

National Association of Student
Financial Aid Administrators

What You Need to Know About Financial Aid

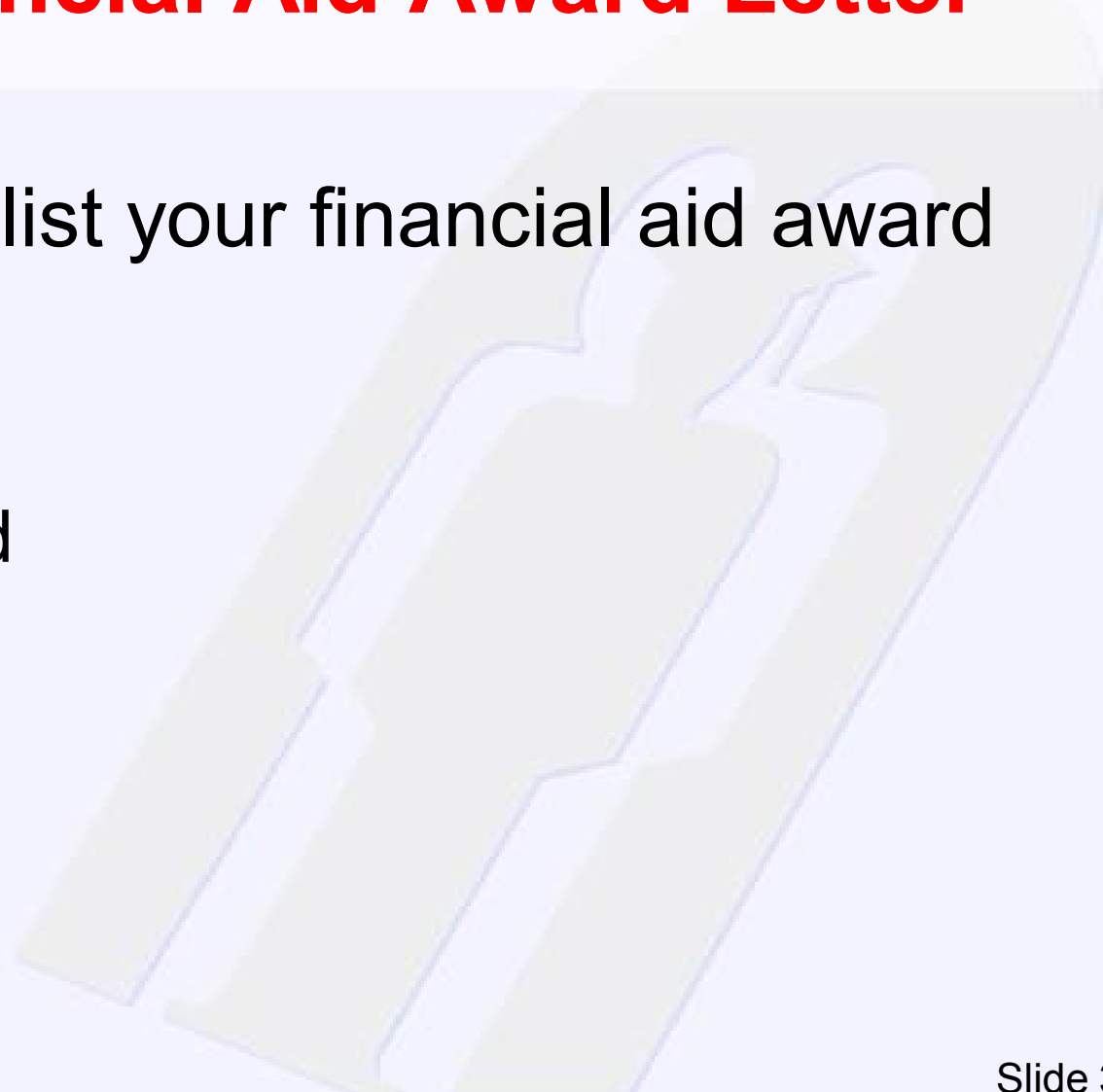
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Topics We Will Discuss Tonight

- What is financial aid
- Cost of attendance (COA)
- Expected Family Contribution (EFC)
- What is financial need
- Categories, types, and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)
- Special circumstances

GOAL: Financial Aid Award Letter

- Document that list your financial aid award
 - Federal Aid
 - State Aid
 - Institutional Aid
 - Outside Aid



TIPS to maximize FINANCIAL AID

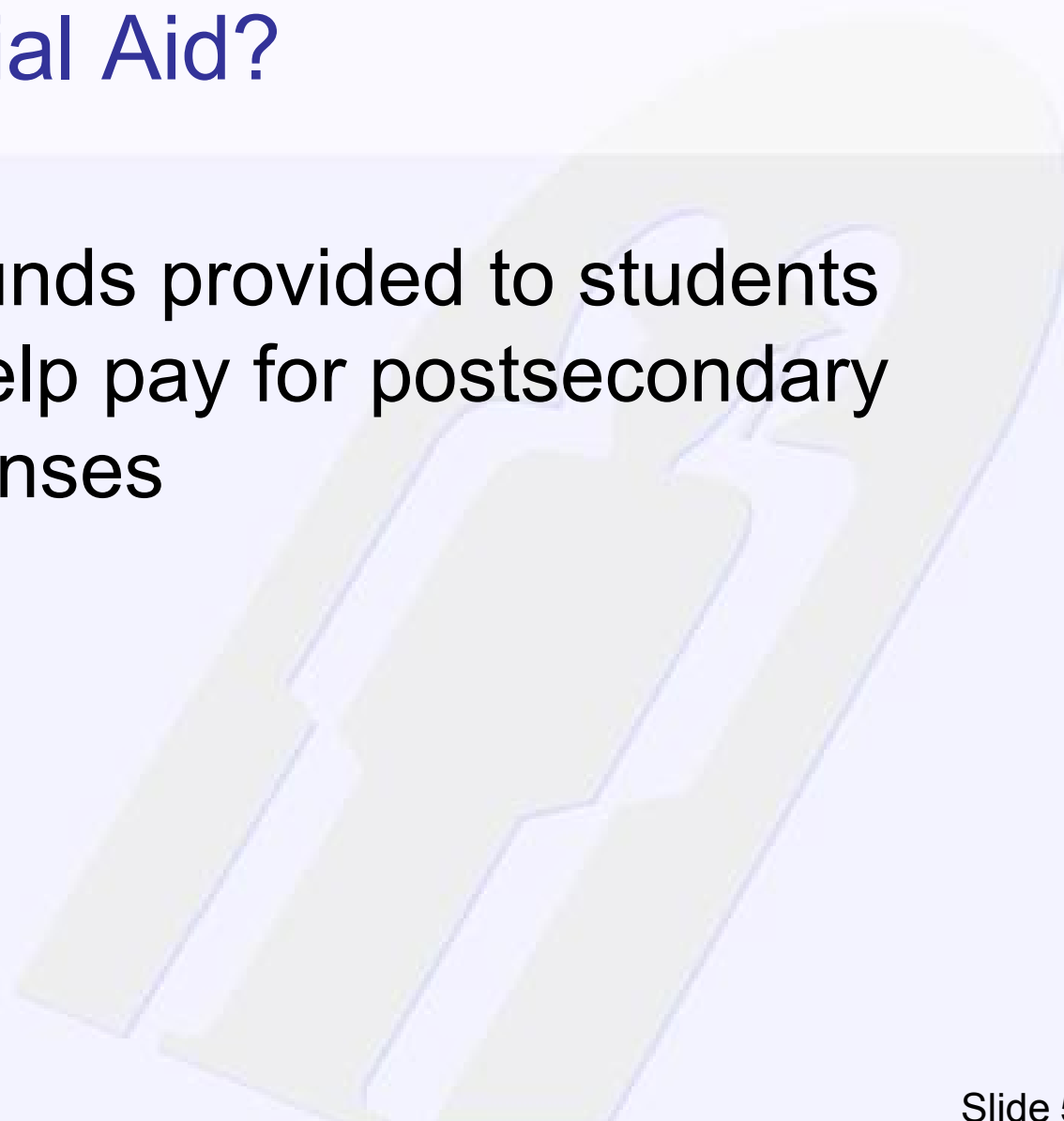
Explore all Options

Apply Early

Know the Deadlines

What is Financial Aid?

