

Welcome to
Financial Aid 101
A Guide to Financing Higher
Education.

Presented By:

Bill Spiers

Director of Financial Aid

Tallahassee Community College

Who Pays for Higher Education?

The primary responsibility for funding higher education rests with the student and, where appropriate, his/her family.

What If the Family Needs Help With the Cost of Education?

When a family cannot afford to pay the full cost of education, as determined through a national system of needs-analysis, financial aid steps in to help.

How Much is a Family Expected to Contribute?

Family Contribution is determined through a system called Federal Methodology. This system was developed by the US Congress and implemented by the US Department of Education. All schools use this system for determining a student's family contribution.

What Is Included in the Family Contribution for a Dependent

- ❖ Student's contribution from:

1. Income
2. Assets
3. Un-taxed income

- ❖ **Parent's contribution from:**

1. Income
2. Assets
3. Un-taxed income
4. Pre-paid and 529 Programs – Inclusive of those owned by the Student

Dependent Contribution Cont.

- ❖ Number of family members.
- ❖ Number in college, excluding parents.
- ❖ Age of older parent.
- ❖ Other items can be considered under professional judgment by each individual school, including parents in college, K-12 private education, change in the family's financial circumstances.

Determining an Independent Student's Contribution

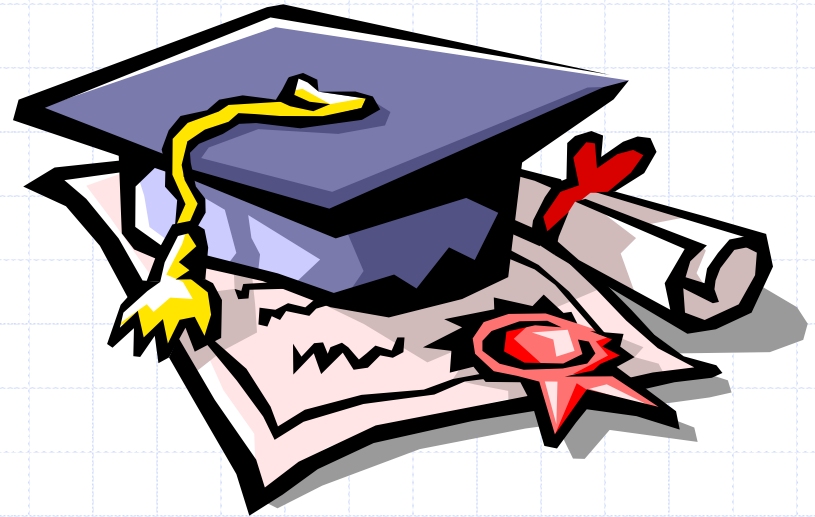
The only difference in determining a dependent and an independent student's contribution is the elimination of the parent's contribution for the independent student. All of the other items are the same.

How Is Need Determined?

Cost of Education – Family
Contribution = Need

Cost of Education Includes:

- ◆ Tuition
- ◆ Fees
- ◆ Room
- ◆ Board
- ◆ Books
- ◆ Transportation
- ◆ Personal Expense



Important Facts About the Cost of Education

- ◆ Varies by school
- ◆ Covers some, but not all of a student's true personal expenses
- ◆ Does not determine affordability

Important Facts About the Expected Family Contribution

- ◆ Called EFC.
- ◆ Is a constant – does not change based on cost of education.
- ◆ Usually is more than a family feels they can contribute.
- ◆ Is the best device we have to determine need.

Important Things To Remember As You Apply For Financial Aid

- ◆ Apply
- ◆ Apply early
- ◆ Follow up
- ◆ Communicate
- ◆ Watch out for the
scams



Apply!

➤ For Scholarships

et **Use Free Sources Only!!!**

☯ Library

☯ Community

☯ Financial Aid Office

☯ Guidance Office

☯ Internet

www.fastweb.com

www.finaid.org

www.nasfaa.org

www.sallieMae.com

Apply! Cont.

