


# What You Need to Know About Financial Aid

National Association of Student  
Financial Aid Administrators Presents ...

## What You Need to Know About Financial Aid



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### 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



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### What is Financial Aid?

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



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# What You Need to Know About Financial Aid

## What is Cost of Attendance (COA)?

-  Tuition and fees
-  Room and board
-  Books and supplies
-  Transportation
-  Miscellaneous personal expenses



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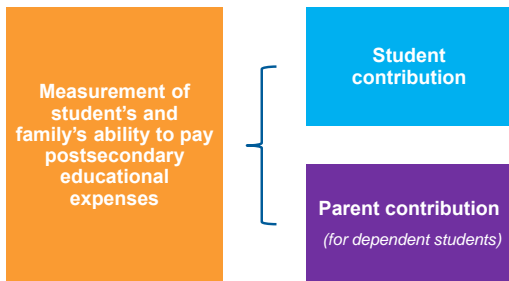
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## What is Expected Family Contribution (EFC)?



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## What is Financial Need?

$$\begin{aligned} &\text{Cost of attendance (COA)} \\ &- \text{Expected family contribution (EFC)} \\ \hline &= \text{Financial need} \end{aligned}$$



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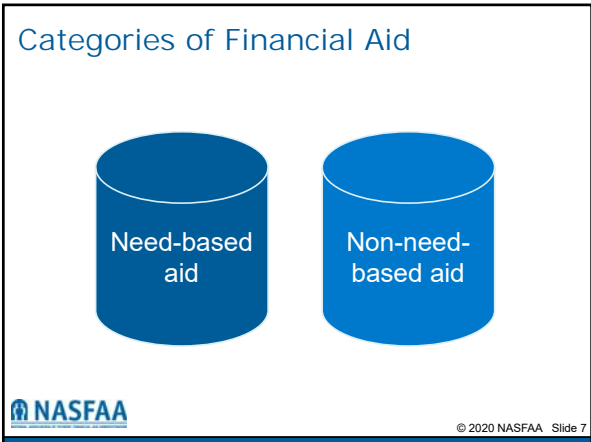
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# What You Need to Know About Financial Aid



