

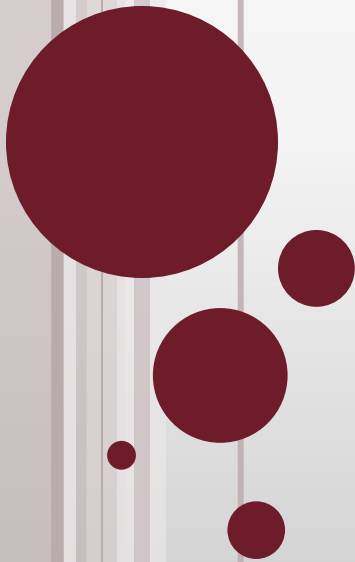
Financial Aid 101

An Investigation Into Financing a College Career

Melissa Lacombe

Associate Director of Financial Aid

Roanoke College



WHAT ARE WE GOING TO TALK ABOUT?

- College Costs for the Future
- Applying for Financial Aid
- Types of Financial Aid
- Additional Notes



College Costs for the Future



How much did you say it was going to cost my student?

- College costs are continuing to rise at rates greater than inflation
- Estimated 3% to 5% increase each year
- Since the early 00's, cost of attendance at four-year public colleges has risen dramatically
 - *To get an idea of what college might cost by the time you get ready to matriculate, visit the College Board's College Cost Calculator online at: http://apps.collegeboard.com/fincalc/college_cost.jsp*
- To find out how much a specific college costs, go to their website and search there.

But wait... *there is good news!*



- As costs are going up, colleges are doing more to try and keep these costs in line for families
 - *At Roanoke College, 85% of our enrolled students receive aid*
 - *At Radford University, 70% of their students receive aid*

So remember, very few families will be expected to foot the whole college bill with no financial assistance at all!



Be careful that your student does not dismiss an institution right away just because of “sticker price”!



Applying for Financial Aid



College/Academic Merit Aid

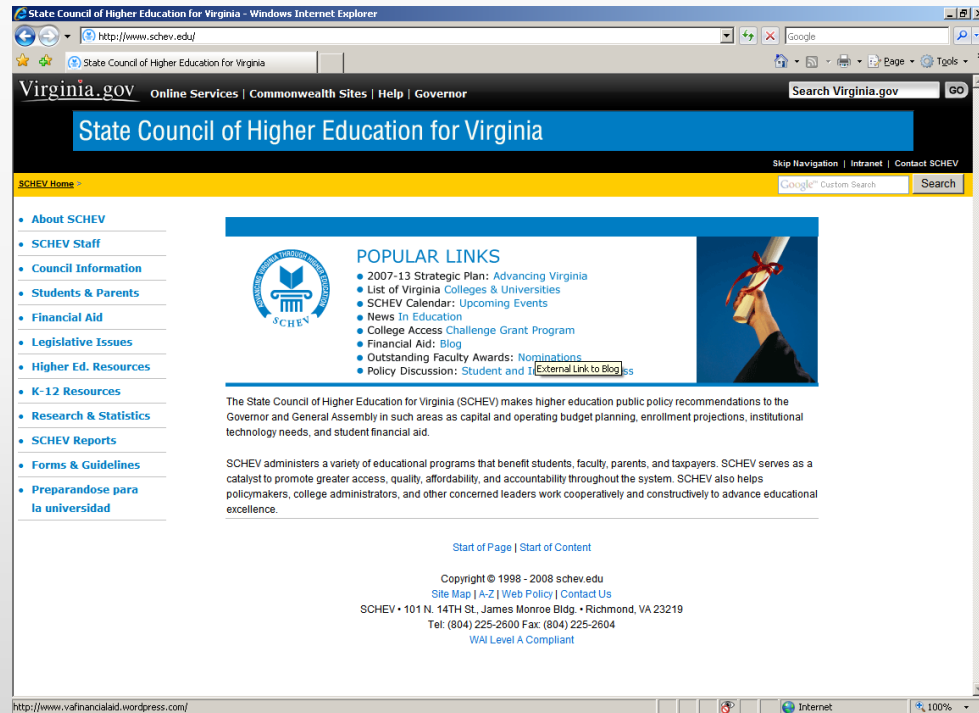


- College grants and scholarships are gifts
- They do not need to be repaid
- May require separate application
 - *Some institutions require the completion of the College Board Financial Aid Profile (CSS Profile)*
 - *Series of 200 questions*
 - *There is a \$5.00 fee to register and another \$18.00 charge per school*
 - *Common among the more expensive schools (In Virginia: Hampden Sydney and W & L)*
- Awarded for a variety of reasons
 - *Proven High School performance*
 - *Scholarship Competition/Honors Program*
 - *Athletic*
 - *Music/Choral ability*
- Roanoke College automatically awards students upon their acceptance to the college
 - *High School GPA (recalculated to include core classes only)*
 - *CollegeBoard Test scores (SAT/ACT)*