➤ For Financial Aid

et Free Application for
Federal Student Aid
(FAFSA)

et PIN Number
www.pin.ed.gov
Application
www.fafsa.ed.gov

et School Application

Apply Early!

- ◆ Find out deadline dates.
- ◆ Keep a list of deadlines you need to meet and check them off when they have been met.
- ◆ **Meet deadlines!!**

Remember, when you miss a deadline, you throw money away.

Follow Up!

- ◆ Make sure the documents you send are received.
- ◆ **Keep a copy of EVERY document you send!!!**
- ◆ Make sure additional items are not needed.
- ◆ Make sure your file is active.

Communicate!

◆ Communicate changes in the family's circumstances.

- ☯ Family income.
- ☯ Family size.
- ☯ One time income.
- ☯ Unusual medical expense.
- ☯ Sibling private K-12 tuition.
- ☯ Divorce.
- ☯ Death.
- ☯ Parents in college.

◆ Communicate any special needs or circumstances!

Watch Out For the Scams!!!

- ◆ Watch out for people who offer to help fill in your paper work for a fee!
- ◆ Watch out for people who want to charge you to look for scholarships!
- ◆ Watch out for people who want to sell you something so you can get financial aid!

Tips for Completing the FAFSA

- ◆ Read the form
- ◆ Gather tax documents
- ◆ Use black ink
- ◆ Use capital letters only
- ◆ Right justify numbers
- ◆ Follow directions
- ◆ Check your work
- ◆ Complete a new form each year student is in school



Tips for Completing the FAFSA

Cont.

- ◆ Students are dependent until the age of 24.
- ◆ Divorced parents who are remarried are considered married.
- ◆ Step-parents financial information is included on the FAFSA.
- ◆ Non-custodial biological parents information is excluded from the FAFSA.
- ◆ Dependent students who receive SSI should include their benefits under the parent's section.
- ◆ Estimate taxes as a last resort, but estimate if it means meeting a deadline.

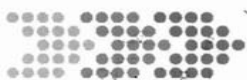
Tips for Completing the FAFSA

Cont.

- ◆ If you estimate your income, estimate accurately. Don't over estimate or underestimate.
- ◆ Make sure you use the correct school code.
- ◆ If at all possible, apply on-line! It is faster.
- ◆ Remember to sign the form for the paper copy, or secure a PIN from the US Department of Education if filing electronically, or print the signature page if you do not have a PIN and file electronically. Students and parents must obtain their own PIN! Parents only need one PIN for multiple students
- ◆ If you need help, ask!

Sources of help

- ◆ Your chosen college or university.
- ◆ The US Department of Education online at www.ed.gov/prog_info/SFA/FAFSA.
- ◆ Or with the US Department of Education by phone at 1-800-4-FED-AID (1-800-433-3243)



Use this form to apply free for federal and state student grants, work-study and loans.

Or apply free online
 at www.fafsa.ed.gov.

Applying by the Deadlines

For federal aid, submit your application as early as possible, but no earlier than January 1, 2008. We must receive your application no later than June 30, 2009. Your college must have your correct, complete information by your last day of enrollment in the 2008-2009 school year.

For state or college aid, the deadline may be as early as January 2008. See the table to the right for state deadlines. You may also need to complete additional forms. Check with your high school guidance counselor or a financial aid administrator at your college about state and college sources of student aid and deadlines.

If you are filing close to one of these deadlines, we recommend you file online at www.fafsa.ed.gov. This is the fastest and easiest way to apply for aid.

Using Your Tax Return

If you are supposed to file a 2007 federal income tax return, we recommend that you complete it before filling out this form. If you have not yet filed your return, you can still submit your FAFSA, but you must provide income and tax information. Once you file your tax return, correct any income or tax information that is different from what you initially submitted on your FAFSA.

Filling Out the FAFSA

Your answers on this form will be read electronically. Therefore:

- use black ink and fill in ovals completely: Correct Incorrect
- print clearly in CAPITAL letters and skip a box between words: I S E L M S T
- report dollar amounts (such as \$12,356.41) like this: \$ 1 2 , 3 5 6 no cents

Orange is for student information and purple is for parent information.