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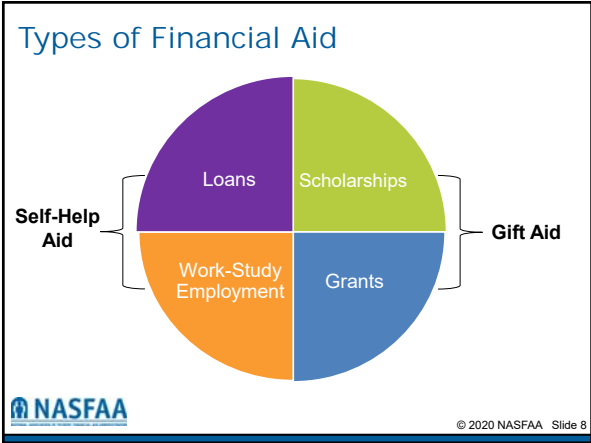
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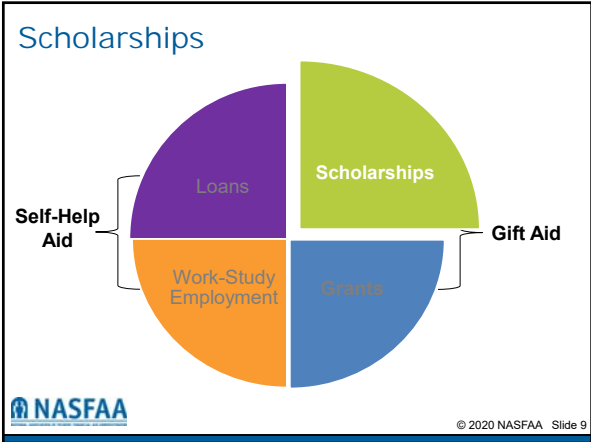
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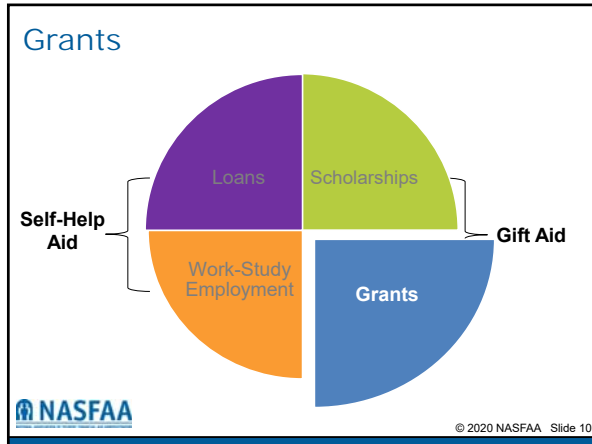
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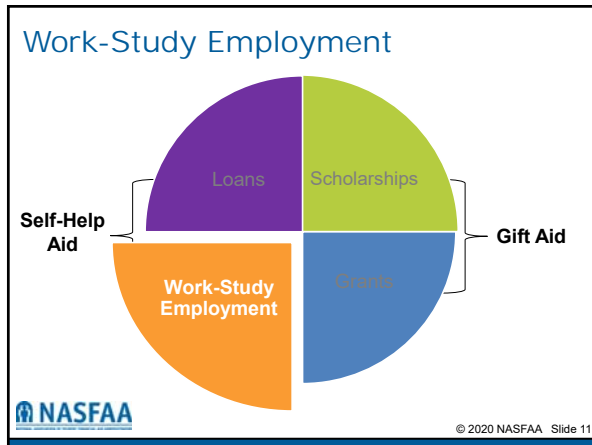
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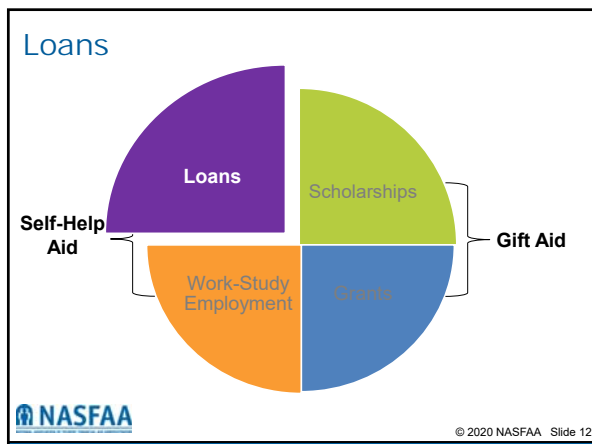
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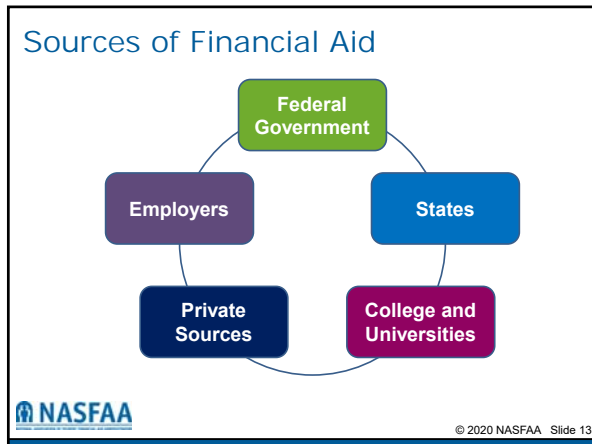
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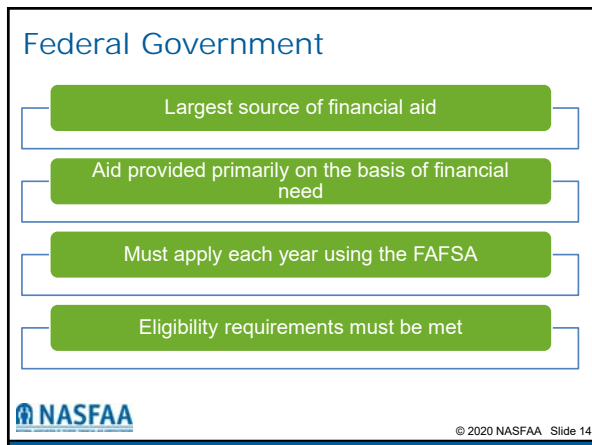
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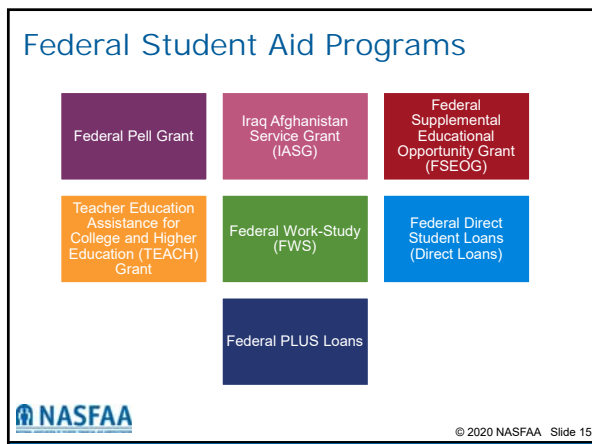
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# What You Need to Know About Financial Aid