Federal/Need-Based Aid

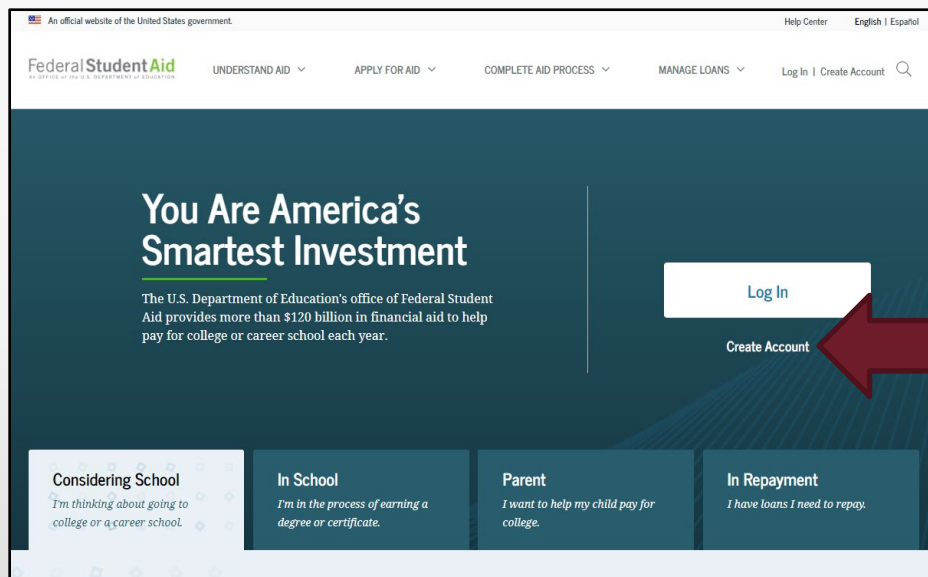
- Completion of the Free Application for Federal Student Aid (FAFSA) is recommended for everyone!
 - Applications available OCTOBER 1 online at <https://studentaid.gov/>
 - Deadlines for states or colleges will vary
 - *State Council of Higher Education for Virginia website www.schev.edu*



- Check with a Financial Aid Office at the college about state and institutional sources of student aid and their specific deadlines

How Does the Student File the FAFSA?

- FAFSA can be filed via paper or the web at <https://studentaid.gov/>
- If filing online, students and parents need a U.S. Department of Education Federal Student Aid (FSA) ID and password



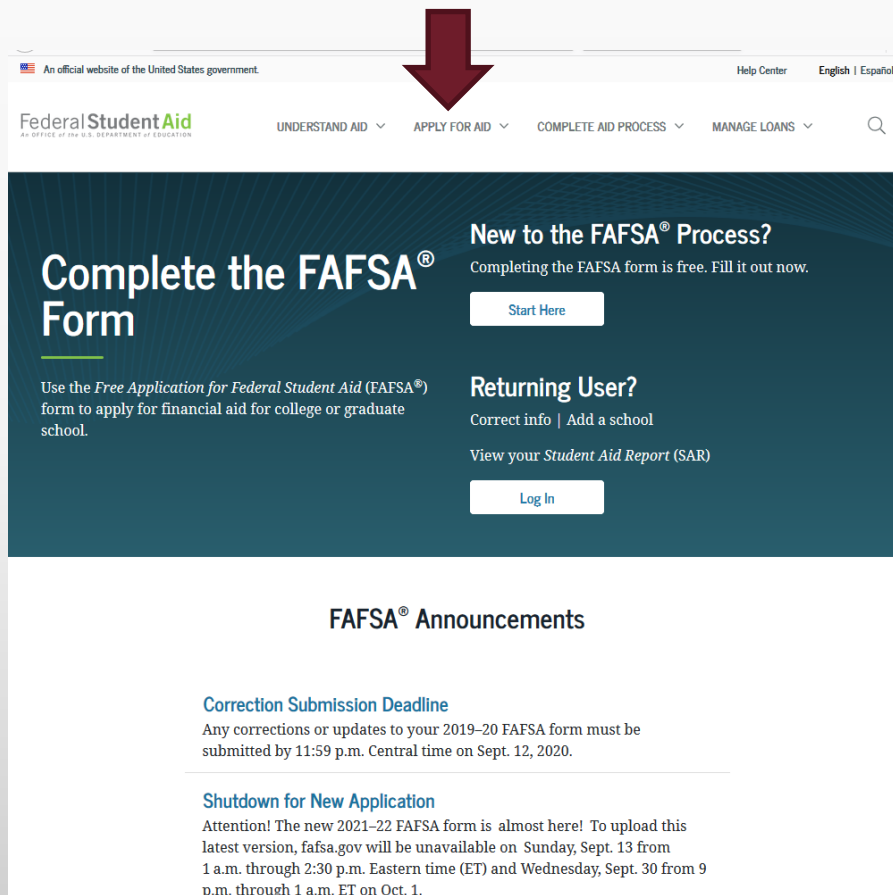
- FSA ID and password can be used for:
 - *FAFSA on the Web (FAFSA and submission of corrections)*
 - *Submission of loan documents for student and parent*
 - *National Student Loan Data System*
 - *Direct Loan Servicing Options*
- If filing online, results will be received faster