If you or your family has unusual circumstances (such as loss of employment), complete this form to the extent you can, then submit it as instructed and consult with the financial aid office at the college you plan to attend.

For more information or help in filling out the FAFSA, call 1-800-4-FED-AID (1-800-433-3243). TTY users (for the hearing-impaired) may call 1-800-730-8913. Or visit our Web site at www.FederalStudentAid.ed.gov.

Mailing Your FAFSA

After you complete this application, make a copy of pages 7 through 10 for your records. Then mail the original of only pages 7 through 10 in the attached envelope or send it to: Federal Student Aid Programs, P.O. Box 4691, Mt. Vernon, IL 62864-0059. Do not send the worksheets on page 5; keep them for your records.

If you do not receive the results of your application—a *Student Aid Report (SAR)*—within three weeks, please check online at www.fafsa.ed.gov or call 1-800-433-3243. If you provided your e-mail address in question 13, you will receive information about your application within a few days after we process it.

Let's Get Started!

Now go to page 7 of the application form and begin filling it out. Refer to the notes as instructed.

STATE AID DEADLINES

www.fafsa.ed.gov

Check with your financial aid administrator for these states and territories:

AL, *AS, CO, *FM, GA, *GU, *HI, *MH, *MP, NE, *NM, *NV, OH, PR, *PW, *SD, *TX, UT, *VA, *VI, *VT, WA, WI and *WY.

- AK April 15, 2008 *(date received)*
 - AR Academic Challenge - June 1, 2008
 Workforce Grant - Contact your financial aid administrator.
 Higher Education Opportunity Grant - June 1, 2008 (fall term)
 - November 1, 2008 (spring term) *(date received)*
 - AZ June 30, 2009 *(date received)*
 - *CA Initial awards - March 2, 2008
 Additional community college awards - September 2, 2008 *(date postmarked)*
 - *CT February 15, 2008 *(date received)*
 - *DC June 30, 2008 *(date received by state)*
 - DE April 15, 2008 *(date received)*
 - FL May 15, 2008 *(date processed)*
 - ^IA July 1, 2008 *(date received)*
 - #*ID March 1, 2008 *(date received)*
 - #IL First-time applicants - September 30, 2008
 Continuing applicants - August 15, 2008 *(date received)*
 - IN March 10, 2008 *(date received)*
 - #*KS April 1, 2008 *(date received)*
 - #KY March 15, 2008 *(date received)*
 - ^LA July 1, 2008 *(date received)*
 - #*MA May 1, 2008 *(date received)*
 - MD March 1, 2008 *(date received)*
 - ME May 1, 2008 *(date received)*
 - MI March 1, 2008 *(date received)*
 - MN 30 days after term starts *(date received)*
 - MO April 1, 2008 *(date received)*
 - #MS MTAG and MESH Grants - September 15, 2008
 HELP Scholarship - March 31, 2006 *(date processed)*
 - #MT March 1, 2008 *(date received)*
 - NC March 15, 2008 *(date received)*
 - ND March 15, 2008 *(date received)*
 - NH May 1, 2008 *(date received)*
 - ^NJ June 1, 2008, if you received a Tutor, Aid Grant in 2007-2008
 All other applicants - October 1, 2008, fall & spring terms
 - March 1, 2009, spring term only *(date received)*
 - *^NY May 1, 2009 *(date received)*
 - OH October 1, 2008 *(date received)*
 - #OK April 15, 2008 *(date received)* for consideration
 - *PA All 2007-2008 State Grant recipients & all non-2007-2008 State Grant recipients in degree programs - May 1, 2008
 All other applicants - August 1, 2008 *(date received)*
 - #RI March 1, 2008 *(date received)*
 - SC Tuition Grants - June 30, 2008 *(date received)*
 - #TN State Grant - March 1, 2008
 State Lottery - September 1, 2008 *(date received)*
 - *^WV March 1, 2008 *(date received)*
- # For priority consideration, submit application by date specified.
 ^ Applicants encouraged to obtain proof of mailing.
 * Additional form may be required.