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



What is Cost of Attendance (COA)

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

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 data from a federal application form and a federal formula

What is Financial Need

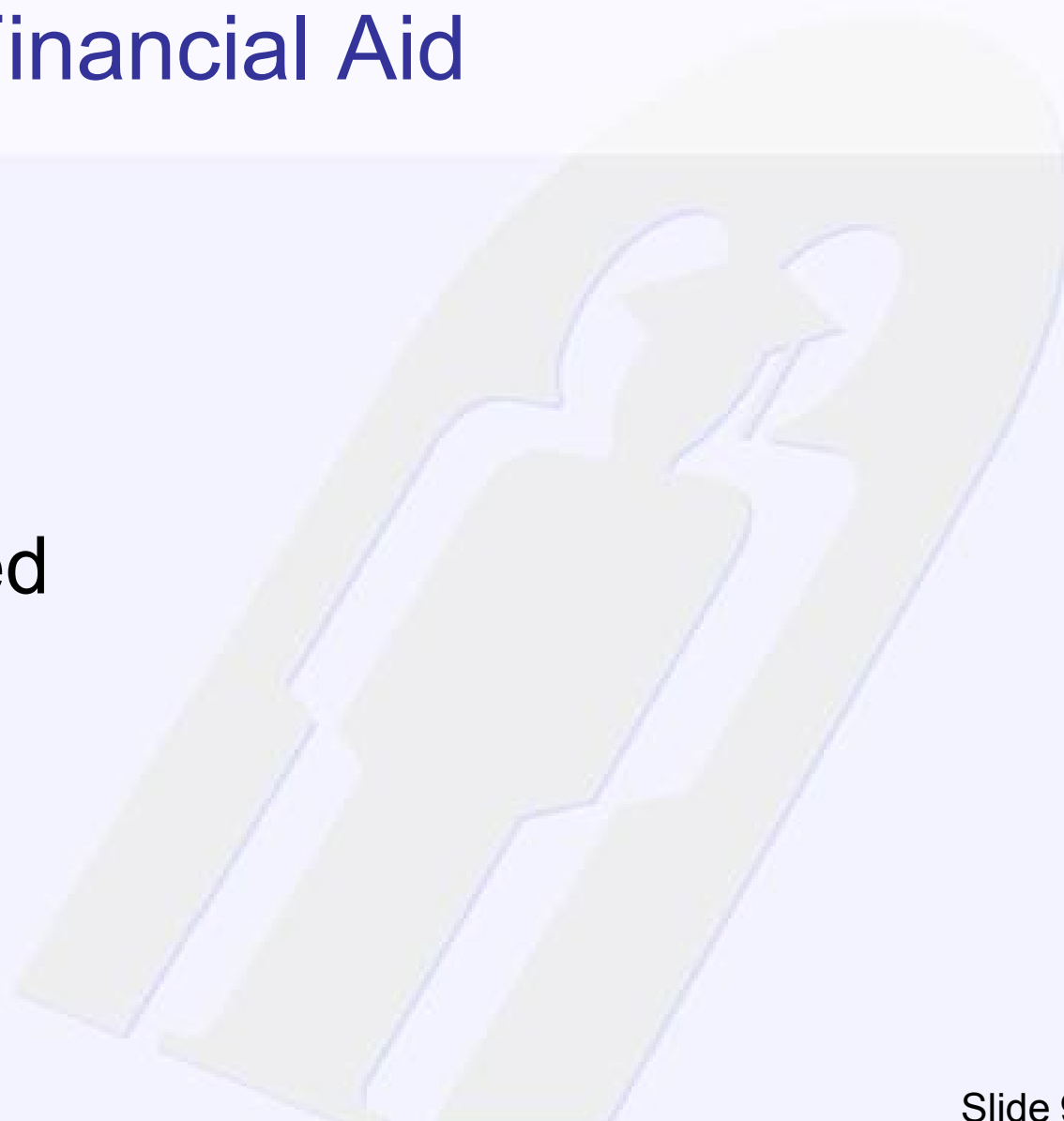
Cost of Attendance

– Expected Family Contribution

= Financial Need

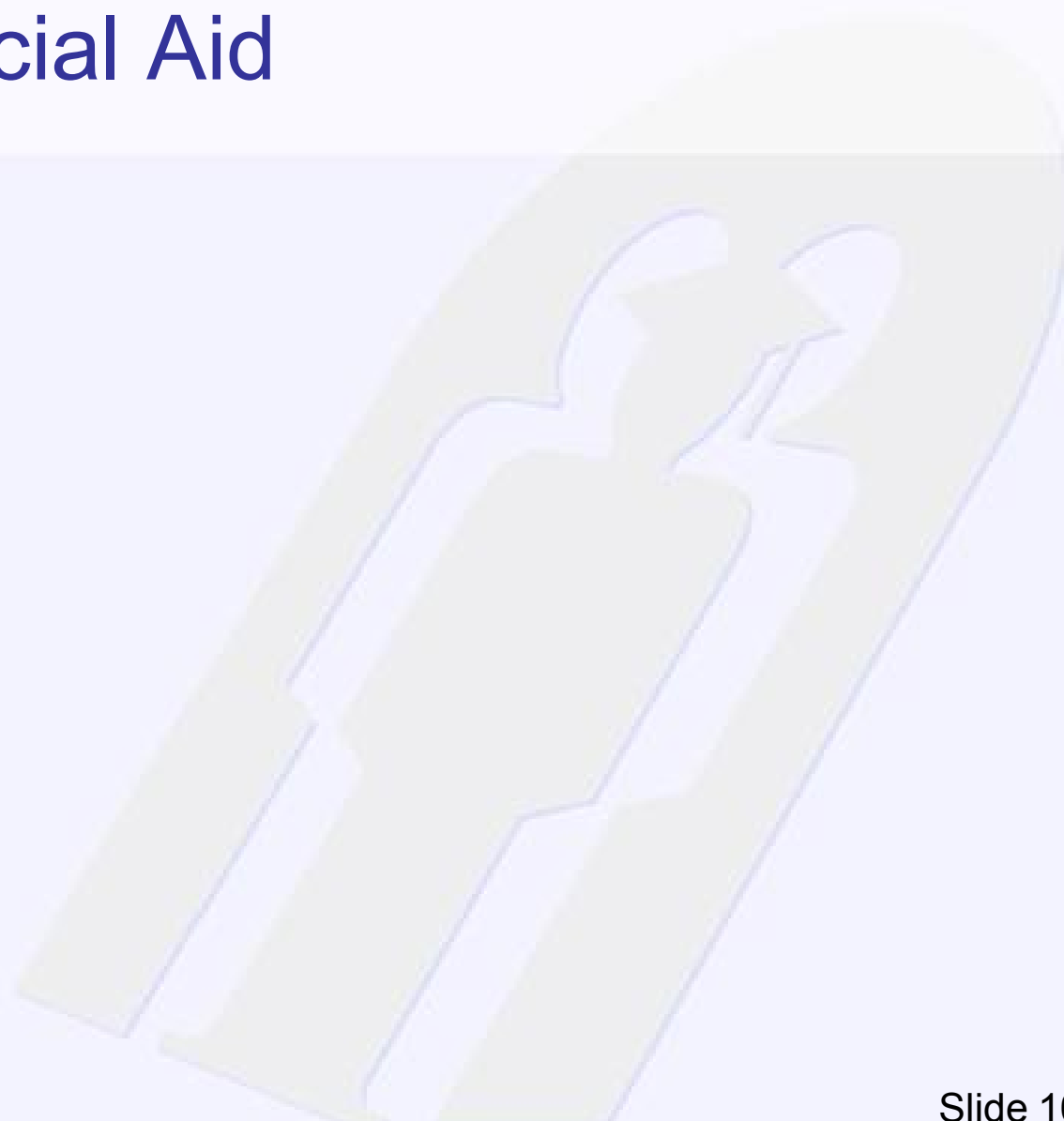
Categories of Financial Aid

- Need-based
- Non need-based



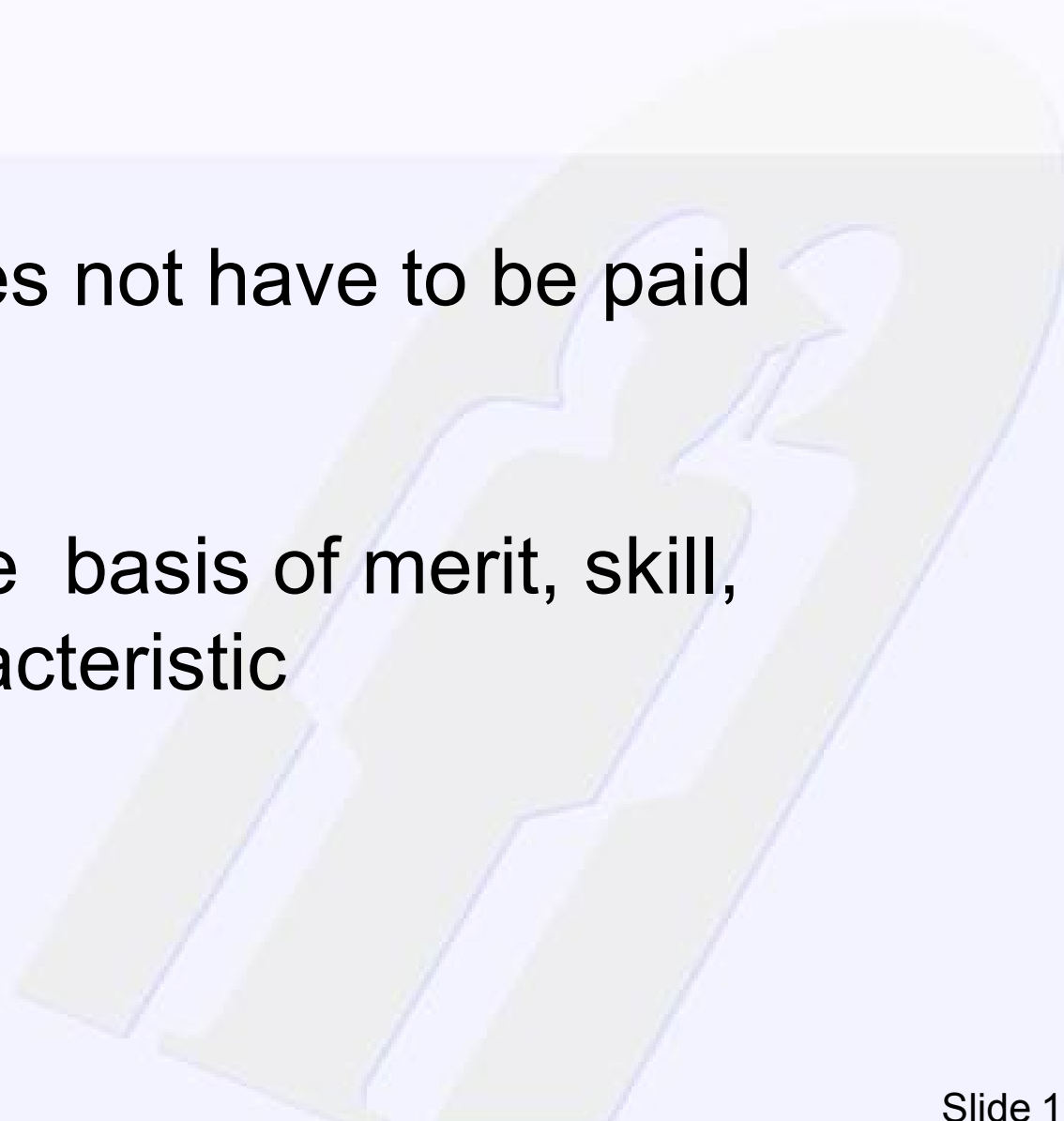
Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment



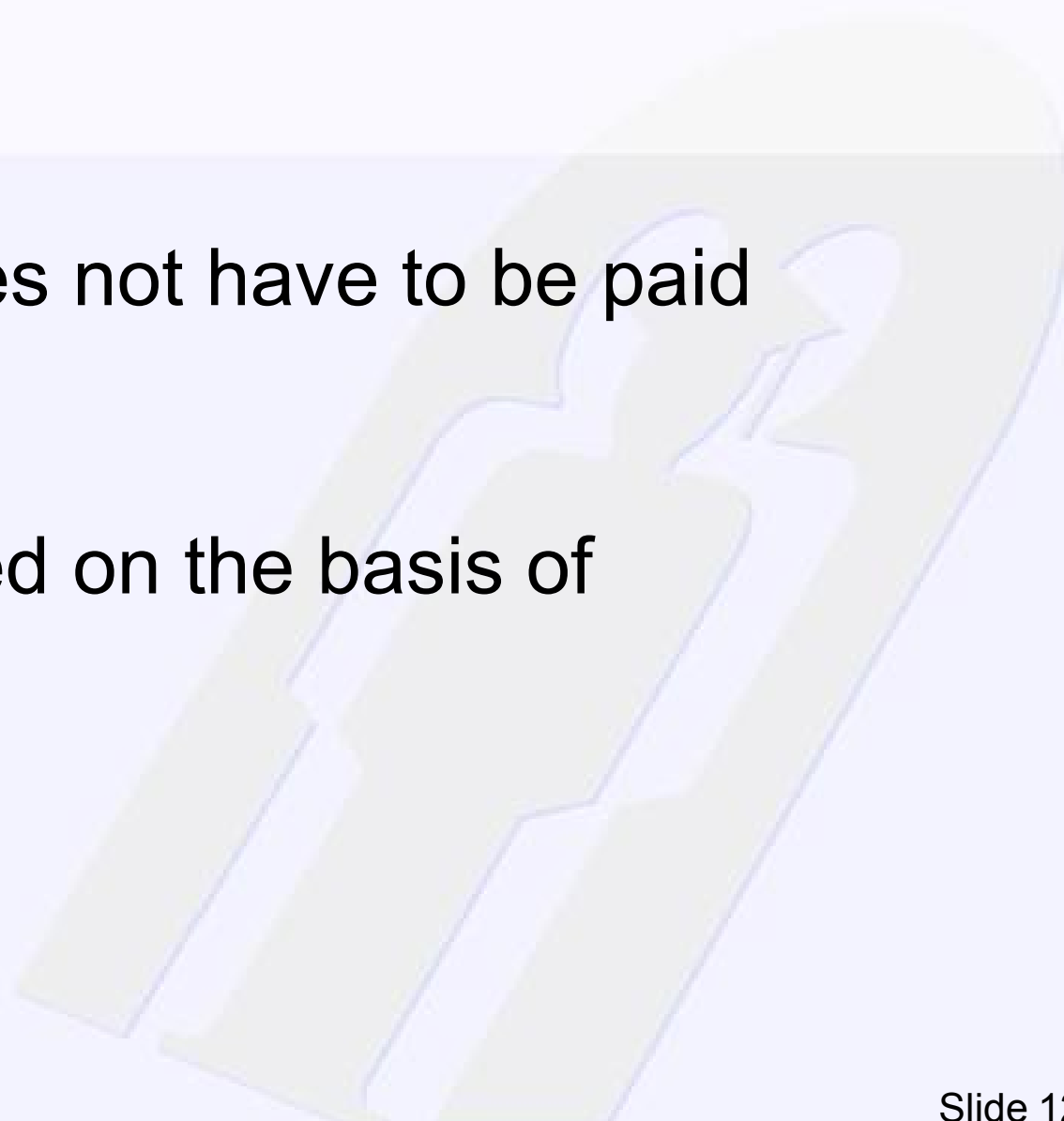
Scholarships

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



Grants

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



Loans

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

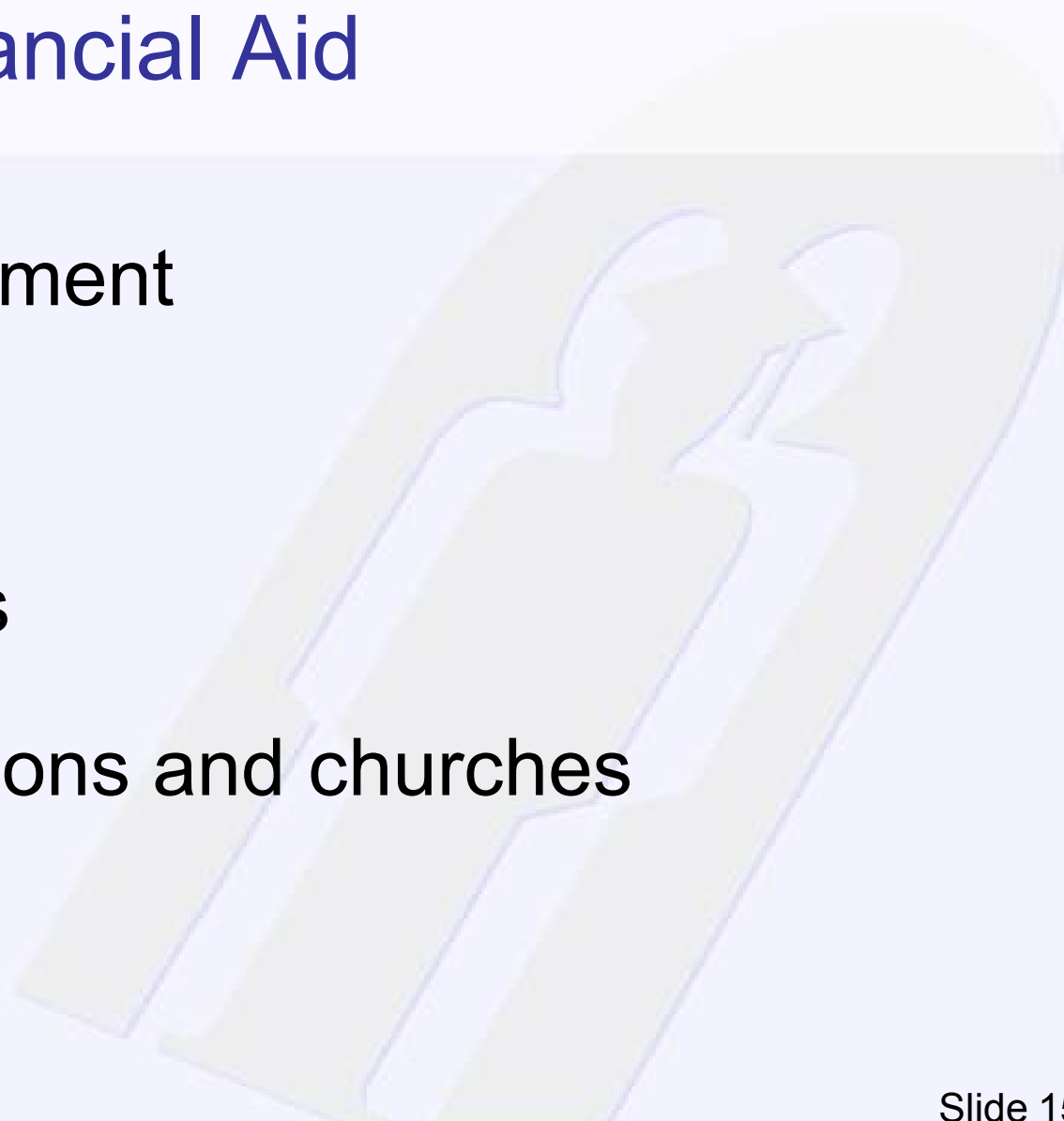
Employment

Allows student to earn money to help pay educational costs

- A paycheck
- Non-monetary compensation, such as room and board

Sources of Financial Aid

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



Federal Government

- Largest source of financial aid
- Aid awarded primarily on the basis of financial need
- Must apply every year using the Free Application for Federal Student Aid (FAFSA)