FAFSA on the Web

<https://studentaid.gov/>

- Free U.S. Department of Education Web site where you can complete a FAFSA online
- Submits data directly to the U.S. Department of Education's Central Processing System (CPS)
- CPS will process your application within 72 hours



The screenshot shows the FAFSA on the Web homepage. At the top, there is a navigation bar with the text "An official website of the United States government." and "Help Center English | Español". Below this is the "Federal Student Aid" logo and a menu with options: "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", and "MANAGE LOANS". A large red arrow points to the "APPLY FOR AID" button. The main content area has a dark blue background with the heading "Complete the FAFSA® Form". Below this, it says "Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school." To the right, there are two sections: "New to the FAFSA® Process?" with a "Start Here" button, and "Returning User?" with links for "Correct info", "Add a school", and "View your Student Aid Report (SAR)", along with a "Log In" button. At the bottom, there is a section titled "FAFSA® Announcements" with two items: "Correction Submission Deadline" and "Shutdown for New Application".

Complete the FAFSA® Form

Use the *Free Application for Federal Student Aid (FAFSA®)* form to apply for financial aid for college or graduate school.

New to the FAFSA® Process?
Completing the FAFSA form is free. Fill it out now.
[Start Here](#)

Returning User?
[Correct info](#) | [Add a school](#)
[View your Student Aid Report \(SAR\)](#)
[Log In](#)

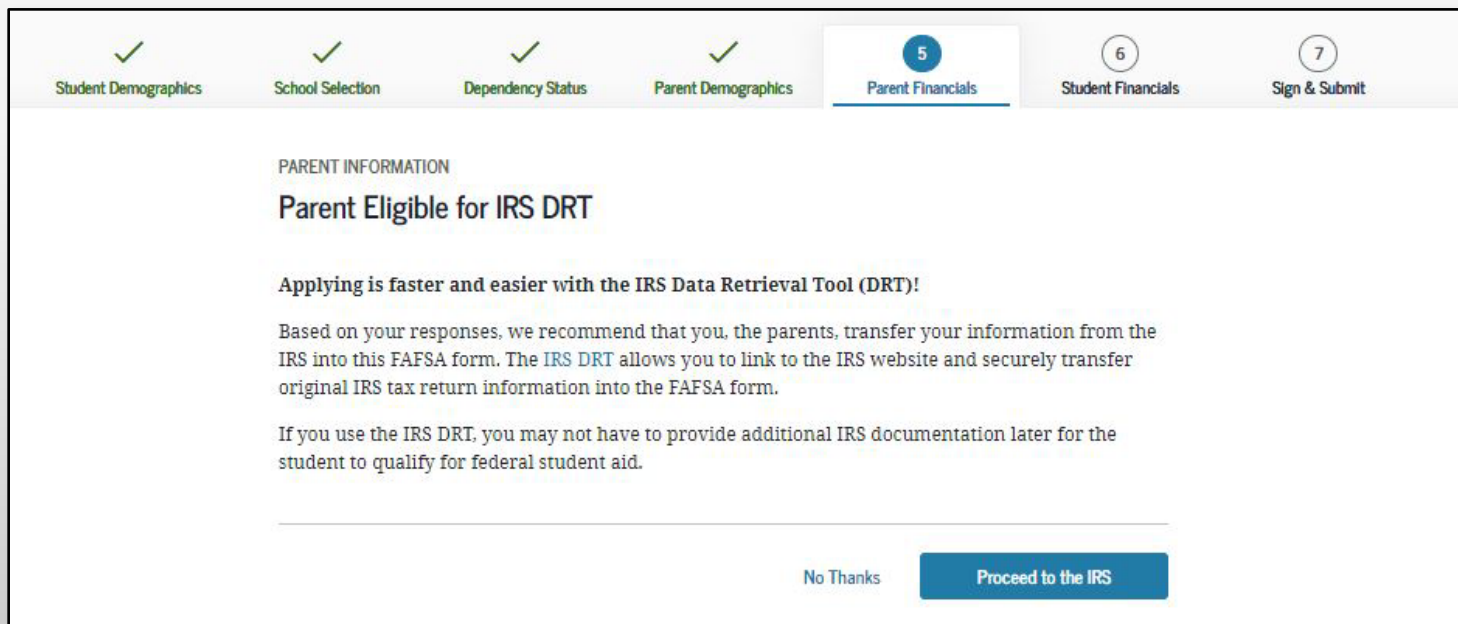
FAFSA® Announcements

Correction Submission Deadline
Any corrections or updates to your 2019–20 FAFSA form must be submitted by 11:59 p.m. Central time on Sept. 12, 2020.

