

Financial Aid 101

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WHAT YOU NEED TO KNOW ABOUT FINANCIAL AID

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)
- CSS Profile

What is Financial Aid?

- Financial aid refers to funds provided to students and families to help pay for postsecondary educational expenses
- Primary goal is to assist students in paying for college and is achieved by:
 - Evaluating family's ability to pay educational costs
 - Distributing limited resources in an equitable manner

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

Average Tuition & Fee Costs

Average costs at Colorado Schools for one academic year:

- Community Colleges \$2,800 - \$3,200
- 4-year State Colleges \$4,500 - \$8,500
- Private Colleges \$30,000>
- Technical Schools \$3,000>
- Non-Colorado Resident \$10,000 - \$31,000

Other Education Costs

- Books & Supplies \$850 - \$1,749
- Room & Board \$8,500 - 10,500
(Residence Halls/Apartment)
- Personal/Transp. \$2,500

Example Budgets

Resident at State University

- Tuition & Fees \$ 7,932
- Books & Supplies \$ 1,749
- Personal/Misc. \$ 2,565
- Room & Board \$10,378

TOTAL \$22,624

Non-Resident

- Tuition & Fees \$ 28,187
- Books & Supplies \$ 1,749
- Personal/Misc. \$ 3,437
- Room & Board \$ 10,378

