use the IRS Data Retrieval Tool

<table>
<thead>
<tr>
<th>Condition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not indicate on FAFSA a tax return was completed</td>
<td></td>
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<tr>
<td>Marriage date is January 2019, or later</td>
<td></td>
</tr>
<tr>
<td>First three digits of the SSN are 666</td>
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</tr>
<tr>
<td>Filed a non-U.S. tax return</td>
<td></td>
</tr>
<tr>
<td>Married, and filed as head of household, or filed separate returns</td>
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<tr>
<td>Neither married parent entered a valid SSN</td>
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</tr>
<tr>
<td>Non-married parent or both married parents entered all zeroes for the SSN</td>
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FSA ID

- Used for FAFSA completion and allows access to certain U.S. Department of Education websites
- May be used by students and parents throughout financial aid process, including subsequent school years
- Only the owner should create a FSA ID
- Apply at https://fsaid.ed.gov/npsas/index.htm
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FOTW Worksheet
- Preview of questions that may be asked regarding basic information for the student and parent, if applicable

General Student Information
- Social Security Number
- Citizenship status
- Marital status
- Drug conviction of possession or sale
- Selective Service registration
- Highest education level completed by father/mother

Student Dependency Status
FAFSA asks questions to determine dependency status for Title IV federal student aid (not IRS) purposes:
- If all “No” responses, student is dependent
- If “Yes” to any question, student is independent
### Information About Parents of Dependent Students
- Tax, income, and other financial information
- Dislocated worker status
- Receipt of means-tested federal benefits in the previous two years
- Assets
- Untaxed income

### Information About Student (and Spouse)
- Tax, income, and other financial information
- Dislocated worker status
- Receipt of means-tested federal benefits in the previous two years
- Assets
- Untaxed income

### Additional Information
- College information
- Housing plans
- FAFSA preparer information
What You Need to Know About Financial Aid

Signatures

• Required
  – Student
  – One parent (dependent students)
• Format for submitting signatures
  – Electronic using FSA ID
  – Signature page
  – Paper FAFSA

Frequent FAFSA Errors

• Social Security Numbers
• Divorced/widowed/remarried parental information
• Income earned by parent/stepparent
• Untaxed income
• U.S. income taxes paid
• Household size
• Number of household members in college
• Real estate and investment net worth

FAFSA Processing Results

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Email Notification of SAR Processing

- If valid email address is provided on FAFSA
- Provides access to electronic SAR at www.fafsa.gov

SAR or SAR Acknowledgement

- SAR sent if paper FAFSA filed without providing an email address
- SAR Acknowledgement sent if FOTW filed without providing an email address

Institutional Student Information Record (ISIR)

- CPS sends results to colleges listed on the FAFSA
- College reviews ISIR and may request additional documentation
Making Corrections

If necessary, corrections to FAFSA data may be made by:
• Using FAFSA on the Web, if student has a FSA ID;
• Updating paper SAR; or
• Submitting documentation to college’s financial aid office.

Special Circumstances

• Conditions exist that cannot be documented with the FAFSA
• Send written explanation and documentation to your college’s financial aid office
• College will review and request additional information if necessary
• Decisions are final and cannot be appealed to U.S. Department of Education