



# **Financial Aid: The Basics and the New Details in our Crazy Covid World**

Bishop Hartley  
Financial Aid Night  
September 15, 2020





# Topics We Will Discuss Tonight

- 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)
- Verification
- Special circumstances
- What has changed?



# What is Financial Aid?

- Funds provided to students and families to help pay for college educational expenses
  - Includes various types of aid





# What is Cost of Attendance (COA)?

- Direct costs
  - Tuition
  - Fees
  - Room
  - Board
- Indirect costs
  - Books
  - Transportation
  - Personal
- Direct and indirect costs combine into Cost of Attendance
- Varies widely from college to college





# What is Expected Family Contribution (EFC)?

- Calculated using data from the FAFSA
- Stays the same regardless of college
- Two components
  - Parent contribution
  - Student contribution
- Determines eligibility for federal and state aid



# What is Financial Need?


Cost of Attendance

– Expected Family Contribution

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= Financial Need





## Categories of Financial Aid

- Need-based aid
- Non-need-based aid

## Types of Financial Aid

- Scholarships
- Grants
- Loans
- Employment





# Gift Aid

## 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





# Self-Help Aid: Loans

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





# Self-Help Aid: Work-Study Employment

- Allows student to earn money to help pay educational costs
  - A paycheck; or
  - Nonmonetary compensation, such as room and board
- Student decide whether or not to work or number of hours to work



# Sources of Financial Aid

- Federal government
- State of Ohio
- Colleges and universities
- Private sources
- Civic organizations and churches
- Employers







# Federal Student Aid Programs

## Gift Aid

- Federal Pell Grant
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

## Self-Help

- Federal Work-Study (FWS)
- Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans)
- PLUS Loans



# Ohio College Opportunity Grant

- Must have been in Ohio 12 months
- Need-based (max. EFC: 2190)
- ODHE uses information from the FAFSA ; no separate paperwork
- Amount depends on school type







# Colleges and Universities

- Award aid on the basis of both merit and need
- Awards might be gift aid or self-help aid
- Use information from the FAFSA and/or other applications
  - Do they need a CSS Profile?
- Deadlines and application requirements vary by institution
- Check with each college or university



# Outside Sources

- Foundations
- Local businesses
- Charitable organizations
- Civic organizations
- Church
- Parents' employers
- VA – Post 9/11 GI Bill
- Deadlines are generally in the spring
- Small scholarships add up!





# Free Application for Federal Student Aid - FAFSA

- Information used to calculate the expected family contribution (EFC)
  - 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
  - Not equivalent to out-of-pocket cost
- Colleges use EFC to award financial aid



# FAFSA

- Studentaid.gov
- The FAFSA for 2021-22 may be filed beginning **October 1, 2020**
- Most colleges set FAFSA filing deadlines