Common Federal Aid Programs

- Federal Pell Grant
- Academic Competitiveness Grant
- 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

Common State Programs

http://www.kansasregents.org/financial_aid/awards.html

- Kansas Comprehensive Grant
- Kansas Teacher Service Scholarship
- Kansas Nursing Service Scholarship
- State Scholarship
- Kansas Vocational Scholarship

Important Tips

Apply EARLY

Remember Deadlines

Apply Online

Private Sources

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

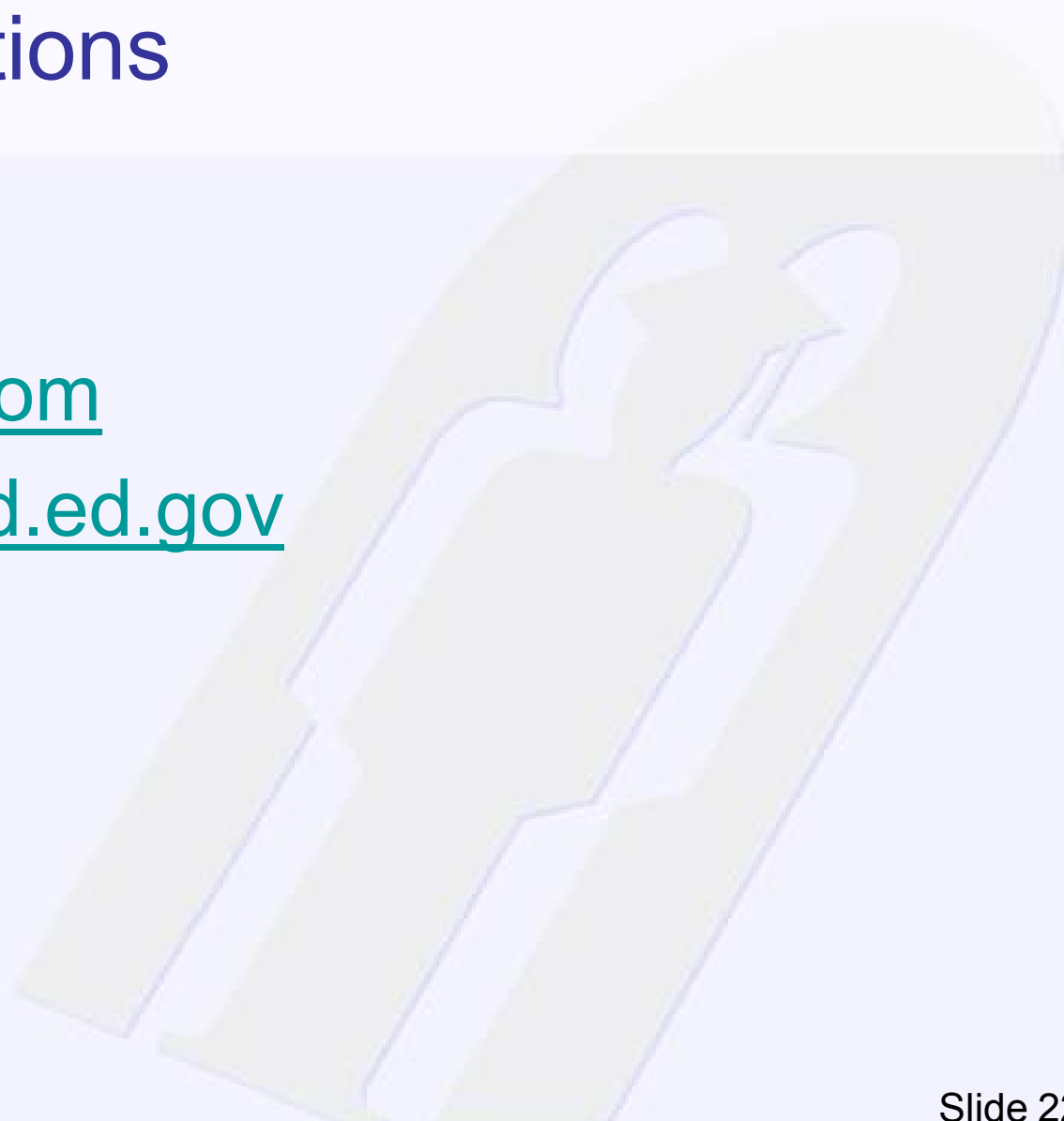
Civic Organizations and Churches

- 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!