Shutdown for New Application
Attention! The new 2021–22 FAFSA form is almost here! To upload this latest version, [fafs.gov](https://studentaid.gov/) will be unavailable on Sunday, Sept. 13 from 1 a.m. through 2:30 p.m. Eastern time (ET) and Wednesday, Sept. 30 from 9 p.m. through 1 a.m. ET on Oct. 1.

Utilizing the IRS Data Retrieval Tool (DRT)

- If eligible to utilize the DRT tool, you will be prompted to “Proceed to the IRS”
- Utilize the tool whenever possible
 - Ensures accurate entry of financial information (for student and parent)
- Make no changes to imported data



The screenshot displays the FAFSA application progress bar at the top, with steps 1 through 7. Steps 1-4 (Student Demographics, School Selection, Dependency Status, Parent Demographics) are marked with green checkmarks. Step 5, 'Parent Financials', is the current step, indicated by a blue circle with the number 5. Steps 6 ('Student Financials') and 7 ('Sign & Submit') are shown with grey circles and numbers. Below the progress bar, the section is titled 'PARENT INFORMATION' and 'Parent Eligible for IRS DRT'. A message states: 'Applying is faster and easier with the IRS Data Retrieval Tool (DRT)!'. It explains that based on responses, it is recommended to transfer information from the IRS into the FAFSA form using the IRS DRT to link to the IRS website and securely transfer original IRS tax return information. It also notes that using the IRS DRT may eliminate the need for additional IRS documentation later. At the bottom, there are two buttons: 'No Thanks' and 'Proceed to the IRS'.

Student Demographics ✓ School Selection ✓ Dependency Status ✓ Parent Demographics ✓ **5 Parent Financials** 6 Student Financials 7 Sign & Submit

PARENT INFORMATION

Parent Eligible for IRS DRT

Applying is faster and easier with the IRS Data Retrieval Tool (DRT)!

Based on your responses, we recommend that you, the parents, transfer your information from the IRS into this FAFSA form. The [IRS DRT](#) allows you to link to the IRS website and securely transfer original IRS tax return information into the FAFSA form.

If you use the IRS DRT, you may not have to provide additional IRS documentation later for the student to qualify for federal student aid.

No Thanks Proceed to the IRS

What Happens After the Student Completes the FAFSA?

- Application sent to Mount Vernon, Illinois for processing
- Calculation of Expected Family Contribution (EFC) Begins!
 - FAFSA is the means by which the Department of Education officially compiles an income/asset evaluation
 - Determines how much a family can contribute to the cost of college (EFC)
 - Principles of Need Analysis
 - *To the extent they are able, parents have primary responsibility to pay for their dependent children's education*
 - *Students also have a responsibility to contribute to the educational costs*
 - *Families should be evaluated in their present financial condition*
 - *A family's ability to pay for educational costs must be evaluated in an equitable and consistent manner, recognizing that special circumstances can and do affect its ability to pay*



How Does the Department of Education Come Up With an EFC?



- Not a random process
- Based on a calculation that is composed by Congress (Federal Methodology)
- Formula created by Congress to determine the EFC
 - *Parent Income*
 - *Taxed and Untaxed*
 - *Protection allowance for taxes and basic living expenses*
 - *Parent Assets*
 - *Stocks, bonds, trusts, savings and business assets*
 - *Allows for an asset protection allowance*
 - *Student Income*
 - *Taxed and Untaxed*
 - *Protection allowance (must contribute 50% of everything above this amount)*
 - *Student Assets*

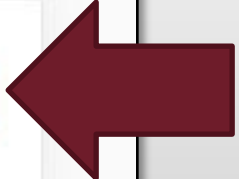


After the calculation is completed, what's next?

- The student will receive a Student Aid Report (SAR) from the processor
 - *Notification will be emailed to student*
 - *Check SPAM folders*
 - *Link is only active for a short period of time*

You may take the following additional actions:

	Edit FAFSA Form Change incorrect information on a previous FAFSA submission.	Edit FAFSA Form
	View Student Aid Report View your EFC, FAFSA answers, and financial aid history.	View Student Aid Report



2022–23 Student Aid Report

[Print SAR](#)[FAFS](#)[Processing Results](#) →

TRANSACTION 01

Processing Results

[FAFSA Data](#)[School Information](#)[Financial Aid History](#)[Corrections History](#)Application Receipt Date:
10/01/2021Processed Date:
12/09/2022Data Release Number (DRN)
4431[Learn about federal tax benefits for education, including the American Opportunity tax credit.](#)Expected Family Contribution: 0*

Based on the information we have on record for you, your Expected Family Contribution (EFC) is 0. You may be eligible to receive a Federal Pell Grant and other federal student aid. Your school will use your EFC to determine your financial aid eligibility for federal grants, loans, and work-study funds, and possible funding from your state and school.