TOTAL \$ 43,751

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

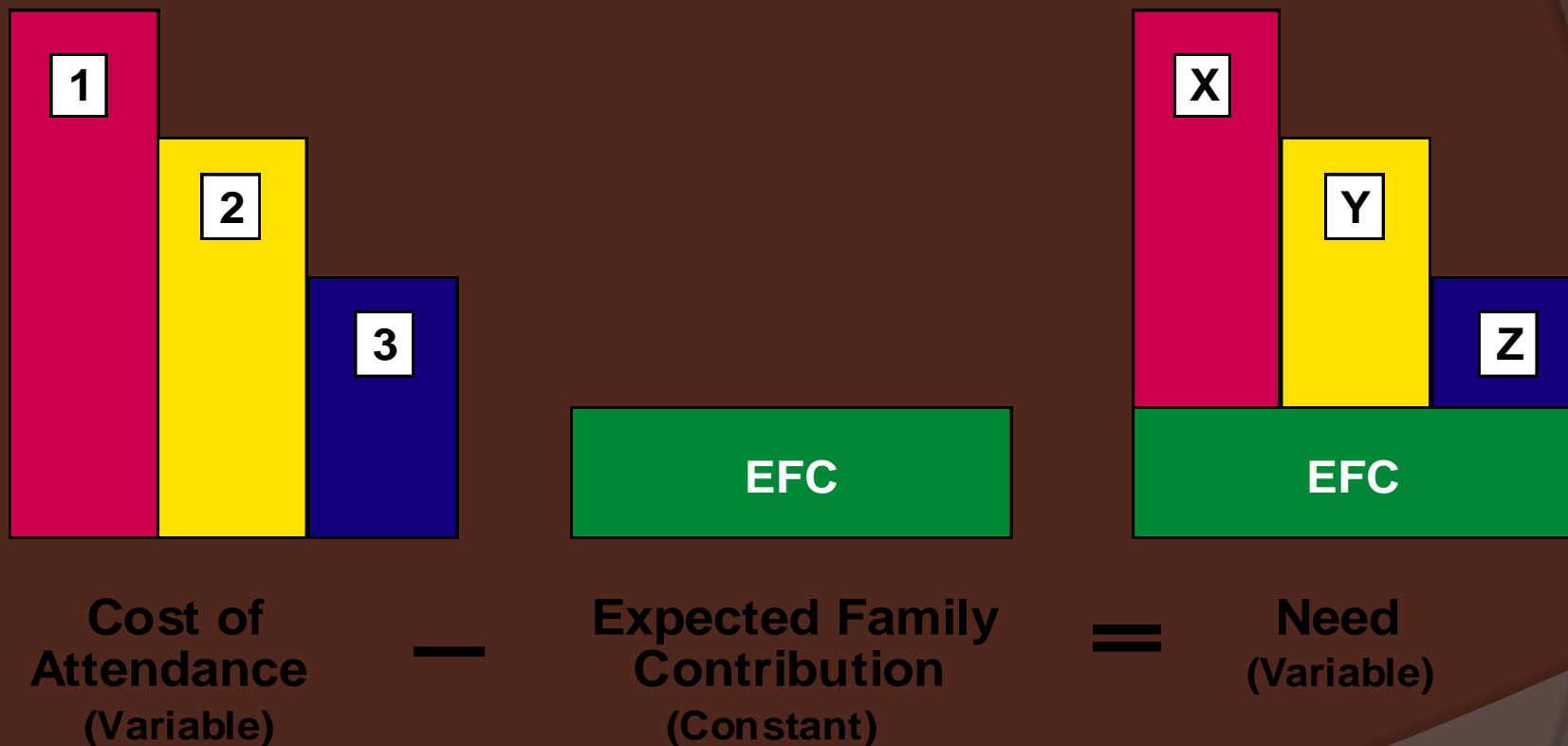
What is Financial Need

Cost of Attendance

– Expected Family Contribution

= Financial Need

Need Varies Based on Cost



Categories of Financial Aid

- Need-based
- Non-need-based

Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment

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
- Teacher Education Assistance for College and Higher Education Grant
- Federal Supplemental Educational Opportunity Grant
- Federal Work-Study
- Stafford Loans
- PLUS Loans

State

- Residency requirements
- Award aid on the basis of both merit and need
- Use information from the FAFSA

College Opportunity Fund (COF)

- NOT a Grant/Scholarship/Aid
- Undergraduate Colorado resident
- Enrolled in eligible Colorado college
- **Must apply on-line** (only once)
CollegInColorado.org

Private Sources

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

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 January 1st prior to the academic year for which the student requests aid
- For the 2011–12 academic year, the FAFSA may be filed beginning January 1, 2011
- Colleges may set FAFSA filing deadlines

FAFSA on the Web

- ◉ Website: www.fafsa.gov
- ◉ 2011–12 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

Information Needed

- **Federal tax information**
- **W-2 Forms**
- **Driver's License**
- **Social Security Numbers**
- **Savings and checking account information**
For BOTH the parents and the student
- ★ Divorced Parents > see FAFSA instructions
- ★ Unusual family circumstances talk directly with
Financial Aid Officers

IRS Data Retrieval Tool

- 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 Tool

- Available January 30, 2011, for 2011–12 processing cycle
- Participation is voluntary
- Could reduce documents requested by financial aid office

CSS Profile

- Financial Aid application of the College Board
- Used to award Non-Federal student aid funds
- Can file as early as Oct. 1, 2010
- Only file if college/program requires
- Application fee of \$25 initial application and one report - \$16 each additional report

CSS Profile

⦿ Online application:

- www.collegeboard.com
- Pre-Application Worksheet and Instructions are available

⦿ Process

- Register
- Complete the application
- Submit the application

Information to have available

- Type of tax return you and your parent(s) will file for the current year (e.g., 1040, 1040 EZ, foreign return)
- If your parents receive TANF (Temporary Assistance for Needy Families) or SSI (Supplemental Security Income)
- If your parents are self-employed or own business(es) and/or farm(s)
- Your parents' housing status (e.g., own, rent)
- Your personal information, including your Social Security number

Where Do I Go From Here?

- Obtain and review admissions and financial aid Web sites and materials for each school to which you are applying
- Meet all application deadlines
 - Complete FAFSA and other application materials, such as College Scholarship Service's PROFILE application, if required by school or state agency
 - Submit all requested follow-up documents
- Investigate other sources of aid

Questions ?

Thank you!

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