Explore all Options

- www.finaid.org
- www.fastweb.com
- www.studentaid.ed.gov

- Buyer Beware



Employers

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

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

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, 2010
- Colleges may set FAFSA filing deadlines

FAFSA on the Web



- Web site: www.fafsa.gov
- 2010-11 FAFSA on the Web available on January 1, 2010
- FAFSA on the Web Worksheet:
 - Used as “pre-application” worksheet
 - Questions follow order of FAFSA on the Web

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 application process in the future

IRS Data Retrieval

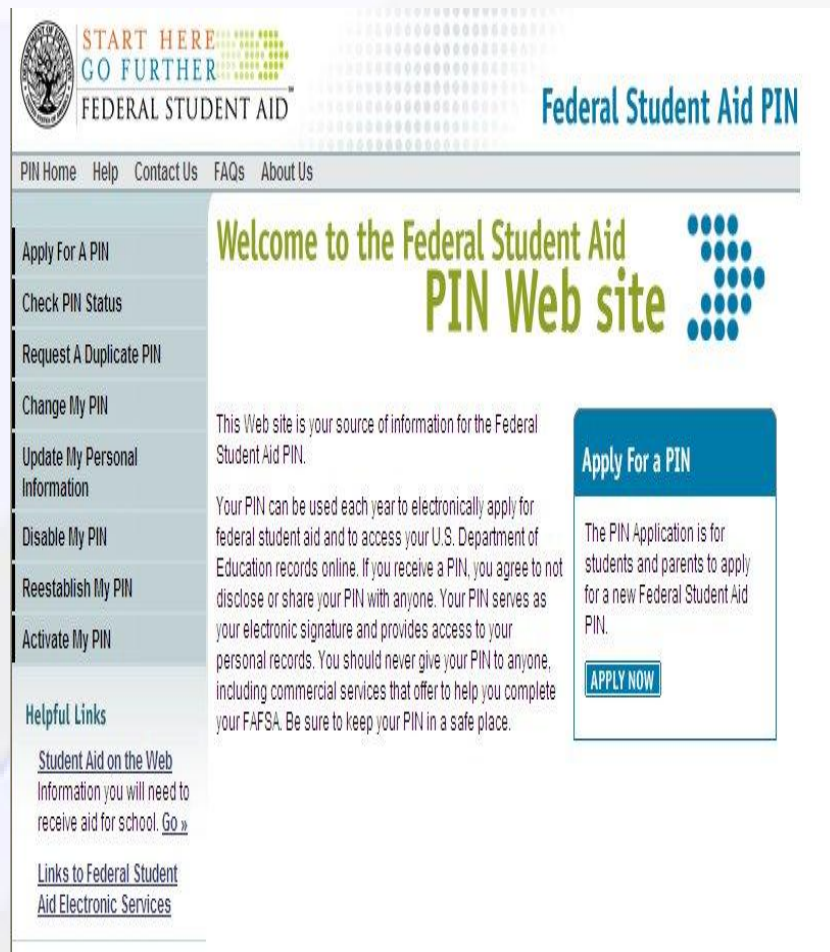
- While completing FOTW, applicant may submit real-time request to IRS for tax data
- IRS will authenticate taxpayer's identity
- If match found, IRS sends real-time results to applicant in new window
- Applicant chooses whether or not to transfer data to FOTW

IRS Data Retrieval

- Available Summer 2010 for 2010-11 processing cycle
- Participation is voluntary
- Could reduce documents requested by financial aid office
- Not available to applicants with a recent change in marital status

Student Financial Aid Personal Identification Number (SFA PIN)

- Web site:
www.pin.ed.gov
- Sign FAFSA electronically
- Can request PIN before January 1, 2010
- 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 logo is a navigation menu with links for "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 decorative graphic of blue dots. Below this heading is a blue button labeled "Apply For a PIN". To the right of the button is a text box explaining that the PIN application is for students and parents to apply for a new Federal Student Aid PIN, with an "APPLY NOW" button. On the left side of the page is a vertical menu with links for "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 this menu is a "Helpful Links" section with two links: "Student Aid on the Web" and "Links to Federal Student Aid Electronic Services".

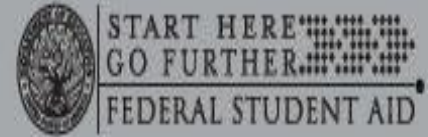
FAFSA on the Web Worksheet

2010–2011



FAFSA ON THE WEB WORKSHEET

www.fafsa.gov



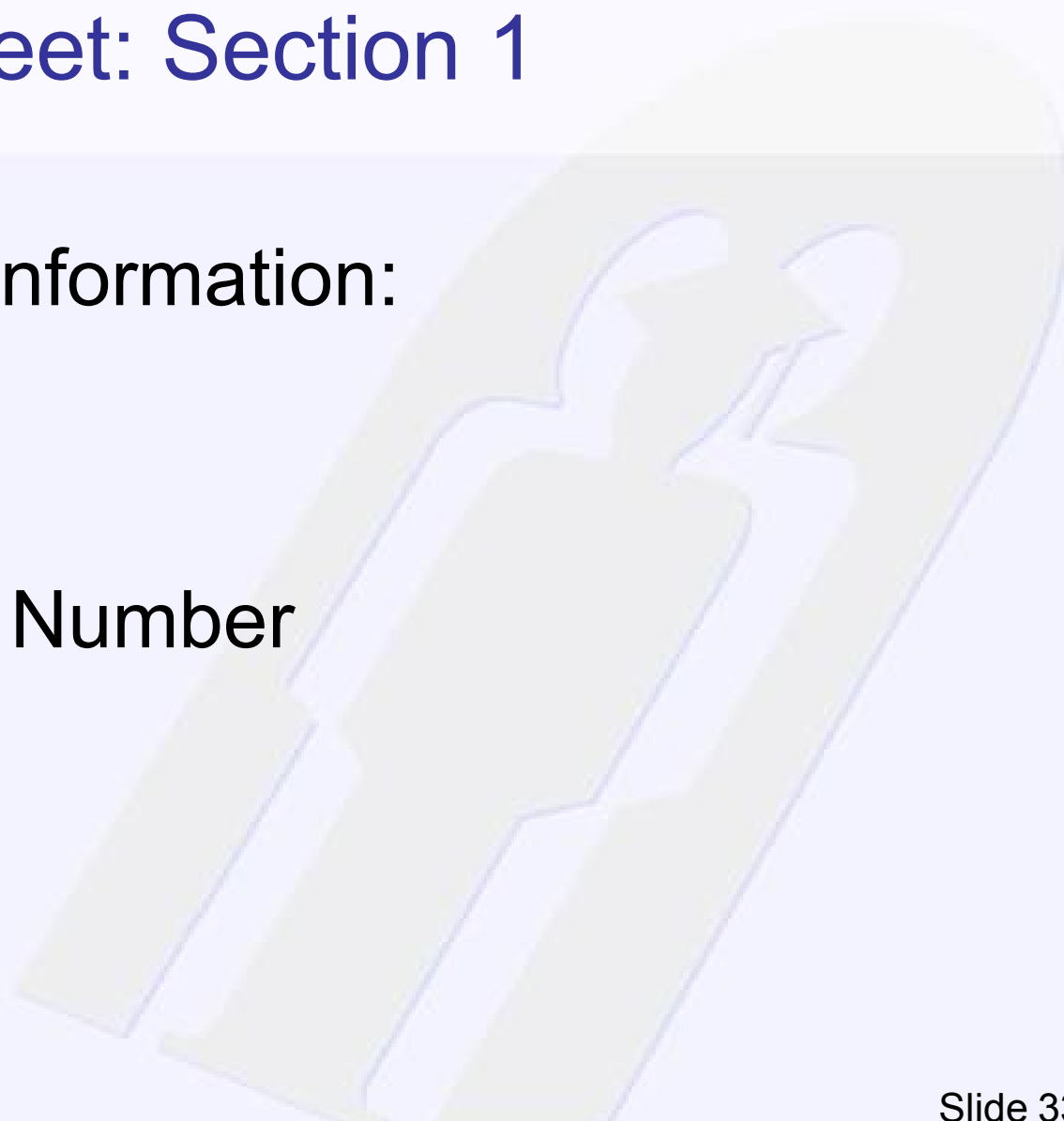
2010-11 FAFSA on the Web Worksheet—
4-page booklet containing:

- Instructions
- 37 questions in 4 sections

FOTW Worksheet: Section 1

General student information:

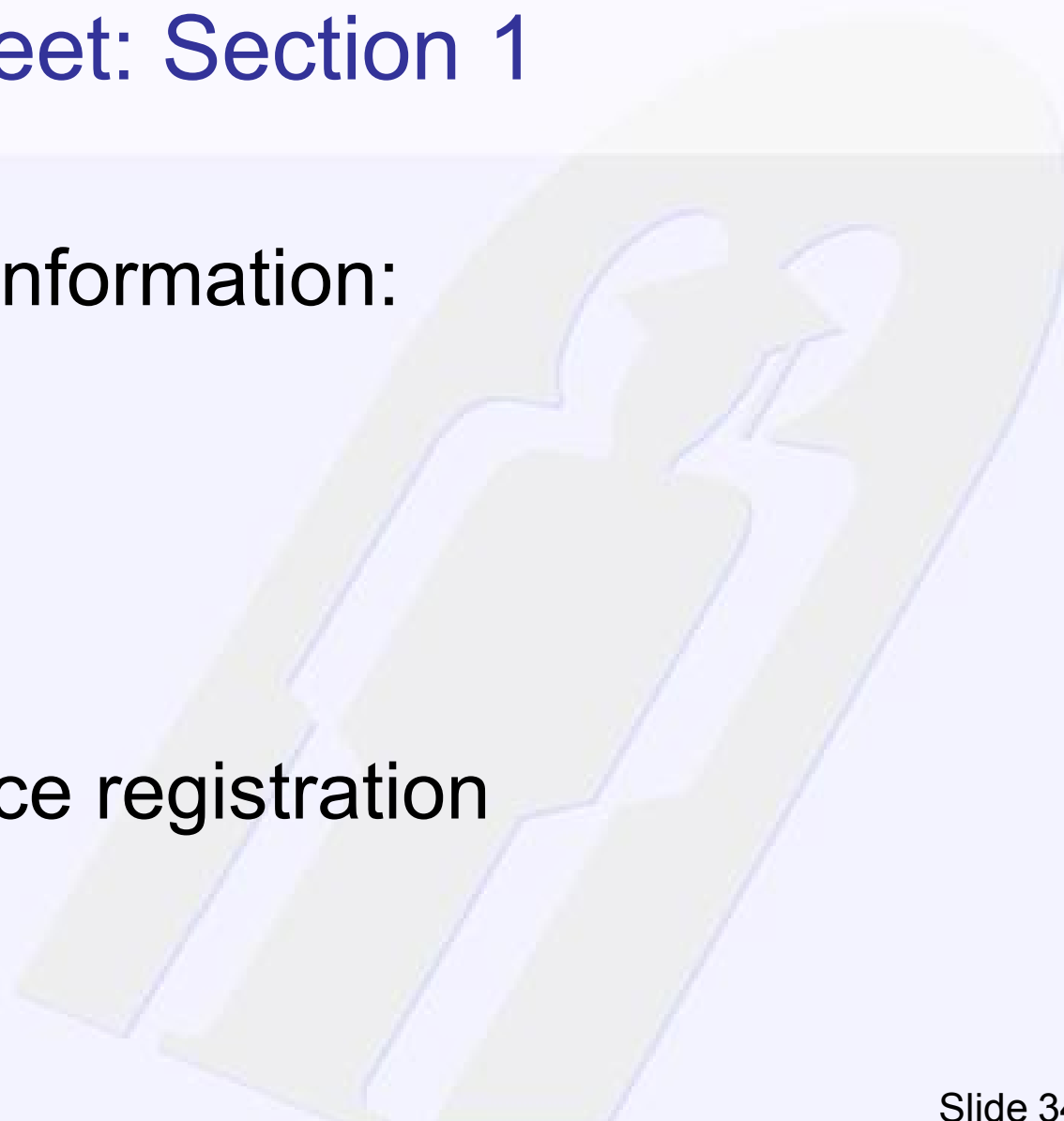
- Name
- Social Security Number



FOTW Worksheet: Section 1

General student information:

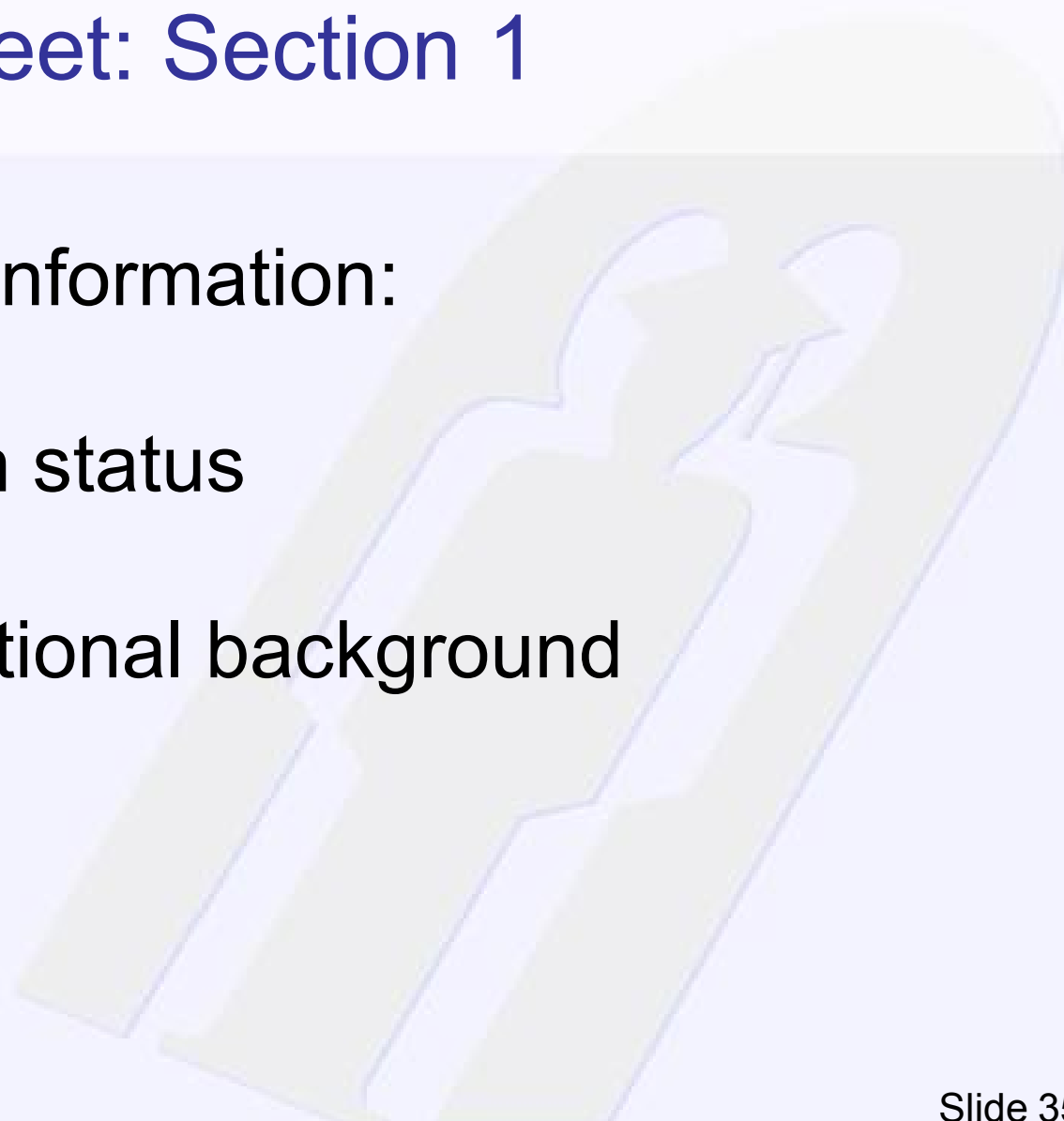
- Citizenship
- Marital status
- Selective Service registration status



FOTW Worksheet: Section 1

General student information:

- Drug conviction status
- Parents' educational background



FOTW Worksheet: Section 2

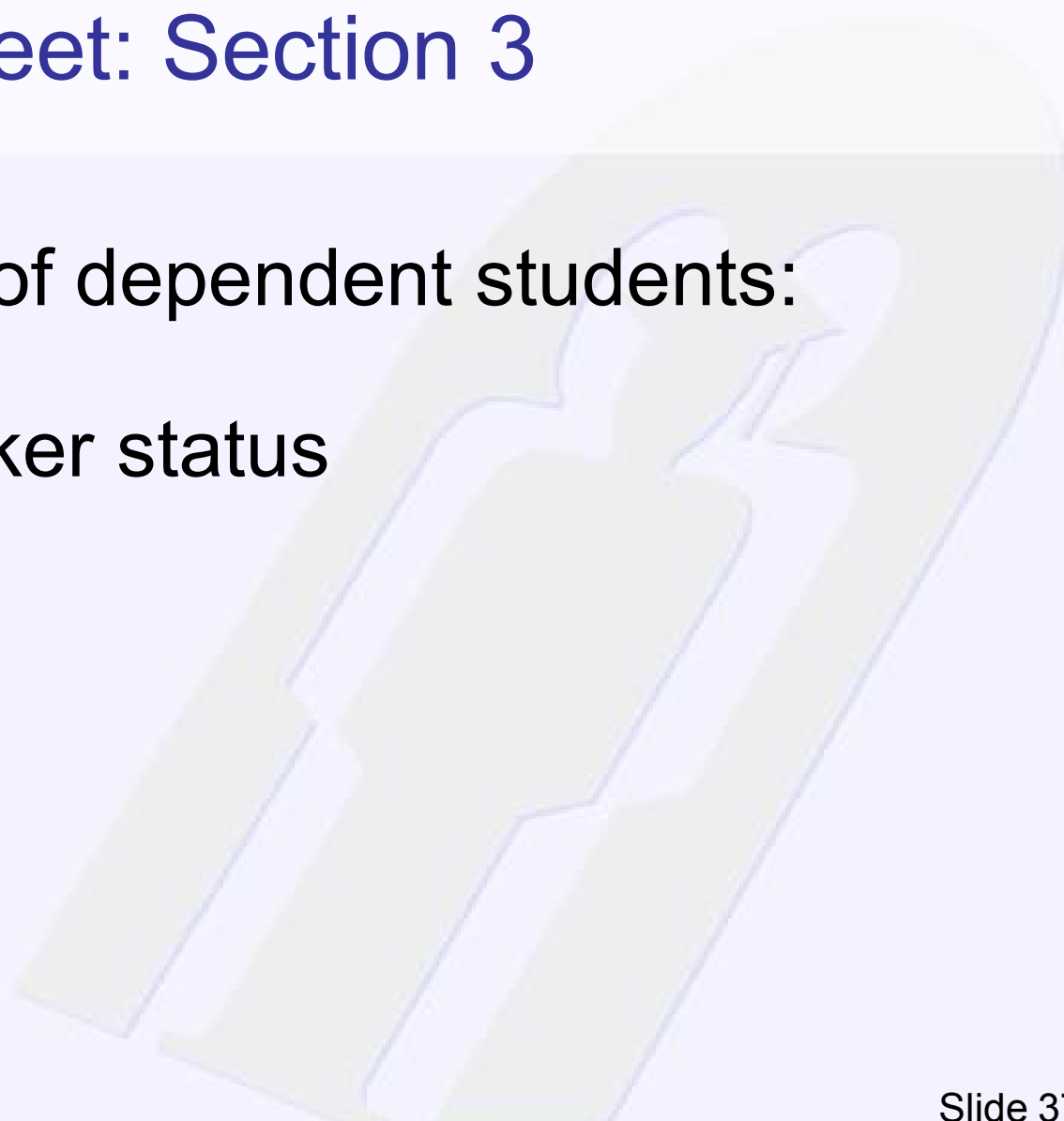
Student's dependency status:

- If all “No” responses, student is dependent
- If “Yes” to any question, student is independent

FOTW Worksheet: Section 3

Data for parents of dependent students:

- Dislocated worker status



FOTW Worksheet: Section 3

Financial data for parents of dependent students:

- Tax filing status
- Adjusted Gross Income (AGI) for 2009
- Income earned from work

FOTW Worksheet: Section 3

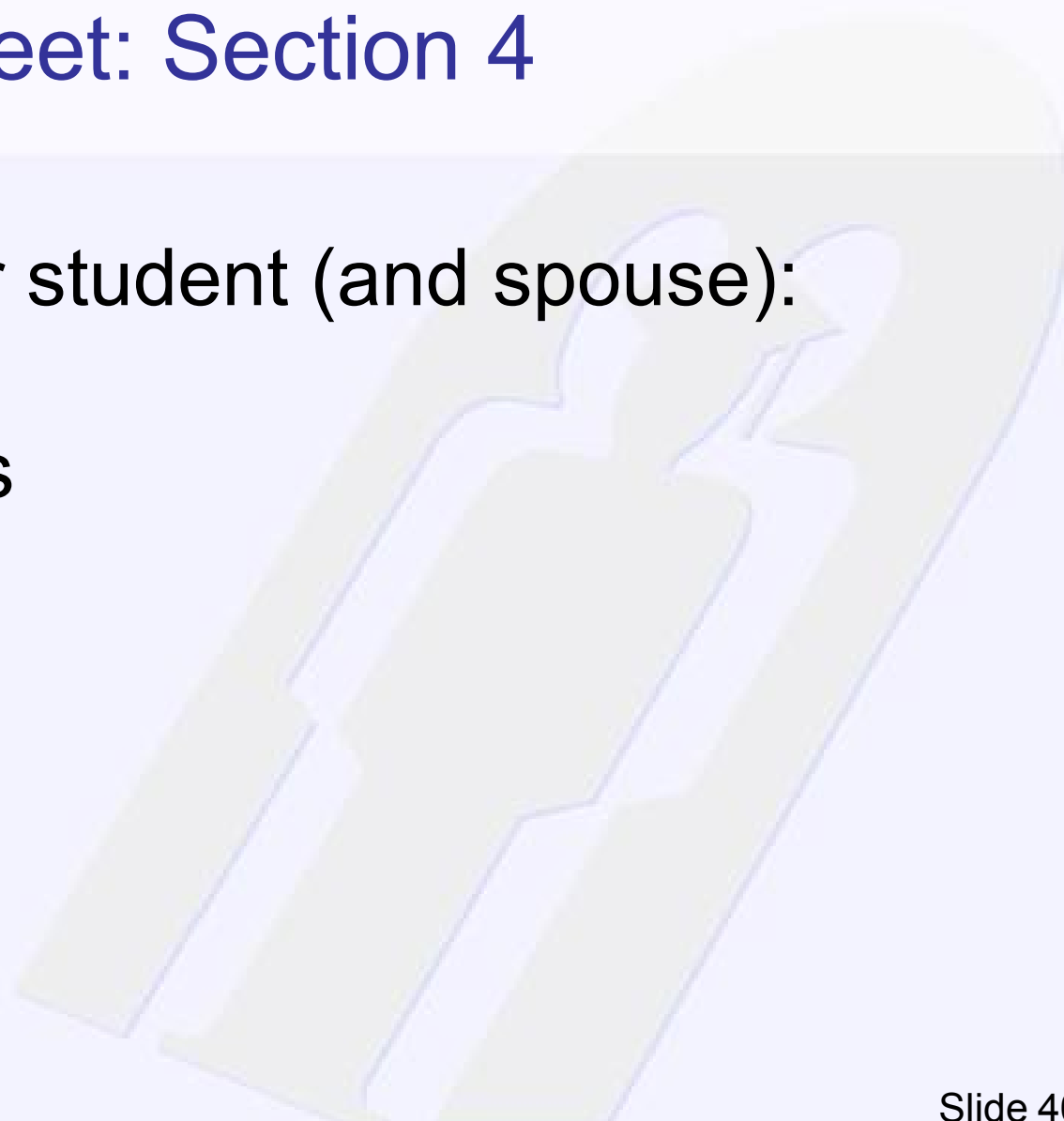
Financial data for parents of dependent students:

- Receipt of benefits from certain federal means-tested programs
- Additional financial information
- Untaxed income

FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Tax filing status



FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Adjusted gross income (AGI) for 2009
- Income earned from work
- Dislocated worker status