Your *Free Application for Federal Student Aid* (FAFSA®) form has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you (and your spouse).

There is a limit to the total amount of Federal Pell Grants that a student may receive, which is the equivalent of six school years. Based on information reported to the *National Student Loan Data System* (NSLDS®) database by the schools you have attended, you have received Federal Pell Grants for the equivalent of between one-half and one school year.

There is a limit to the total amount of subsidized Federal student loans that you may receive. Visit [StudentAid.gov/sub-unsub](https://studentaid.gov/sub-unsub) for more information.

You reported that you are or were in foster care. You may be eligible for assistance through federal programs for foster youth, such as the John H. Chafee Foster Care Independence Program and/or the Education and Training Voucher (ETV) Program. For more information contact your state ETV coordinator. Find contact information at childwelfare.gov/organizations.

Based on your EFC of 0, you may be eligible to receive a Federal Pell Grant of up to \$6,495 for the 2022–23 school year provided you have not met or exceeded the lifetime limit established for the Federal Pell Grant program.

[Back to FAFSA Home](#)

- The student will receive a Student Aid Report (SAR) from the processor
 - *Displays the EFC*
 - *Shows any edit errors*
- Students will receive the SAR approximately 2 - 4 weeks after submission

Additional Things to Note About the SAR

- All institutions listed on the FAFSA will receive an electronic copy of the same SAR
- Each school will then initiate the awarding of federal and/or state funds.
- It is VERY IMPORTANT that the information on this form is accurate!
 - *Be sure to check your SAR over carefully for errors!*
 - *Both parent and student should review entire form, paying particular attention to the first page*

Student's School Information	
101a. First Federal School Code:	001002
101b. First Housing Plans:	On Campus
101c. Second Federal School Code:	001004
101d. Second Housing Plans:	On Campus
101e. Third Federal School Code:	E00006
101f. Third Housing Plans:	On Campus
101g. Fourth Federal School Code:	
101h. Fourth Housing Plans:	
101i. Fifth Federal School Code:	
101j. Fifth Housing Plans:	
101k. Sixth Federal School Code:	
101l. Sixth Housing Plans:	
101m. Seventh Federal School Code:	
101n. Seventh Housing Plans:	
101o. Eighth Federal School Code:	
101p. Eighth Housing Plans:	
101q. Ninth Federal School Code:	
101r. Ninth Housing Plans:	
101s. Tenth Federal School Code:	
101t. Tenth Housing Plans:	

Student Dependency Status	
45. Was the student born before January 1, 1998?	No
46. Is the student married?	No
47. Is the student working on master's degree or doctorate in 2022-2023?	No
48. Is the student on active duty in U.S. armed forces?	No
49. Is the student a veteran?	No
50. Does the student support children?	No
51. Does the student support other dependents?	No
52. Is the student a ward of court or in foster care or are the student's parents deceased?	No
53. Is the student an emancipated minor?	No
54. Is the student in a legal guardianship?	No
55. Is the student unaccompanied and homeless as determined by a high school homeless liaison?	No

84. 2019 Adjusted Gross Income:	\$118,500
85. 2019 U.S. Income Tax Paid:	\$6,432
86. 1st Parent 2020 Income Earned from Work:	
87. 2nd Parent 2020 Income Earned from Work:	\$118,500
88. Total of Cash, Savings, and Checking Accounts:	
89. Net Worth of Current Investments:	
90. Net Worth of Businesses/Investment Farms:	
91a. Education Credits:	\$3,735
91b. Child Support Paid:	\$0
91c. Taxable Earnings from Work-Study:	\$0
91d. College Grant and Scholarship Aid:	\$0
91e. Taxable Combat Pay:	\$0
91f. Cooperative Education Earnings:	\$0
92a. Payments to Tax-Deferred Pensions/Retirement Savings:	\$0
92b. Deductible Payments to IRA/Roth/IR:	\$3,032
92c. Child Support Received:	\$0
92d. Tax-Exempt Interest Income:	\$797
92e. Unearned Portions of IRA Distributions and Pensions:	\$101
92f. Housing, Food, and Living Allowances:	\$0

92g. Veterans Student Education Benefits:	\$0
92h. Other Unearned Income or Benefits:	\$0
Student Financials	
33. Did the student file a 2020 income tax return?	Already completed
33. Student's Type of 2020 Tax Form Used:	1040 Form 1040
34. Student's 2020 Tax Return Filing Status:	Single
35. Did the student file a Schedule 1?	
36. Student's 2020 Adjusted Gross Income:	\$20,000
37. Student's 2020 U.S. Income Tax Paid:	\$1,200
38. Student's 2020 Income Earned from Work:	\$20,000
39. Spouse's 2020 Income Earned from Work:	
40. Student's Total of Cash, Savings, and Checking Accounts:	\$1,000
41. Student's Net Worth of Current Investments:	\$800
42. Student's Net Worth of Businesses/Investment Farms:	\$0
43a. Student's Education Credits:	\$0
43b. Student's Child Support Paid:	\$0
43c. Student's Taxable Earnings from Need-Based Employment Programs:	\$0

