

National Association of Student
Financial Aid Administrators

What You Need to Know About Financial Aid

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Topics We Will Discuss Tonight

- What is financial aid
- Cost of attendance (COA)
- The expected family contribution (EFC)
- What is financial need
- Categories, types, and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)
- Special circumstances

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What is Financial Aid?

Financial aid is funds provided to students and families to help pay for postsecondary educational expenses

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What is Cost of Attendance (COA)

- Direct costs
- Indirect costs
- Direct and indirect costs combined into cost of attendance
- Vary widely from college to college

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What is the Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute
- Stays the same regardless of college
- Two components
 - Parent contribution
 - Student contribution
- Calculated using FAFSA data and a federal formula

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What is Financial Need

Cost of Attendance

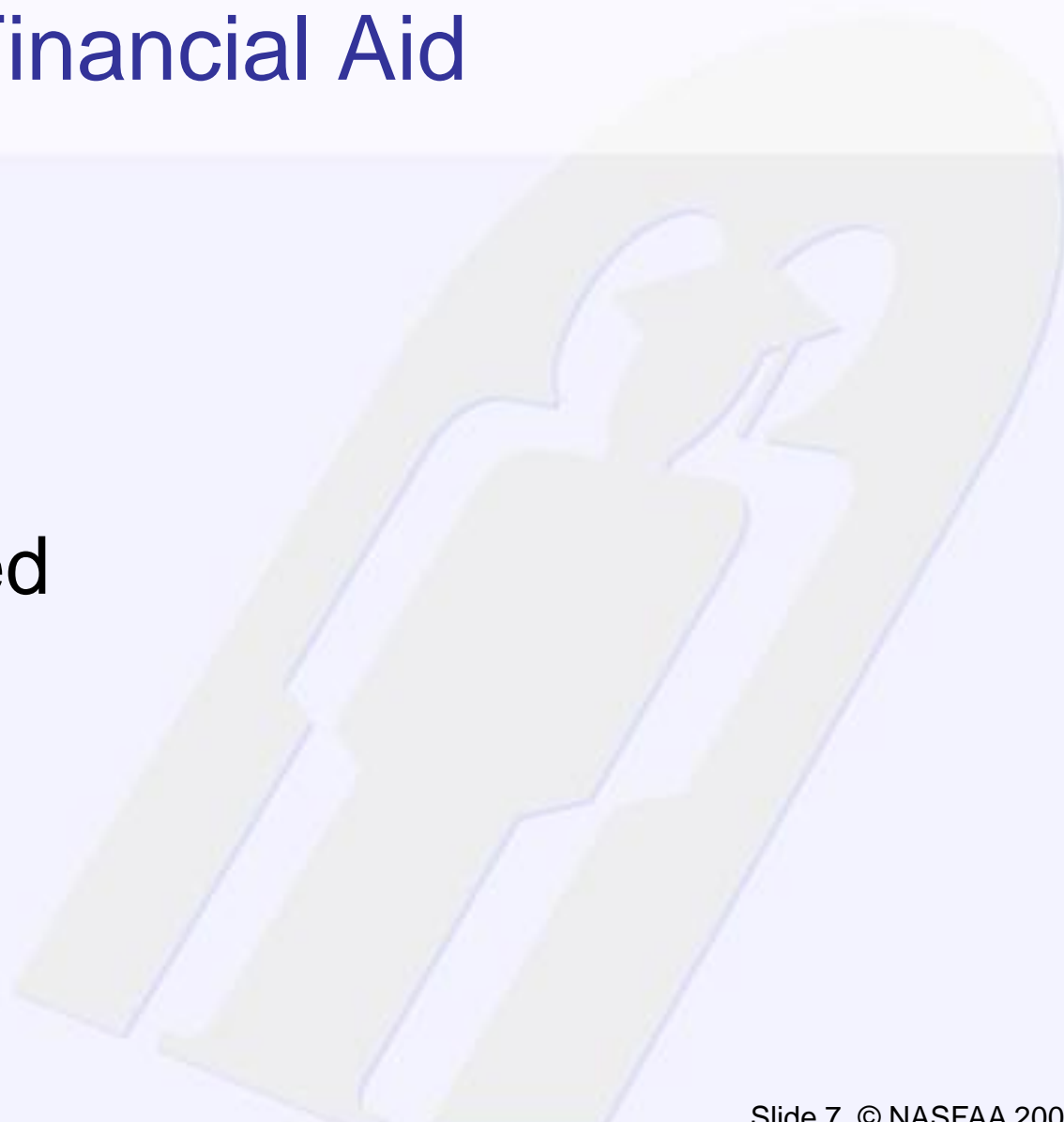
– Expected Family Contribution

= Financial Need

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Categories of Financial Aid

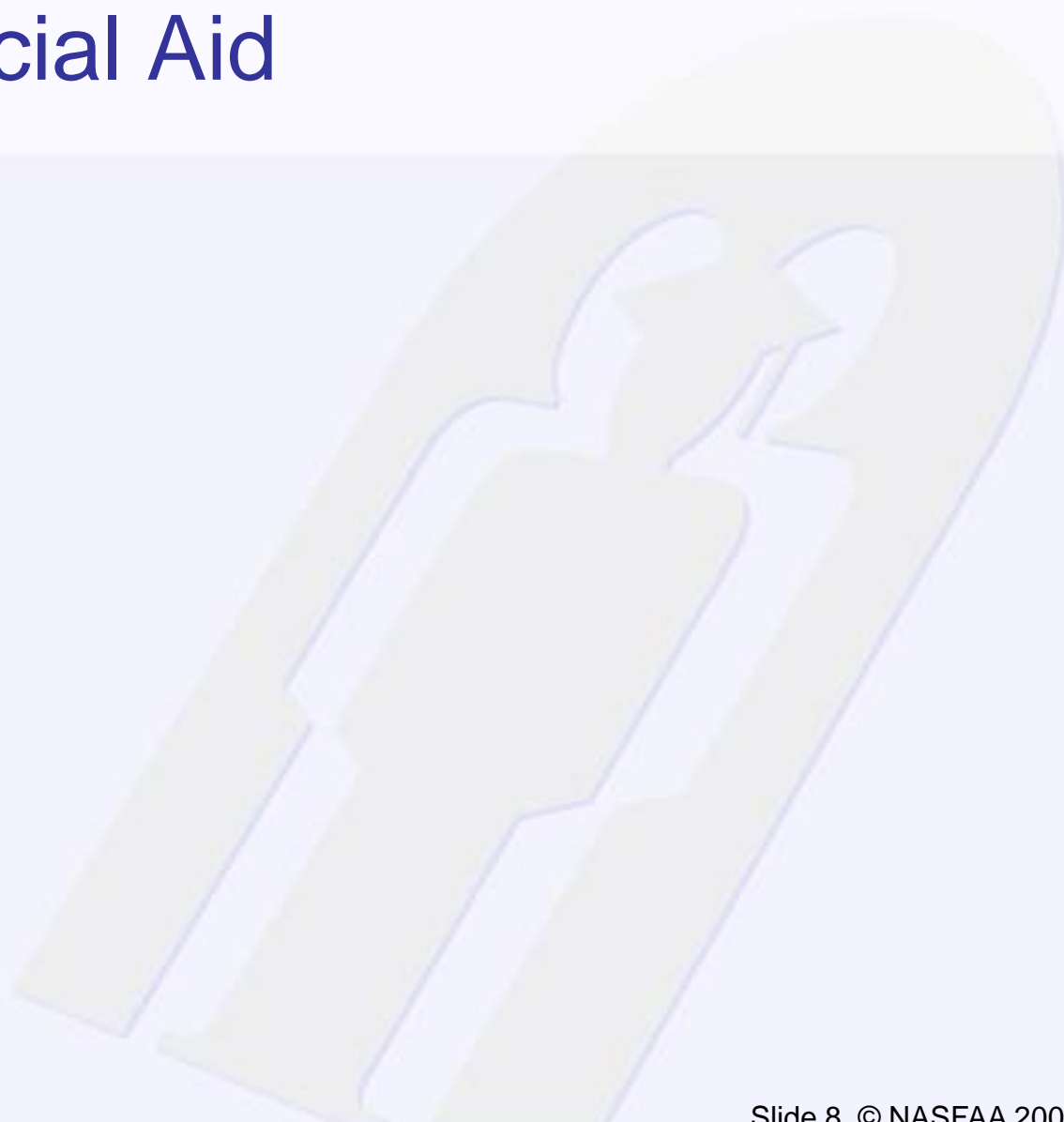
- Need-based
- Non need-based



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Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment



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Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or a unique characteristic

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Grants

- Money that does not have to be paid back
- Usually awarded on the basis of financial need

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Loans

- Money students and parents borrow to help pay educational expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future

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Employment

- Allows student to earn money to help pay educational costs
- A paycheck
 - Non-monetary compensation, such as room and board

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Sources of Financial Aid

- Federal government
- States
- Private sources
- Civic organizations and churches
- Employers

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Federal Government

- Largest source of financial aid
- Aid awarded primarily on the basis of financial need
- Must apply every year using the FAFSA

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Common Federal Aid Programs

- Federal Pell Grant
- Academic Competitiveness Grant and National Science and Mathematics Access to Retain Talent Grant
- Teacher Education Assistance for College and Higher Education Grant
- Federal Supplemental Educational Opportunity Grant
- Federal Perkins Loan
- Federal Work-Study
- Stafford Loans
- PLUS Loans

States

- Residency requirements
- Award aid on the basis of both merit and need
- Use information from the FAFSA
- Deadlines vary by state; check paper FAFSA or FAFSA on the Web site

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Private Sources

- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely
- Begin researching private aid sources early

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Civic Organizations and Churches

- Research what is available in community
- To what organizations and churches does student and family belong?
- Application process usually spring of senior year
- Small scholarships add up!

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Employers

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

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Free Application for Federal Student Aid (FAFSA)

- A standard form that collects demographic and financial information about the student and family
- May be filed electronically or using paper form
 - Available in English and Spanish

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FAFSA

- Information used to calculate the Expected Family Contribution or EFC
 - The amount of money a student and his or her family may reasonably be expected to contribute towards the cost of the student's education for an academic year
- Colleges use EFC to award financial aid

FAFSA

- May be filed at any time during an academic year, but no earlier than the January 1st prior to the academic year for which the student requests aid
- For the 2010-11 academic year, the FAFSA may be filed beginning January 1, 2011
- Colleges may set FAFSA filing deadlines

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FAFSA on the Web



- Web site: www.fafsa.ed.gov
- FAFSA on the Web available on January 1, 2011
- FAFSA on the Web Worksheet:
 - Used as “pre-application” worksheet
 - Questions follow order of FAFSA on the Web

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FAFSA on the Web

Good reasons to file electronically:

- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- More timely submission of original application and any necessary corrections
- More detailed instructions and “help” for common questions
- Ability to check application status on-line
- Simplified renewal application process

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Student Financial Aid (SFA) PIN

- Web site:
www.pin.ed.gov
- Sign FAFSA electronically
- Can request PIN before January 1, 2011
- Not required, but speeds processing
- May be used by students and parents throughout aid process, including subsequent school years

The screenshot shows the homepage of the Federal Student Aid PIN website. At the top left is the logo for the U.S. Department of Education with the text "START HERE GO FURTHER FEDERAL STUDENT AID". To the right is the text "Federal Student Aid PIN". Below the header is a navigation bar with links: "PIN Home", "Help", "Contact Us", "FAQs", and "About Us". The main content area features a large heading "Welcome to the Federal Student Aid PIN Web site" with a graphic of blue dots. Below this is a text block: "This Web site is your source of information for the Federal Student Aid PIN. Your PIN can be used each year to electronically apply for federal student aid and to access your U.S. Department of Education records online. If you receive a PIN, you agree to not disclose or share your PIN with anyone. Your PIN serves as your electronic signature and provides access to your personal records. You should never give your PIN to anyone, including commercial services that offer to help you complete your FAFSA. Be sure to keep your PIN in a safe place." To the right of this text is a blue box with the text "Apply for a PIN" and "The PIN Application is for students and parents to apply for a new Federal Student Aid PIN." Below this box is a blue button labeled "APPLY NOW". On the left side of the page is a vertical menu with the following items: "Apply For A PIN", "Check PIN Status", "Request A Duplicate PIN", "Change My PIN", "Update My Personal Information", "Disable My PIN", "Reestablish My PIN", and "Activate My PIN". Below the menu is a section titled "Helpful Links" with two links: "Student Aid on the Web" (with subtext "Information you will need to receive aid for school. Go »") and "Links to Federal Student Aid Electronic Services".