One FAFSA  
per student  
per year

## School #1

## School #2

### School #3

## School #4



## What Happens After FAFSA Is Submitted?







# FAFSA on the Web (FOTW)

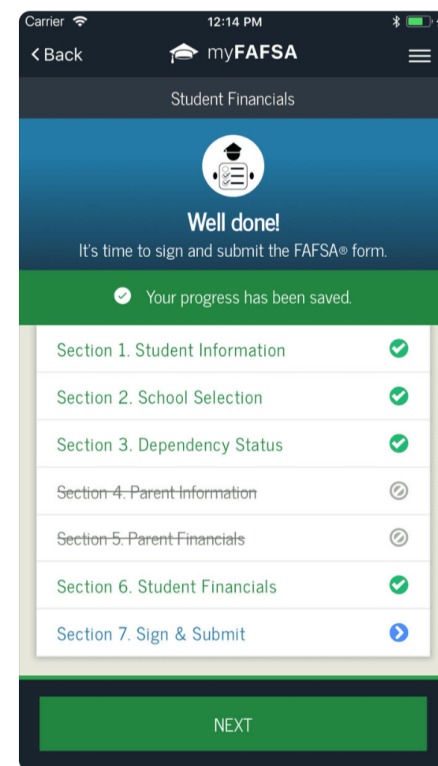
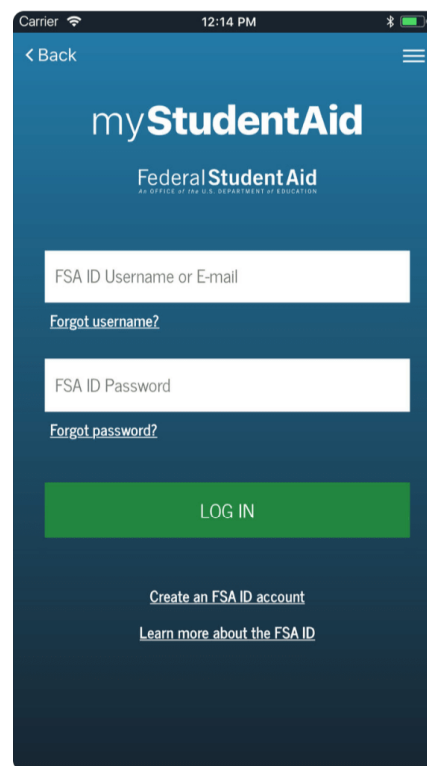
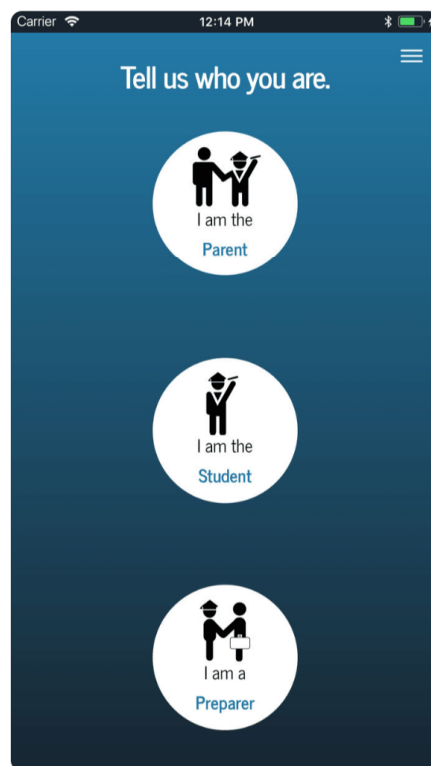
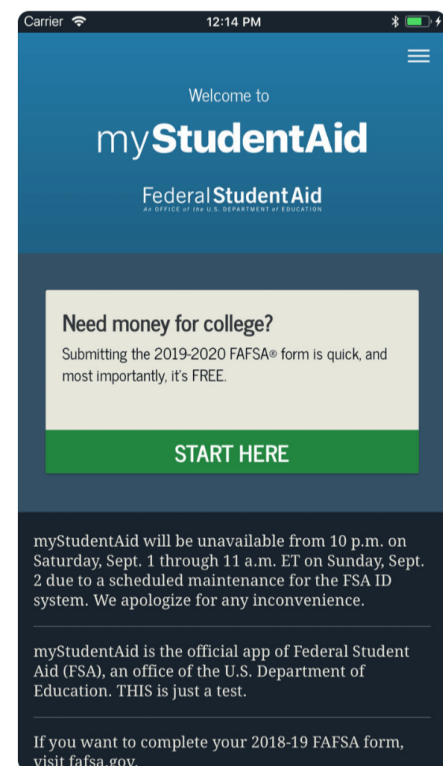
Features of electronic filing:

- Built-in help and 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
- FAFSA is processed typically within 72 hours



# For Those That Live on Their Phones

## The FAFSA App!





# FSA ID

- [Studentaid.gov](https://studentaid.gov)
- Sign FAFSA electronically
- Not required, but speeds processing
- May be used by students and parents throughout aid process, including subsequent school year
- Only the owner of each e-mail address should create an FSA ID



# IRS Data Retrieval Tool

- While completing the FAFSA, the student and parent may submit real-time requests to IRS for tax data
- IRS will authenticate taxpayer's identity
- If a match is found, the IRS makes tax data available to the applicant who chooses whether or not to transfer data to the FAFSA

