

National Association of Student Financial Aid Administrators

What You Need to Know About Financial Aid

© NASFAA 2007

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

Slide 2 © NASFAA 2007

What is Financial Aid?

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

Slide 3 © NASFAA 2007

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

Slide 4 © NASFAA 2007

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

Slide 5 © NASFAA 2007

What is Financial Need

Cost of Attendance

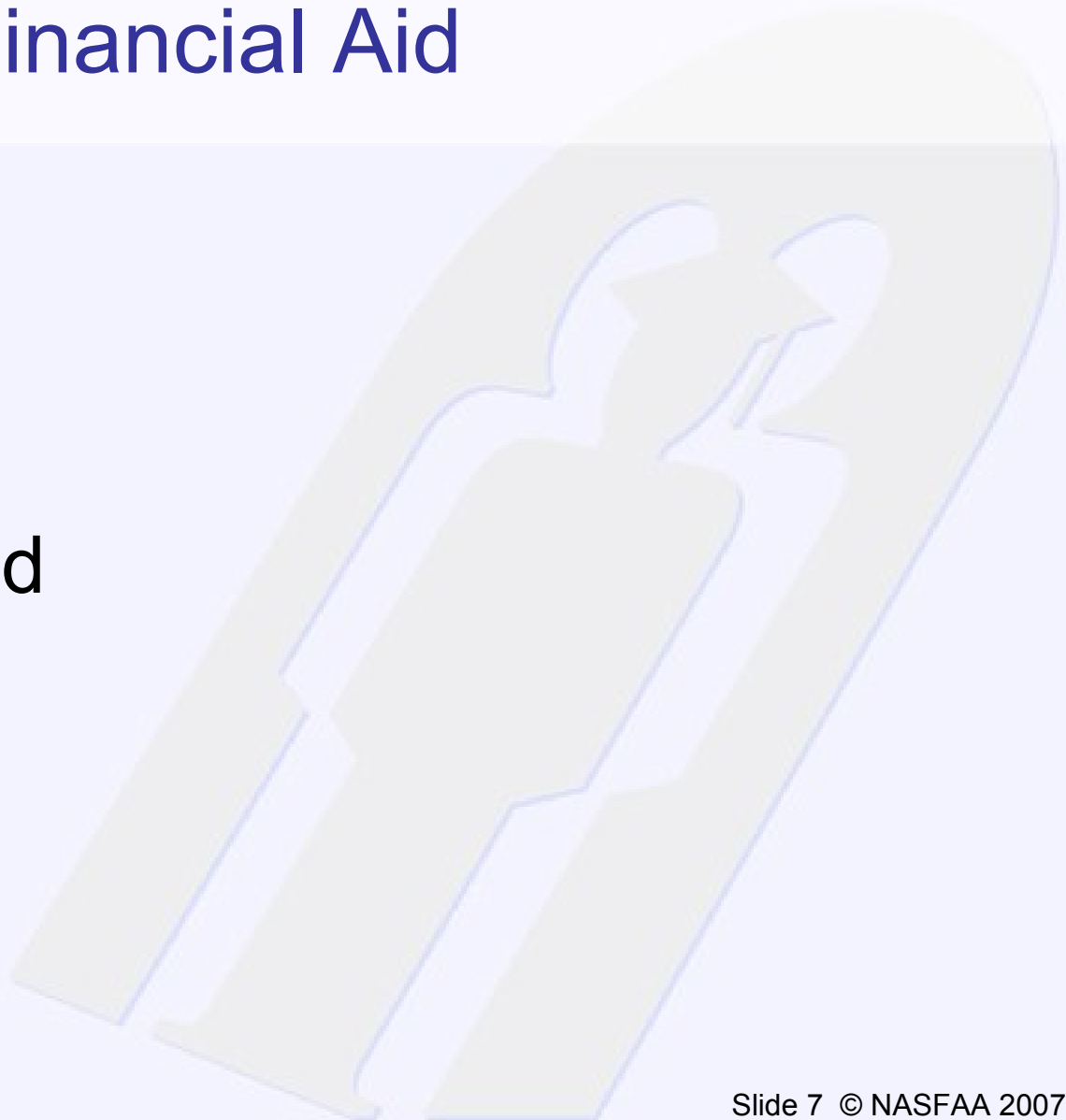
– Expected Family Contribution

= Financial Need

Slide 6 © NASFAA 2007

Categories of Financial Aid

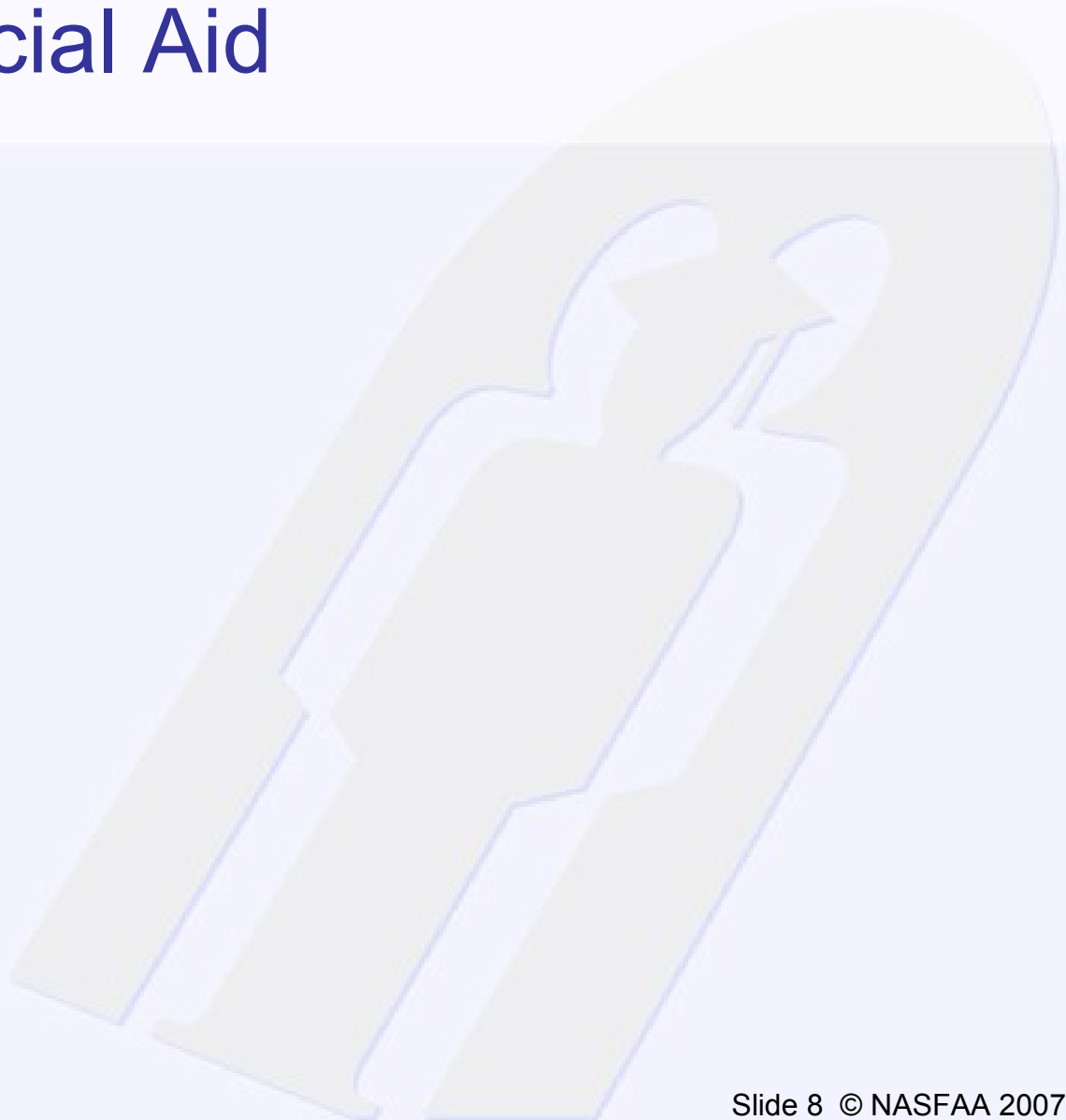
- Need-based
- Non need-based



Slide 7 © NASFAA 2007

Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment



Slide 8 © NASFAA 2007

Scholarships

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

Slide 9 © NASFAA 2007

Grants

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

Slide 10 © NASFAA 2007

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

Slide 11 © NASFAA 2007

Employment

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

Slide 12 © NASFAA 2007

Sources of Financial Aid

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

Slide 13 © NASFAA 2007

Federal Government

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

Slide 14 © NASFAA 2007

Common Federal Aid Programs

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

Slide 15 © NASFAA 2007

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

Slide 16 © NASFAA 2007

Private Sources

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

Slide 17 © NASFAA 2007

Florida Programs

Florida Bright Futures

- FL Academic
- FL Medallion
- FL Vocational Gold Seal

- FL Resident Access Grant
- FL Student Assistance Grant
- Other FL scholarship programs

Slide 18 © NASFAA 2007

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

Slide 19 © NASFAA 2007

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

Slide 20 © NASFAA 2007

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 2008-09 academic year, the FAFSA may be filed beginning January 1, 2008
- Colleges may set FAFSA filing deadlines

Slide 21 © NASFAA 2007

FAFSA on the Web



- Web site: www.fafsa.ed.gov
- 2008-09 FAFSA on the Web available on January 1, 2008
- FAFSA on the Web Worksheet:
 - Used as “pre-application” worksheet
 - Questions follow order of FAFSA on the Web

Slide 22 © NASFAA 2007

FAFSA on the Web

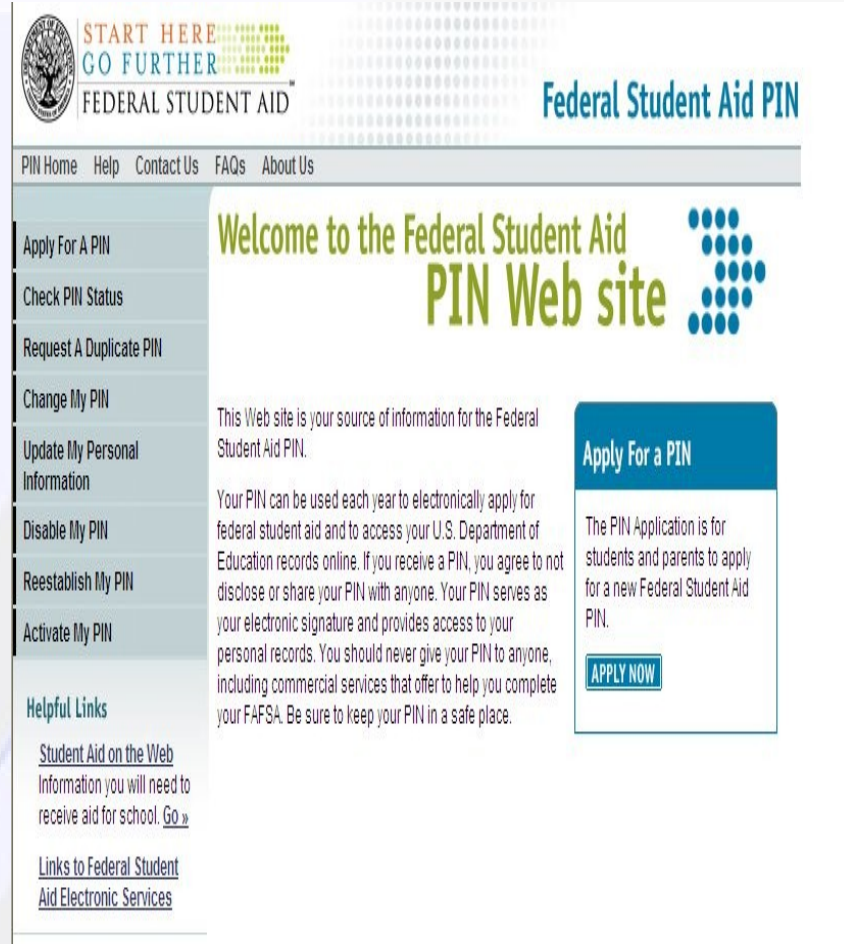
Good reasons to file electronically:

- 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

Slide 23 © NASFAA 2007

Student Financial Aid (SFA) PIN

- Web site:
www.pin.ed.gov
- Sign FAFSA electronically
- Can request PIN before January 1, 2008
- 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 bar 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 graphic of blue dots. Below this is a section titled "Apply For a PIN" with a blue button labeled "APPLY NOW". To the left of the main content is a vertical menu with links: "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 "Helpful Links" section with two links: "Student Aid on the Web" and "Links to Federal Student Aid Electronic Services".

Slide 24 © NASFAA 2007

FAFSA on the Web Worksheet

2008-09 FAFSA on the Web Worksheet—
8-page booklet containing:

- Instructions
- 97 questions in 5 sections
- Worksheets A, B, and C

Slide 25 © NASFAA 2007

FOTW Worksheet: Section 1

General student information:

- Name
- State of legal residence
- Social Security Number
- Driver's license number

Slide 26 © NASFAA 2007

FOTW Worksheet: Section 1

General student information:

- Citizenship
- Marital status
- Date of legal residence
- Selective Service registration status

Slide 27 © NASFAA 2007

FOTW Worksheet: Section 1

General student information:

- Self-help preferences
- Receipt of first bachelor's degree
- Parents' educational background
- Drug conviction status

Slide 28 © NASFAA 2007

FOTW Worksheet: Section 2

Student's dependency status:

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

Slide 29 © NASFAA 2007

FOTW Worksheet: Section 3

Data for parents of dependent students:

- Parents' marital status
- Date of parents' marital status

Slide 30 © NASFAA 2007

FOTW Worksheet: Section 3

Data for parents of dependent students:

- E-mail address (optional)
- Social Security Number
- Last name
- Date of birth

Slide 31 © NASFAA 2007

FOTW Worksheet: Section 3

Data for parents of dependent students:

- State and date of legal residence

Slide 32 © NASFAA 2007

FOTW Worksheet” Section 3

Financial data for parents of dependent students:

- Tax filing status and return type
- If parents filed or will file a 1040, were they eligible to file a 1040A or 1040EZ?

Slide 33 © NASFAA 2007

FOTW Worksheet: Section 3

Data for parents of dependent students:

- Did anyone in the parents' household receive benefits from any of the federal programs listed?

Slide 34 © NASFAA 2007

FOTW Worksheet: Section 3

Financial data for parents of dependent students:

- Adjusted Gross Income (AGI) for 2007
- Income earned from work
- Income tax paid for 2007

Slide 35 © NASFAA 2007

FOTW Worksheet: Section 3

Data for parents of dependent students:

- Exemptions claimed for 2007
- Household size
- Number in college

Slide 36 © NASFAA 2007

FOTW Worksheet: Section 3

Financial data for parents of dependent students:

- Complete the worksheets on page 8 (right hand side)
 - Worksheets A and B capture untaxed income
 - Worksheet C-collects income excluded from EFC calculation

Slide 37 © NASFAA 2007

FOTW Worksheet: Section 3

Asset data for parents of dependent students:

- Cash, savings, and checking
- Net worth of investments
- Net worth of business and investment farms

Slide 38 © NASFAA 2007

FOTW Worksheet: Section 4

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?

Slide 39 © NASFAA 2007

FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Adjusted gross income (AGI) for 2007
- Income tax paid for 2007

Slide 40 © NASFAA 2007

FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Exemptions claimed for 2007
- Income earned from work

Slide 41 © NASFAA 2007

FOTW Worksheet: Section 4

Data about the independent student (and spouse):

- Household size
- Number in college
- Did a member of the student's household receive benefits from any of the federal programs listed?

Slide 42 © NASFAA 2007

FOTW Worksheet: Section 4

Financial data for student (and spouse):

- Complete the worksheets on page 8 (left-hand side)
 - Worksheets A and B capture untaxed income
 - Worksheet C collects income excluded from EFC calculation

Slide 43 © NASFAA 2007

FOTW Worksheet: Section 4

Asset information for the student (and spouse):

- Cash, savings, and checking
- Net worth of investments
- Net worth of business and investment farms

Slide 44 © NASFAA 2007

FOTW Worksheet: Section 4

Information about student's veteran's benefits:

- Number of months benefits will be received during the 2008-09 academic year
- Monthly benefit amount

Slide 45 © NASFAA 2007

FOTW Worksheet: Section 5

List up to 10 colleges to receive FAFSA data:

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

Slide 46 © NASFAA 2007

Signatures

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

Slide 47 © NASFAA 2007

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

Slide 48 © NASFAA 2007

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

Slide 49 © NASFAA 2007

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

Slide 50 © NASFAA 2007

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

Slide 51 © NASFAA 2007

Student Aid Report

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

Slide 52 © NASFAA 2007

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

Slide 53 © NASFAA 2007

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

Slide 54 © NASFAA 2007

Special Circumstances

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

Slide 55 © NASFAA 2007

FL Prepaid Tuition Program

- Where does it fit in?
- Not considered financial aid

Slide 56 © NASFAA 2007

Your College Will Assist You With

- How to access their student records, account, etc.
- How they post financial aid to their system
- Information on how the institution does business

Slide 57 © NASFAA 2007



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



Slide 59 © NASFAA 2007