Common Errors to be Aware of When Filing the FAFSA

- Common errors to be aware of:
 - *Incorrect demographic information (especially social security numbers).*
 - *Student or parent income information or signatures are missing.*
 - *Number of family members in the household and in college do not correspond. (Example- A parent in college cannot be counted.)*
 - *Income figures were reported twice or not placed on the correct line.*
 - *Parents are divorced but both incomes were listed or a step-parent's information was not reported.*
 - *It is important to make sure that numbers are correctly entered on the application. The computer will not pick up any decimals. Round all figures. (Example- If you enter \$299.00 in the five spaces, it will be read as \$29,900)*
- Other issues to be aware of (highlighted on the first page of the SAR):
 - *Citizenship Issue*
 - *Social Security Conflict*



Now that I've checked my SAR, how does the school use this information to calculate an award?

- Cost of Attendance

- *Tuition and fees*
- *Room and board*
- *Books and supplies, equipment, transportation, and miscellaneous/personal expenses*
- *Cost of a Computer*
- *Loan fees*
- *Study abroad costs*
- *Dependent care expenses*
- *Expenses related to a disability*
- *Expenses for cooperative education program*

- Financial Need

- *Cost of Attendance – EFC*
- *Varies between schools due to cost differences*



How Does Need Vary Based Upon Cost?

- **EXAMPLE:** Sally is interested in three different universities but she is unsure what type of financial aid she may be eligible for. She completed a FAFSA and received her results on the SAR. Her **EFC is \$5,000**. What would her financial need look like at each college if their **cost of attendance** were the following: **\$30,000** (College 1), **\$15,000** (College 2), and **\$10,000** (College 3)?



College 1: \$30,000 - \$5,000 = Financial Need of \$25,000

College 2: \$15,000 - \$5,000 = Financial Need of \$10,000

College 3: \$10,000 - \$5,000 = Financial Need of \$5,000

- Each school then awards financial aid based upon this figure
- In the example, Sally has a great eligibility for aid at College 1 and will probably get a better financial aid package as a result



Types of Financial Aid



The Academic Merit Scholarships/Grants

- Grants and Scholarships are gifts
- They do not need to be repaid
- May require separate application
 - *Roanoke College automatically awards students upon their acceptance to the college*
- Awarded to students based on proven academic performance
- Look at such factors as high school GPA, class rank, SAT/ACT scores
- Depending upon the institution, may have funds available for musicians, athletes or other talented individuals
- Many institutions also offer scholarship competitions and/or honors programs, that may require a separate application
- Many of these awards are offered for up to 4 years assuming the recipient maintains the required GPA



Need-Based Programs

You will need to complete the Free Application for Federal Student Aid (FAFSA) to determine eligibility for federal programs and other aid opportunities. It can be completed anytime after October 1.

- The Federal Pell Grant Program
 - *Made to undergraduates with high need.*
 - *Awards for 2021-2022 range from \$672 to \$6,495.*
 - *Eligibility and the actual amount are determined by the U.S. Department of Education.*
- Federal Supplemental Educational Opportunity Grant (SEOG)
 - *Provides grants to students with high financial need, with consideration given to Federal Pell Grant recipients.*
 - *The typical Roanoke College award ranges from \$200 to \$400.*



Need-Based Programs

- Supplemental Grant
 - *Awarded to students who can demonstrate financial need.*
 - *Designed to help middle class families.*
- Virginia Commonwealth Award
 - *High need, Federal Pell Grant recipients from Virginia*
 - *Must attend a PUBLIC University in VA*
 - *Undergraduate and Graduate students*
 - *Students with the greatest need receive the largest awards*
 - *Amount: Varies by institution*
 - *Renewal requires Satisfactory Academic Progress*



Need-Based Programs

- Federal Stafford Loans
 - *Subsidized*
 - *Available to all students who demonstrate financial need*
 - *Government pays the interest, principle deferred*
 - *Unsubsidized*
 - *Available to all students who do not demonstrate financial need*
 - *Student pays interest, principle deferred.*
 - *Loan amounts:*
 - *Freshmen: \$5,500 (no more than \$3,500 Sub)*
 - *Sophomore: \$6,500 (no more than \$4,500 Sub)*
 - *Junior/Senior: \$7,500 (no more than \$5,500 Sub)*
 - *Interest Rate: 3.73% fixed for 21/22*
 - *6 month grace period, 10 year repayment*



Need-Based Programs

- Federal Work-Study Program
 - *Allows students to earn money while working in a campus job.*
 - *Awards may range depending on institution*
 - *Roanoke's average award is \$1,500*
 - *How do student's find jobs?*
 - *Some institutions may assign positions to students*
 - *Others will leave it up to the student to find employment on their own*
 - *Interview*
 - *Application*
 - *Where might I work?*
 - *Commonly on campus*
 - *Select off campus locations*
 - *America Reads*
 - *Community Service Organization*
 - *Must be an approved location – decision made by school*



Entitlement Funds

Entitlement funds are awarded according to either geographical location or religious affiliation.