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FAFSA Application Process

- FAFSA on the Web
- PIN registration
- Student and parent need pin.
- Pin does not expire.
- Parent uses same PIN for all children.
- Less than 1% of 2011/2011 applicants are using the paper FAFSA.

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FAFSA Process

Financial data for student (and spouse):

- Tax filing status and return type
- If student (and spouse) filed or will file a 1040, was he or she eligible to file a 1040A or 1040EZ?

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FAFSA Process

List up to 10 colleges to receive FAFSA data:

- Federal School Code for each college
- Housing plans for each college

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Signatures

- Required
 - Student
 - One parent (dependent students)
- Format
 - Electronic using PIN
 - Signature page
 - Paper FAFSA

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Frequent FAFSA Errors

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

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FAFSA Processing Results

Central Processing System (CPS) notifies student of FAFSA processing results by:

- Paper Student Aid Report (SAR) if paper FAFSA was filed and student's e-mail address was not provided
- SAR Acknowledgement if filed FAFSA on the Web and student's e-mail address was not provided

FAFSA Processing Results

- CPS notifies student of FAFSA processing results by:
 - E-mail notification containing a direct link to student's on-line SAR if student's e-mail was provided on paper or electronic FAFSA
- Student with PIN may view SAR on-line at www.fafsa.ed.gov

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FAFSA Processing Results

- Institutional Student Information Record (ISIR) sent to colleges listed on FAFSA approximately 10 to 14 days after FAFSA submitted
- College reviews ISIR
 - May request additional documentation, such as copies of federal tax returns

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Student Aid Report

- Review data for accuracy
- Update estimated information when actual figures are available

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Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using FAFSA on the Web (www.fafsa.ed.gov) if student has a PIN;
- Updating paper SAR (SAR Information Acknowledgement cannot be used to make corrections); or
- Submitting documentation to college's financial aid office

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Special Circumstances

- Cannot report on FAFSA
- Send explanation to financial aid office at each college
- College will review special circumstances
 - Request additional documentation
 - Decisions are final and cannot be appealed to U.S. Department of Education

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Special Circumstances

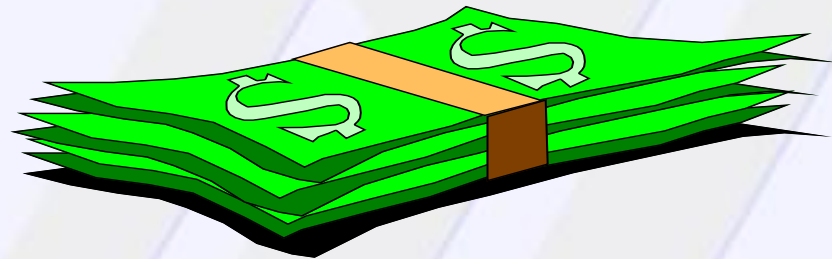
- Change in employment status
- Medical expenses not covered by insurance
- Change in parent marital status
- Unusual dependent care expenses

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Applying for Scholarships

Helpful for academic scholarships :

- **outstanding GPA**
- **High test scores**
- **Excellent recommendations**
- **Involvement in school and/or community activities**



***A student must be genuinely outstanding to receive athletic or talent scholarships.**

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Applying for Scholarships

- **A list of scholarship opportunities is located on the bulletin board outside of the Student Services office and on the school's website.**
- **Be sure to check parent employers for organization/union or military veterans scholarships.**
- **Apply for any specific college scholarships that the student's qualifications match.**



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Applying for Scholarships

- **Apply for local scholarships. This information will be available in the spring in the student services office. Students must apply to be considered.**

- **Be aware of deadlines!**

- **Look for books and web sites with scholarship information. (www.fastweb.com)**

- **Be organized, and make copies of everything!**



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