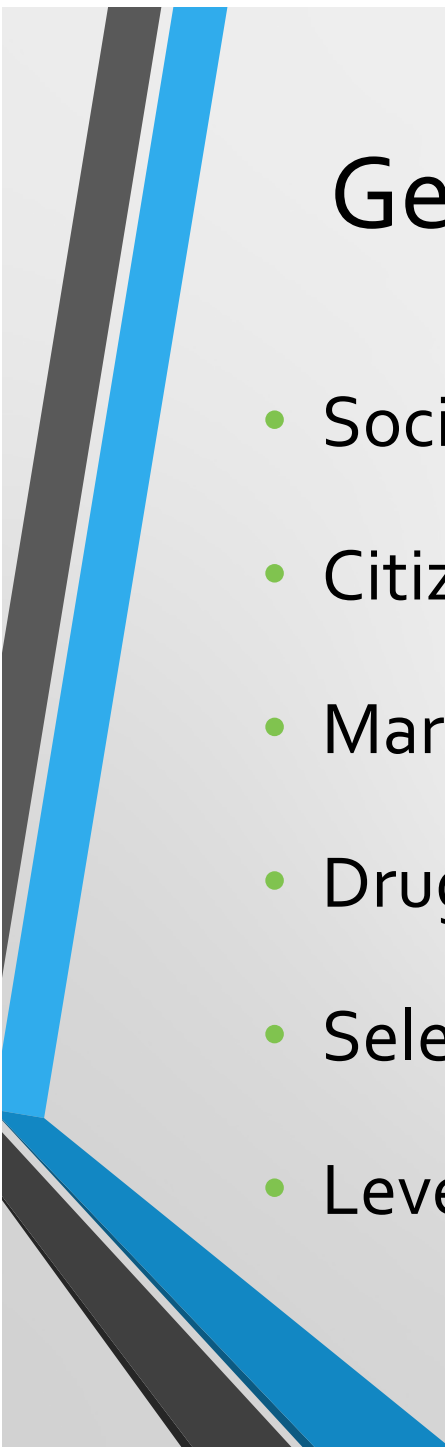




# IRS Data Retrieval Tool

- You will be using 2019 tax information on 2021-2022 FAFSA; data submitted to the IRS should be available on Oct. 1 when the FAFSA opens
- Participation is voluntary
- Reduces documents requested by financial aid office





# General Student Information

- Social Security Number
- Citizenship status
- Marital status
- Drug convictions
- Selective Service registration
- Level of parents' school completion



# Student Dependency Status

FAFSA asks questions to determine dependency status for federal student aid (not IRS) purposes:

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



# Who is My Parent?

1. If legal parents live in the same house – use both parents' information
2. If not, who do you live with the most (>182.5 nights)?
  - Use that parent
  - If that parent is married to someone other than your other legal parent, include the step-parent
3. If you do not live with any parent more than the other, who provides the majority of your support?





# Information About Parents and Dependent Students

- Tax, income, and other financial information
- Dislocated worker status
- Receipt of federal means-tested benefits
- Assets
- Untaxed income



# Signatures

- Required
  - Student
  - One parent (dependent students)
- Format for submitting signatures
  - Electronic using FSA ID
  - 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



# Verification

- Prescribed by the US Department of Education
- If required, all schools need to complete the review
- Additional documentation would need to be submitted to each school your student is considering
- Using Data Retrieval Tool reduces required documents
- Used to confirm accuracy of FAFSA data



# Special Circumstances

Captures circumstances that can't be explained on the FAFSA

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





# Special Circumstances

- Send written explanation and documentation to financial aid office at each college
- College will review and request additional information if necessary
- Each college handles this process differently; no universal procedures



# What Has Changed?

- More documents now being handled electronically
  - E-signing capabilities
  - Use caution when sending documents through the web
- Schools are working harder to capture student's attention
- Federal guidance has left schools uncertain of additional funding and relief on certain requirements
- Special circumstances such as Covid-related impact to earnings should be brought to the schools' attention



# Getting Help

- College Financial Aid Offices
- <https://studentaid.gov>
- High school guidance counselors
- Net Price Calculators
- Be cautious if a consultant will help you for a “*small fee*”!





# Questions?

## Post them in the Chat

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