- Institutional Awards (Lutheran Grant)
- Virginia Tuition Assistance Grant
 - *Bona-fide residents of Virginia who are enrolled in a VA Private college*
- Virginia Guaranteed Assistance Program (VGAP)
 - *Graduates of Virginia HS (2.5 GPA) who are enrolled in a Public VA University*
 - *Awards Range by institution*
 - *Renewed for up to 3 additional years*
- Virginia Transfer Grant Program
 - *Recipient must be a first-time transfer minority student from an accredited institution*
 - *Award amount is \$1,000 per academic year*
 - *Requires applicants to have a cumulative transfer GPA of at least 2.0*
 - *Minimum number of college-level courses prior to transfer*



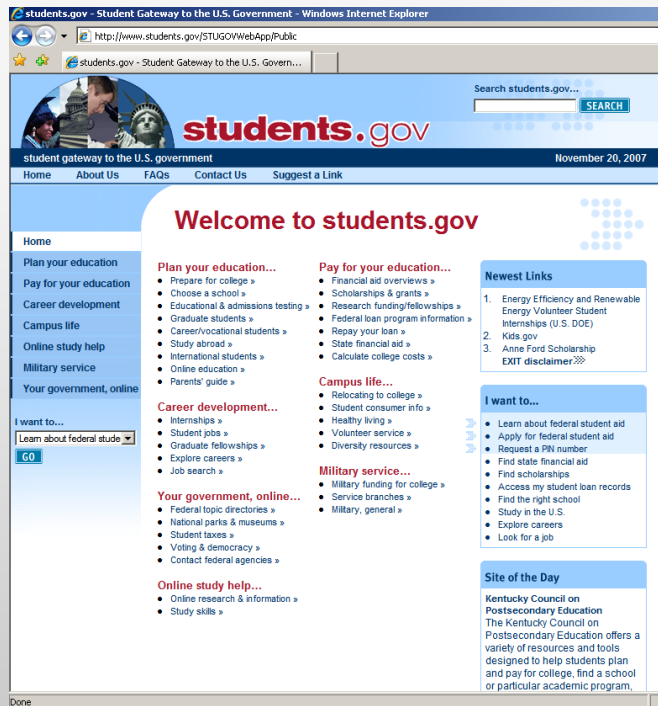
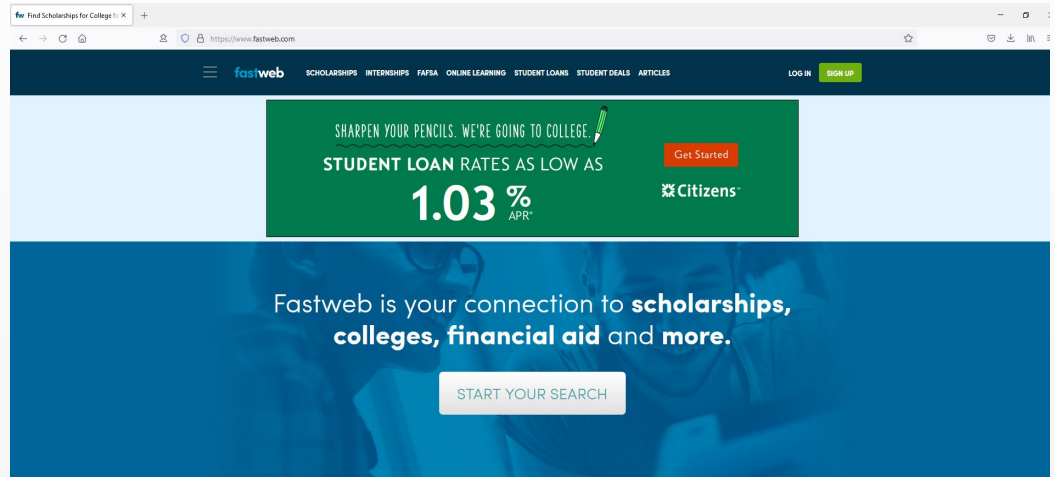
Outside Funding

- Gates Millennium Scholars Program
- United Negro College Fund
 - *Provides scholarships for outstanding low-income minority students*
- National Merit Scholarships
- Military Scholarships
 - *Air Force*
 - *Army*
 - *Navy*
 - *Marine Corps*
- Robert C Byrd Scholarships
 - *Awarded to students based on academic achievement and excellence*
 - *Recipients may receive up to \$1,500 a year*
 - *Students will be judged on GPA, test scores, letters of recognition, extra curricula activities, and community involvement*
 - *To apply, students should contact the Department of Education in their home state*



Scholarship Search Engines

www.fastweb.com



What is Fastweb?