States

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

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Colleges and Universities

- Aid provided 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

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Private Sources

- Foundations, businesses, churches, civic, and charitable organizations
- Deadlines and applications procedures vary
- Begin researching private sources early

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# 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

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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 offer financial aid
- Available in English and Spanish

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Free Application for Federal Student Aid (FAFSA®)

- May be filed at any time during an academic year, but no earlier than October 1<sup>st</sup> prior to the academic year for which the student requests aid
- For the 2021-22 academic year, the FAFSA may be filed beginning October 1, 2020
- Colleges may set FAFSA priority dates

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# What You Need to Know About Financial Aid

Free Application for Federal Student Aid (FAFSA®)

- FAFSA on the Web (FOTW)
- myFAFSA via myStudentAid mobile app
- Paper (PDF) FAFSA
- FAFSA on the Phone (FOTP)
- FAA Access to CPS Online

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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

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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

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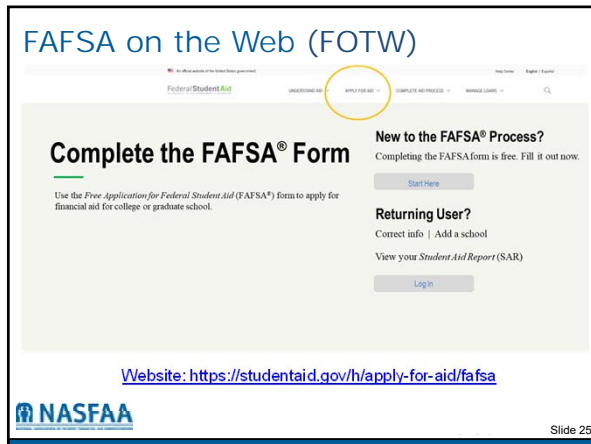
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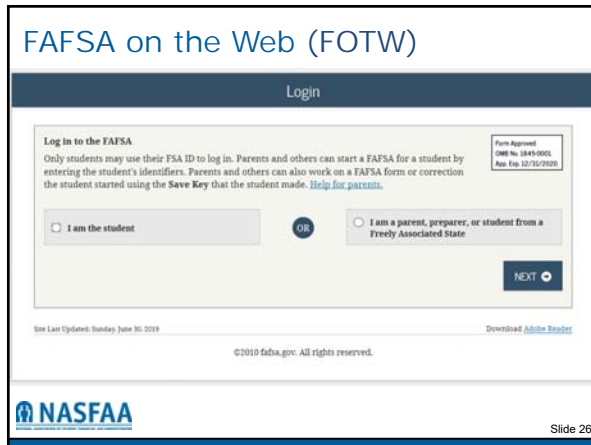
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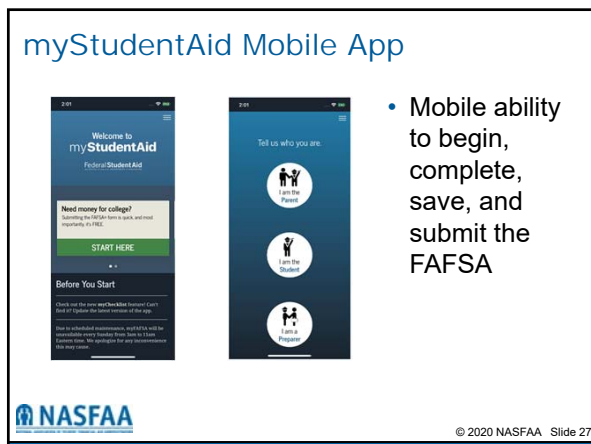
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# What You Need to Know About Financial Aid