STATE AID DEADLINES

When You Receive Your SAR

- ◆ Check it for accuracy.
- ◆ Make sure all of the schools you are interested in are listed.
- ◆ Check with the schools you are interested in to see when they begin issuing award letters.
- ◆ See if you are selected for verification, as you will be required to send additional documents to your school.

When the School Has Your ISIR Record (Schools copy of the SAR)

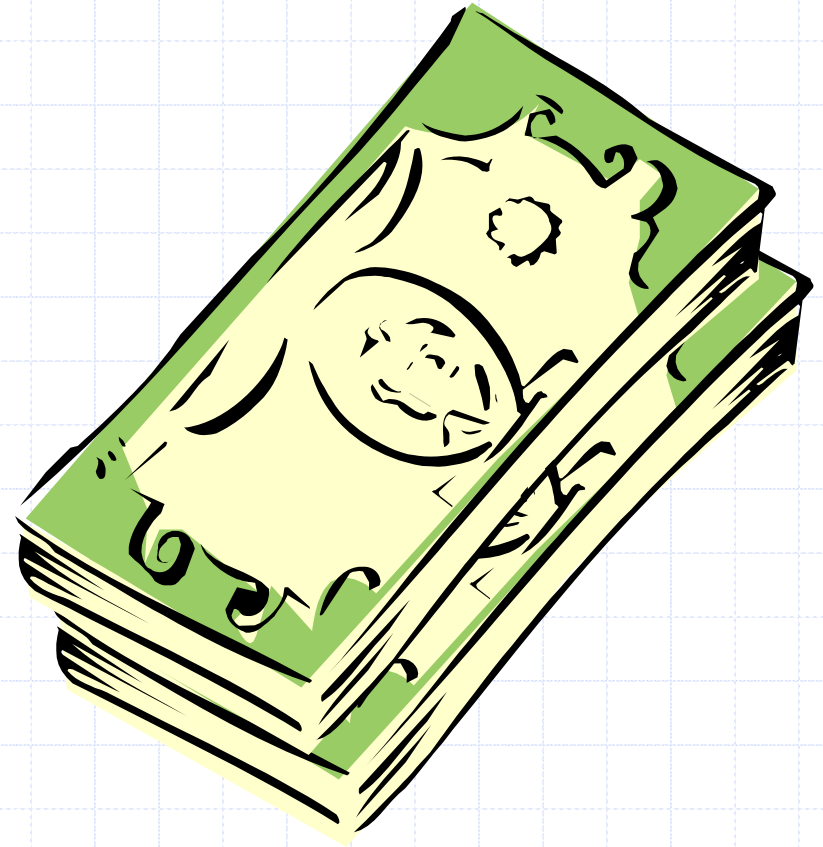
- ◆ The school will check to see if you are selected for verification and request additional documents if you are.
- ◆ At the time selected by the school, and if your file is complete, the school will determine your need and issue an award letter, if you have need, indicating which funds you will receive.
- ◆ If you are selected for verification and errors are found, the school will have to make corrections, a process that will slow the delivery of your financial aid.

Award Letters

- ◆ Tell you how much aid you will receive.
- ◆ Tells you what kind of financial aid you will receive from one or more of the types of aid available.
- ◆ Tells you how to cancel your financial aid.
- ◆ Tells you how to modify your financial aid.
- ◆ Tells you how to reject part of your financial aid.

Type of Aid You Might Receive

- ◆ Scholarships
- ◆ Grants
- ◆ Need-based grants
- ◆ Work
- ◆ Loans



Need-based Grants

- ◆ Federal Pell Grants
- ◆ Federal Supplemental Opportunity Grants
- ◆ Federal ACG and SMART Grants
- ◆ Florida Student Assistance Grants
- ◆ Institutional need-based grants

ACG Grants

- ◆ Require a rigorous high school program as defined by the secretary of education.
- ◆ Good for first two years of college.
- ◆ Student must receive Federal Pell Grant.
- ◆ Student must be at least half-time
- ◆ Student must be US citizen or eligible non-citizen.
- ◆ No specific degree required
- ◆ \$750 first year.
- ◆ \$1,300 Second year.