We're the leading online resource in finding scholarships to help you pay for school

www.students.gov

Payment Schedules

- Cash Payment
- Credit Card Payment
- Monthly Payment Plan
- Parent Loan for Undergraduate Students
 - *Provides non-need-based loans to assist parents of dependent students*
 - *Credit check required*
 - *Interest rate: Fixed 6.28% begins within 60 days of full disbursement*
- Alternative Loans Student Loan.
 - *Co-signer is required.*
 - *Credit check will be done.*
 - *Wide variety of lenders and interest rates*



Additional Notes



Use the Financial Aid Office as a resource!

- Visit campus AND talk with Financial Aid while you are there
- Use the financial aid calculators on each website
- Communicate Special Circumstances
 - *Send each Financial Aid Office a detailed letter explaining your individual circumstances*
 - *Send appropriate documentation (copies of W-2's, tax returns, projections of income)*
 - *Examples:*
 - *Loss of job or benefit*
 - *Separation or divorce after you have already filed the FAFSA*
 - *Death of a parent after you have already filed the FAFSA*
 - *Extraordinary out-of-pocket medical expenses (not covered by insurance)*
 - *Sibling Educational Expenses*
 - *Parent Educational Expenses*



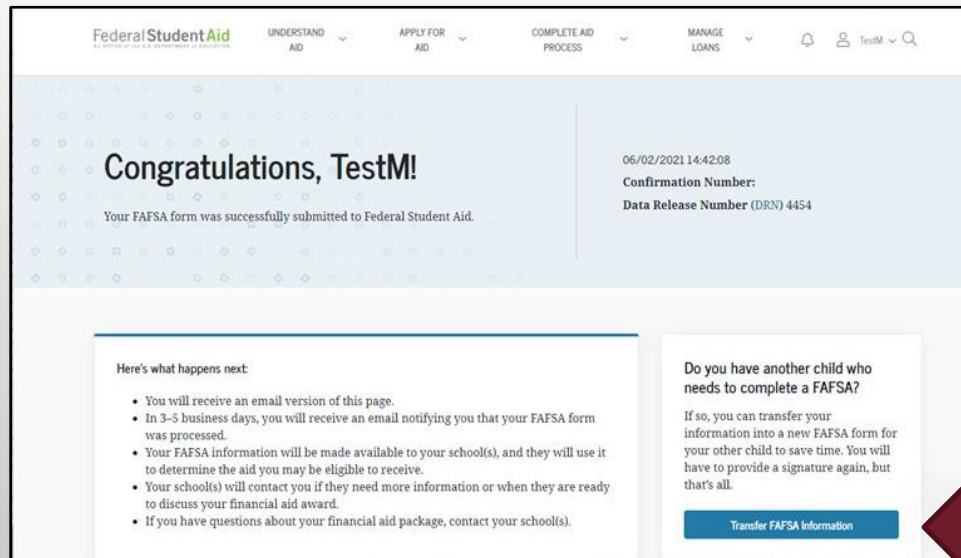
Use the Financial Aid Office as a resource!

- Respond to all requests in a timely manner
- Comply with all “verification” requests
 - *What is it?*
 - *Who can select my file for verification?*
 - *Department of Education*
 - *Financial Aid Office*
 - *Why was I selected?*
 - *Random process. (Requirement to verify 35% of our student body)*
 - *Reasons may include: Reporting the same figure more than once; Reporting an unusually low tax figure; Reporting an incorrect tax amount*
 - *What do I need to supply?*
 - *Copy of BOTH the Student’s and Parent’s 2020 Federal Tax Return Transcript*
 - *Only needed if the IRS DRT was not utilized or if figures were changed after data was transferred*
 - *Copies of BOTH the Student’s and Parent’s 2020 W-2’s*
 - *Completed Verification W/S*
 - *Other documents as requested (EX: Schedule 1, 2, 3 or K-1)*



Other Helpful Notes

- Meet the deadlines put into place!
 - Late filing may mean missing out on aid opportunities
- Utilize IRS Education Credits
 - *American Opportunity Credit*
 - *Lifetime Learning Credit*
- Parents with multiple students
 - Separate FAFSAs need to be submitted on each student
 - Parents may be eligible to transfer their FAFSA information into a new application from the original student's confirmation page.





Questions,

Melissa Lacombe
Associate Director of Financial Aid
Roanoke College

mlacombe@roanoke.edu

or

(540) 375-2235