myStudentAid Mobile App

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

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myStudentAid Mobile App

- FAFSA completion tracked
- Successful completion of each section indicated

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myStudentAid Mobile App

- Agreement of Terms checkbox
- Confirmation of submission
- Estimated EFC calculation

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# 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 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



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## IRS Data Retrieval Tool

Certain tax filers cannot use the IRS Data Retrieval Tool

Did not indicate on FAFSA a tax return was completed	Marriage date is January 2020, or later	First three digits of the SSN are 666	Filed a non-U.S. tax return	Married and filed as head of household, or filed separate returns	Neither married parent entered a valid SSN	Non-married parent or both married parents entered all zeroes for the SSN
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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 an FSA ID
- Apply at <https://fsaid.ed.gov/npas/index.htm>



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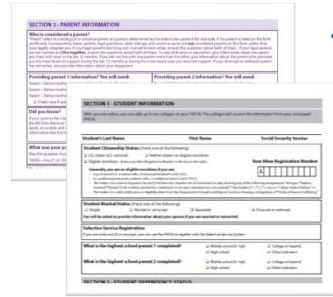
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# What You Need to Know About Financial Aid

## FOTW Worksheet



- Preview of questions that may be asked regarding basic information for the student and parent, if applicable



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## 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



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## 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



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# What You Need to Know About Financial Aid

## 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



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## 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



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## Additional Information

- College information
- Housing plans
- FAFSA preparer information



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# 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



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## 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



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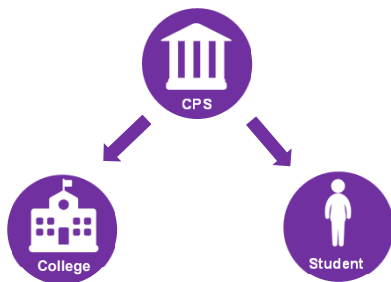
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## FAFSA Processing Results



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# What You Need to Know About Financial Aid

## Email Notification of SAR Processing



- If valid email address is provided on FAFSA
- Provides access to electronic SAR at [www.studentaid.gov](http://www.studentaid.gov)

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## 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

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## Institutional Student Information Record (ISIR)



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

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# What You Need to Know About Financial Aid

## 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.



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## 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



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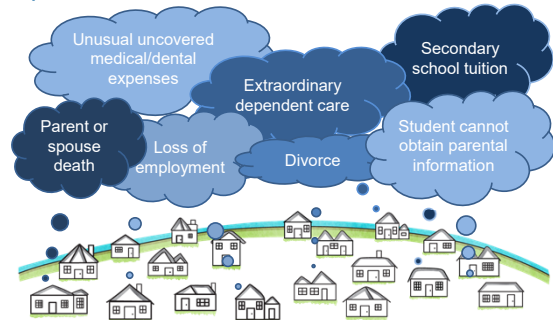
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## Special Circumstances



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# What You Need to Know About Financial Aid



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