SMART Grants- National Science and Mathematics Access to Retain Talent Grant Program

- ◆ Must be a US Citizen or eligible non-citizen.
- ◆ Must receive the Federal Pell Grant.
- ◆ Must be in the third or fourth year of college.
- ◆ Must be at least half-time.
- ◆ Must be enrolled in an eligible major.
- ◆ Must have a 3.0 CGPA.
- ◆ Grant is for \$4,000 per year.
- ◆ If program requires a fifth year, grant may be extended.

Work Study

- ◆ Federal Student Work Study
- ◆ Florida Work Experience Program
- ◆ Campus Sponsored Jobs

Loans

- ◆ Federal Stafford Loans (Subsidized and Un-subsidized)
- ◆ Ford Direct Loans (Subsidized and Un-subsidized)
- ◆ Parent's Loans
- ◆ Perkins Loans
- ◆ Private Loans

Grants

- ◆ Usually talent based.
- ◆ Usually have conditions attached such as a music or football scholarship.
- ◆ Are gift money and do not have to be repaid.

Scholarships

- ◆ Usually based on academics, but not always.
- ◆ Usually have conditions that apply for renewal.
- ◆ Are gift money, and do not have to be repaid.

Where to find Scholarships

- ◆ Several places to find scholarships were listed earlier in the presentation. Please utilize the sources listed there.

Florida Prepaid College Plan

- ◆ Tuition Plan
- ◆ Local Fee Plan
- ◆ Dormitory Plan



Florida Prepaid College Plan Tuition Plan

- ◆ Covers basic class cost inclusive of matriculation, capital improvement, and financial aid fees.
- ◆ Three plans:
 - 4-Year University Plan 120 undergraduate credit hours.
 - 2+2 Tuition Plan 60 community college hours and 60 university undergraduate credits.
 - 2-Year Community College Tuition Plan 60 community college credits.

Florida Prepaid College Plan Local Fee Plan

- ◆ Covers same items as the Tuition Plan.
- ◆ Covers the activity and service, health, and athletic fees.
- ◆ Supplements the Tuition Plan.
- ◆ Only available to students in eighth grade or younger.

Florida Prepaid College Tuition Dormitory Plan

- ◆ Covers cost of a standard, double-occupancy, air-conditioned dormitory room.
- ◆ Can be used toward University housing, and some fraternity and sorority houses and at select community colleges.
- ◆ Can only be purchased for time in a 4 year university.
- ◆ Cannot be purchased for students at a community college.

Florida Prepaid College Plans

- ◆ Will be counted as an asset for dependent students and included in the parent's assets on the FAFSA line 88. Will not be included if the student or someone other than the parent(s) own the plan.
- ◆ You must notify the school, usually the Business Office, of your participation.
- ◆ Information is usually confirmed electronically, though some institutions may use a manual process.

Preparing for the Scholarship Interview or Essay

- ◆ Know about the scholarship.
- ◆ Know about the organization offering the scholarship.
- ◆ Answer every question on the application.
- ◆ Never use a prepared essay.

Preparing for the Scholarship Interview or Essay

- ◆ Practice for the interview.
- ◆ Answer all questions honestly and with your opinion. Always be able to justify your opinion.
- ◆ Know your strengths and weaknesses.
- ◆ Know your likes and dislikes.
- ◆ Know current events.
- ◆ Dress conservatively.

Remember!

If you think education is expensive, try ignorance.

The average college graduate will earn 1.5 million dollars more in a life time. Is education a good investment? You bet it is!



Thank You for Coming!

You've been a great audience!!

Bill Spiers, TCC

Phone Number 850-201-8399

E-mail spiersb@tcc.fl.edu