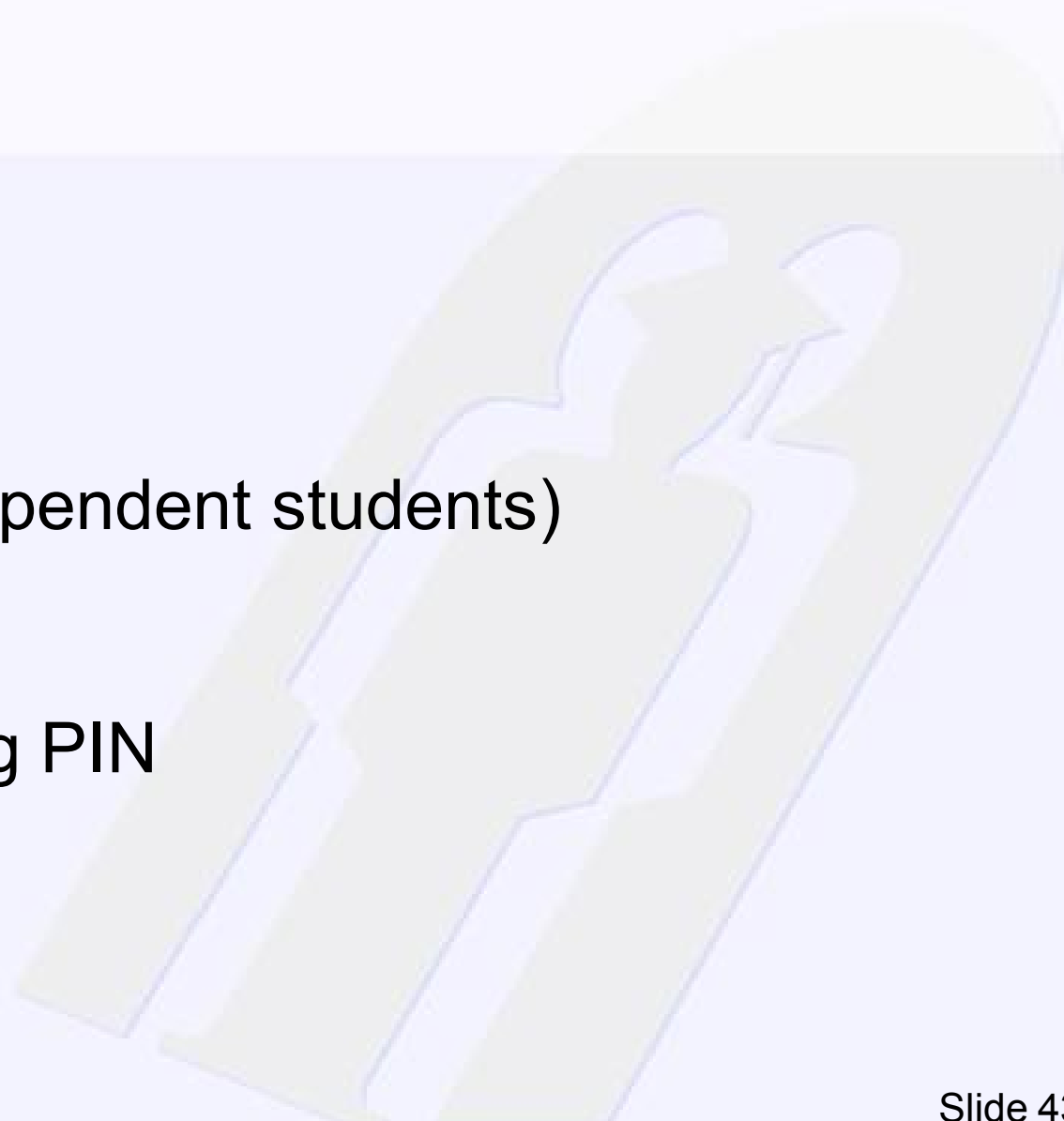
FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Receipt of benefits from certain federal means-tested programs
- Additional financial information
- Untaxed income

Signatures

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



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

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 Acknowledgment 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

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

Student Aid Report

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

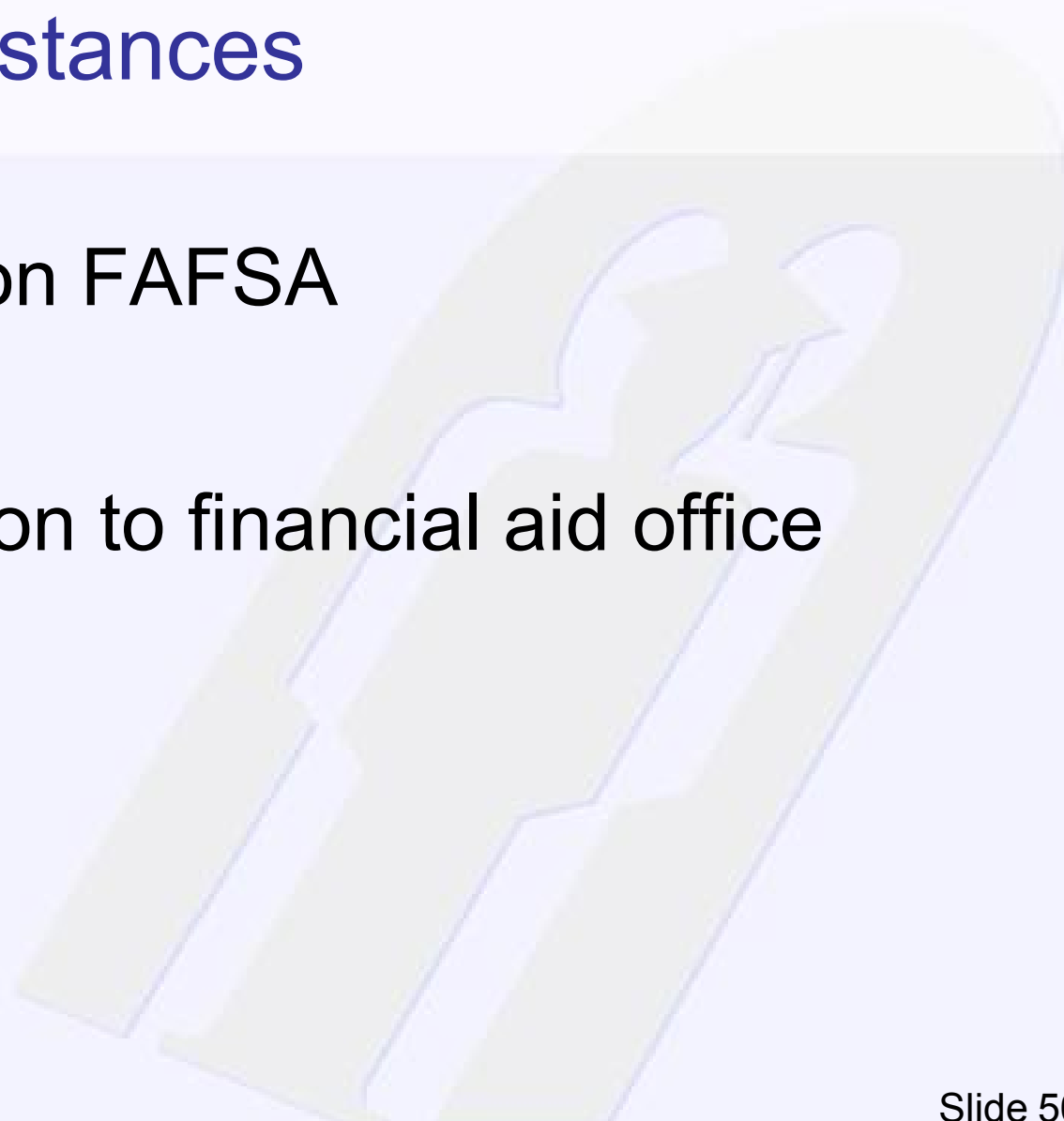
Making Corrections

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 Acknowledgment cannot be used to make corrections); or
- Submitting documentation to college's financial aid office

Special Circumstances

- Cannot report on FAFSA
- Send explanation to financial aid office at each college



Special Circumstances

College reviews special circumstances

- Request additional documentation
- Decisions are final and cannot be appealed to U.S. Department of Education

Special Circumstances

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

What's Next?

- Complete Application for FA Process
 - FAFSA, STATE, INSTITUTIONAL, OTHER
- Receive AWARD LETTER – complete and return
- The GAP?
 - Payment plans, Summer employment, Work Study, PLUS, Professional Judgment



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS