


Financial Aid for College 2012 - 2013

Scope of this Workshop

- What is financial aid
- College costs
- Determination of eligibility
- Need-based programs
- Alternatives
- How to complete a FAFSA

Types of Student Financial Aid

- 
- Grants
 - Scholarships
 - Loans
 - Employment



Student Financial Aid

- Merit-based
 - academics
 - talent
 - athletic
 - others
- Need-based
 - financial considerations



Student Financial Aid

Need-based aid ...

- Family is responsible for costs to the extent of its ability to pay college costs
- Provides access and choice
- Annual determination of eligibility

College Costs

- Direct
- Indirect
- Vary widely from college to college



Direct College Costs

- Tuition
- Required fees
- Room
- Meals
- Books and Supplies



Indirect College Costs

- Transportation and miscellaneous personal expenses, including documented costs for a personal computer
- Loan fees



Indirect College Costs

- Study abroad costs
- Dependent care expenses
- Disability-related expenses
- Cooperative education program costs

Applying for Federal Financial Aid

- Free Application for Federal Student Aid (FAFSA)
 - Required for all types of federal aid
 - Download the FAFSA on the Web Worksheet via www.fafsa.gov to prepare your form
 - 99% of forms are filed online!
 - Sign the form with a Personal Identification Number (PIN)
 - Paper form can be obtained by calling 800-4-FED-AID (1-800-433-3243)
 - Complete FAFSA at www.fafsa.gov after January 1st, preceding the academic year
 - Results available online in 48 hours and to the institutions you list on the FAFSA

Getting a PIN

- Student and parent (if dependent student) may sign the form with a Personal Identification Number (PIN).
 - PIN enables application to be processed faster.
 - PIN is valid for years.
 - Parent's PIN may be used for multiple children.
 - Each student must have own PIN.
- Obtain PIN from www.pin.ed.gov

Applying for State Financial Aid

- The FAFSA is also the application for most major state programs:
 - NC Education Lottery Scholarship
 - UNC Need-Based Grant
 - NC Community College Grant
 - New NC Need-Based Scholarship
 - And others
- Other state programs may require additional forms. See CFNC.org for details by program.

Applying for Financial Aid

- Other forms ???
 - Institutional application
 - College Scholarship Service PROFILE
 - State applications
 - Outside scholarship applications



Need Help?

FAFSA Day 2012

- Saturday, February 18, 2012
 - Any time between 9 a.m. and noon in most locations
- Get FREE help completing your FAFSA online from college financial aid officers.
- For more information, visit **CFNC.org/fafsaday** or call toll free at 866-866-CFNC to:
 - Find closest location and
 - Register for FAFSA Day
- Sponsored by:
 - College Foundation of North Carolina
 - North Carolina Association of Student Financial Aid Administrators, and
 - State Employees Credit Union



Offers to help get aid are everywhere:

- In the mail
- Over the Internet
- In newspapers
- In magazines
- Over the phone



Offers may be:

- Legitimate offers of information and assistance
 - Example: CFNC.org *and* FAFSA Day
- Misleading offers from individuals or companies trying to make money off of unsuspecting parents and students



How do you identify offers that should be avoided?

- Organizations that offer to locate more aid and then charge you a fee
- Anyone who charges you a **fee**:
 - for information about financial aid
 - to complete the FAFSA
 - to apply/receive a scholarship
- Organizations that **guarantee** you will get a scholarship or aid.

Where can you find truly free information about financial aid?

- Contact College Foundation of North Carolina at CFNC.org or toll free at **866-866-CFNC**
 - Service of the State of North Carolina
- Talk to the financial aid administrator at the college of choice
- Ask your high school counselor or visit the local library
- Apply for federal financial aid at FAFSA.gov

(notice it is not FAFSA.com!)

Applying for Financial Aid

- Meet earliest deadline of colleges in which you are interested
- Complete all questions accurately
- Estimate if necessary to meet early deadlines
- Don't wait until you are admitted to file the FAFSA
- **Keep a photocopy of all documents for your records**

Applying for Financial Aid

- Additional documentation may be required... for VERIFICATION of information
 - Adjusted Gross Income (AGI)
 - U.S. income tax paid
 - Untaxed Income – only if reported on the 2012-2013 FAFSA
 - Untaxed IRA distributions
 - Untaxed pensions
 - Education credits
 - IRA deductions
 - Tax exempt interest

IRS Data Retrieval Tool

- Available February 1, 2012 for 2012-2013 application cycle
 - ✓ In English and Spanish
 - ✓ Data available within several days for electronic tax filers and within several weeks for paper tax filers
- May be used for initial applications and corrections
- Applies to
 - ✓ Those who indicate they have filed tax returns
 - ✓ Those making corrections through Correction Application after filing tax returns
- Does Not apply to
 - ✓ Married but are filing separately
 - ✓ Marital status changed after end of tax year (December 31)
 - ✓ Those filing amended tax returns or foreign tax returns

IRS Data Retrieval Tool

- To use the Tool, must have
 - Valid SSN
 - Filed a 2011 federal tax return and
 - An unchanged marital status since December 31, 2011
- IRS Data Retrieval Process initially or in correction process will provide fastest, easiest, and most secure solution for meeting verification requirements
- Students and parents not using the “Tool” and selected for verification, in most cases, will be requested to submit an IRS Tax Return Transcript rather than a Tax Return

Determination of Expected Family Contribution

Parents' Contribution

+ Student's Contribution

= Expected Family Contribution (EFC)



Determination of Parents' Contribution

Parents' total income for calendar year
(Taxable + Non-taxable)

minus

- Federal Tax Paid (not withheld)
- State Tax Paid
- Social Security Withholding
- Living Allowance
- Child Support *paid by parents*
- Employment allowance

= Available Parent Income

Determination of Parents' Contribution

Total net assets (excluding home equity and retirement accounts)

- Protection allowance (varies by age of parent)

= Net Worth

x 12%

= Amount of assets used in determining EFC

Determination of Parents' Contribution

$$\begin{array}{r} \text{Available Income} \\ + \text{ Asset Contribution} \\ \hline = \text{ Adjusted Available Income} \\ \times \text{ Percentage} \\ \hline = \text{ Parent Contribution} \end{array}$$

Parent contribution will be divided by the number of family members in college, not including parents.

Determination of Student's Contribution

Student's total income for calendar year (taxable and non-taxable)

- Federal tax paid (not amount withheld)
- State tax paid
- Social Security withholding
- Income protection allowance (\$6,000)

= Student's Available Income

x 50%

= Student's Contribution from Income

Determination of Student's Contribution

Total net assets

x 20%

= Student's Contribution from assets



Determination of Student's Contribution

$$\begin{aligned} & \text{Student contribution from income} \\ + & \text{ Student contribution from assets} \\ \hline = & \text{ Total Student Contribution} \end{aligned}$$

Determination of EFC

Parents' contribution

+ Student's contribution

= Expected Family Contribution

Basic Formula for Aid

Cost of Attendance

- Expected Family Contribution

= Eligibility for Need-Based Funds



Potential Institutional Adjustments to EFC for Institutional Funds

- Expect students to contribute a certain minimum amount to their educational costs (summer earnings)
- Use home equity in determination of net assets
- Make adjustments for medical/dental expenses
- Make adjustments in the losses/depreciation claimed for business/farm operations

Special Circumstances

- **Significant change** in your family...
 - Unemployment of a parent
 - Death in the family
 - Change in parents' marital status
 - Medical expenses not covered by insurance
 - Student cannot obtain parent information

Notify the financial aid office at your college of any special circumstances. Be prepared to provide documentation of any change, including the financial impact of the change.

Sources of Financial Aid

- Federal Government
- State Programs
- Institutional funds
- Outside agencies



Types of Financial Aid

Gift

Scholarships

Grants

Self-help

Loans

Employment



Federal Aid Programs

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant
- Federal Work-Study
- Federal Perkins Loan
- Ford Federal Direct Loan
- Federal TEACH Grant (loan)

North Carolina Aid Programs (partial listing)

- NC Need-Based Scholarship
- NC Community College Grant
- NC Education Lottery Scholarship
- UNC Need-Based Grant
- Forgivable Education Loan for Service
(NC FELS)

NC Reach (program for foster youth)

- Funding for college students who :
 - Will/have age out of NC public foster care at age 18
 - Were adopted from foster care after age 12
- Eligibility requirements
 - Age 18 – 25 and meet above criteria
 - Enroll at NC Community College or one of UNC System's 16 campuses
 - Enroll on half-time basis or more
 - Pursue undergraduate degree/certificate /diploma
- Program is designed to be combined with other aid and cover the full cost of attendance
- Applications and additional information
 - www.ncreach.org

Institutional and Outside Aid

Institutional Aid

Grants & Scholarships

Loan Programs

Student Employment

Outside Agencies

Local organizations

Churches

Civic Groups

Parents' employers

Veterans Administration

Vocational Rehabilitation Services



Is that all there is?

- Federal Direct Unsubsidized Loans
- Federal Direct PLUS Loans for parents of dependent students and for graduate or professional students



Is that all there is?

- Private Alternative Loans for students or parents
 - Last resort--Always apply for federal loans first!
- College Payment Plans
- Outside Scholarships
- Tax credits—American Opportunity (formerly Hope Tax Credit) & Lifetime Learning

Tax Credits - American Opportunity Tax Credit

2010&
longer?

- Available for the **first four years** of college to assist with tuition, fees and required books.
- **Up to \$2500 tax credit** –reduces amount of taxes owed; up to 40% refunded when no income tax due.
 - 100% of first \$2,000 expenses and 25% of the next \$2,000.
- Examples:
 - Tuition of \$4000 paid in 2011-- May claim \$2500 on the tax return completed for 2011 (filed in 2012).
 - Tuition of \$1,200--May claim the full \$1,200
 - Tuition of \$3,000--May claim \$2,250 (all of the first \$2000, and 25% of the remaining tuition...which is \$250).

Tax Credits - Lifetime Learning

- Available for all years
- Can claim for remaining undergraduate years and graduate study as well as professional development classes.
- Can claim credit for 20% of tuition & fees, up to maximum of \$2,000.
- Income restrictions on who can claim Lifetime and American Opportunity Tax Credits Consult with your tax advisor!

IRS Deductions and Credits for 2011

- Families with adjusted gross incomes up to \$80,000 (single filers) & \$160,000 (joint filers) can claim tax credits.
- Certain taxpayers will qualify to take a tax deduction for tuition and fees of up to \$4,000 (even if they don't itemize).
- Cannot claim American Opportunity or Lifetime Learning Credit in the same year as deduction for same student.
- Don't miss out on the tax credits or deductions! Talk to your tax preparer or do your research.

Additional Information

- College Foundation of North Carolina
www.cfnc.org
- *The Student Guide*
 - Published by US Department of Education
www.ed.gov/prog_info/SFA/StudentGuide
- *Student Financial Aid for North Carolinians*
 - www.cfnc.org/fabook
- www.finaid.org
- Publications in local libraries

FAFSA on the Web's Homepage



START HERE
GO FURTHER
FEDERAL STUDENT AID™

FAFSA

Free Application for Federal Student Aid



HOME



ABOUT US



STUDENT AID ON THE WEB



PIN SITE



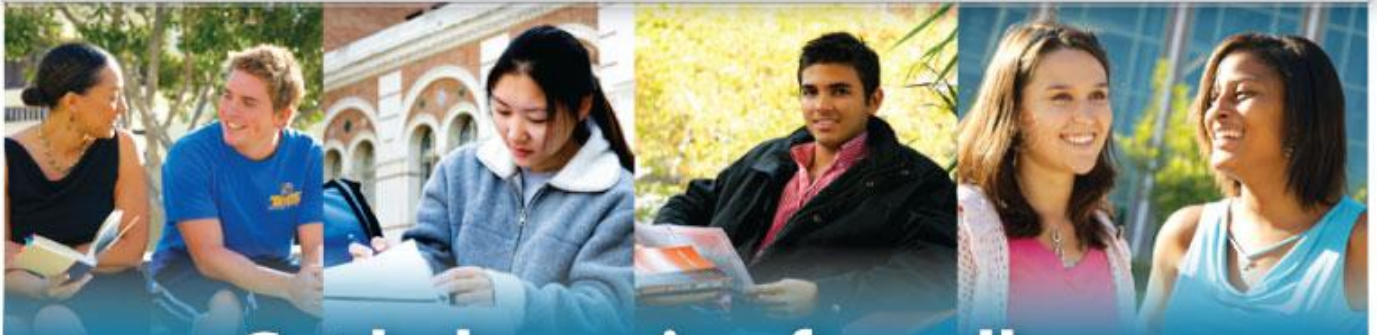
CONTACT US



BROWSE HELP

Search

English | Español



Get help paying for college

Submit a free application for federal student aid (FAFSA)

[Start Here](#)

- Start or continue your FAFSA
- Correct your FAFSA
- Check the status of your FAFSA, and more...

Deadlines

Information about your deadlines.

School Code Search

Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options

Learn about the other options for filing your FAFSA.

Announcements

- The new 2011-2012 FAFSA is here! To begin your application, click [Start Here](#) above.

Thinking About College?



Use FAFSA4caster to see how federal student aid can help you pay for college!



Watch real students share why they are going to college.

Site Last Updated: Sunday, May 30, 2010

Due to scheduled site maintenance FAFSA on the Web will be unavailable every Sunday from 5 a.m to 9 a.m (Eastern Time). We apologize for any inconvenience this may cause.

Before Beginning a FAFSA Overview

- Gather the documents you need
- Print a FAFSA on the Web Worksheet
- Plan how to sign your FAFSA
- Apply for a PIN now!

Personal Identification Number (PIN)

START HERE GO FURTHER
FEDERAL STUDENT AID

Federal Student Aid PIN

PIN Home Help Contact Us FAQs About Us

Apply For A PIN
Check PIN Status
Request A Duplicate PIN
Change My PIN
Update My Personal Information
Disable My PIN
Reestablish My PIN
Activate My PIN

Helpful Links
[Student Aid on the Web](#)
Information you will need to receive aid for school. [Go »](#)
[Links to Federal Student Aid Electronic Services](#)

Welcome to the Federal Student Aid PIN Web site

This Web site is your source of information for the Federal Student Aid PIN.

Your PIN can be used each year to electronically apply for federal student aid and to access your U.S. Department of Education records online. If you receive a PIN, you agree to not disclose or share your PIN with anyone. Your PIN serves as your electronic signature and provides access to your personal records. You should never give your PIN to anyone, including commercial services that offer to help you complete your FAFSA. Be sure to keep your PIN in a safe place.

Apply For a PIN

The PIN Application is for students and parents to apply for a new Federal Student Aid PIN.

APPLY NOW

- Web site: www.pin.ed.gov
- Sign FAFSA electronically—not required, but faster processing
- Can request new PIN or a duplicate NOW!
- Can change, disable, re-establish or activate PIN
- Students and parent each need a PIN. Will be used multiple years.

New Login Page

STUDENT

Login

Student Information

Form Approved
OMB No. 1845-0001
App. Exp. 6/30/12

Instructions are provided for each FAFSA question in the Help and Hints section on the right side of the page and are also available by clicking **Need Help?** at the bottom of the page.

The student's first name The student's full last name

The student's Social Security Number

The student's date of birth (mmdyyy)

NEXT

NEED HELP?

Help and Hints

The student's first name

You must enter the student's first name.

Use the student's proper name, not a nickname. The student's first name must match the first name on his/her Social Security card.

The student's entry must contain only letters (A-Z), numbers (0-9), periods (.), apostrophes ('), dashes (-), or blanks (spaces). No other characters are allowed.

[More>>>](#)

Introduction Page

2012-2013 FAFSA on the Web



Contact Us



Browse Help

SEARCH

Student
Demographics

School
Selection

Dependency
Status

Parent
Demographics

Financial
Information

Sign & Submit

Confirmation

Introduction Page

Use the **Next** and **Previous** buttons to move from page to page in the form. If you use your browser's back and forward buttons to move from page to page, you may lose your data.

Additional information about *FAFSA on the Web*:

[How can I get help completing my FAFSA?](#)

[How many steps does it take to complete?](#)

[How long will it take to complete?](#)

[Can I save my FAFSA if I can't finish it?](#)

[Documents needed to complete the FAFSA](#)

[Signing the FAFSA](#)

[FAFSA on the Web Security and Privacy](#)

NEXT

EXIT

Dependent Student Special Situation

If parents refuse to complete FAFSA:

- Talk to aid office if situation occurs.
- Student may be allowed to submit the FAFSA without parental information.
- No aid will be awarded to the student beyond an UNSUBSIDIZED Loan.

Parent section is not optional if the student wants total aid eligibility!!

Special Circumstances: Page 1 of 3

Displayed only if student is dependent. Student can indicate that they will provide parental information or they can indicate they have a special circumstance.

STUDENT

Student Demographics	School Selection	Dependency Status	Parent Demographics	Financial Information	Sign & Submit	Confirmation
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Dependency Status Results

Application was successfully saved.

Based on your answers to the dependency status questions, you are considered a dependent student. This means you must provide [parental](#) information. Select "I will provide parental information" and click **Next** to continue to Parent Demographics.

If you have a special circumstance and are unable to provide parental information, under very limited circumstances, you may be able to submit your FAFSA without parental information. Select "I am unable to provide parental information" and click **Next** to get additional information.

- I will provide parental information
- I am unable to provide parental information

[PREVIOUS](#) [NEXT](#)

Help and Hints

Dependency Status Results

For dependent students, a special circumstance is a situation that exists between the student applicant and his or her parent(s) which prevents the student from providing parental information.

Select **I will provide parental information** to continue to Parent Demographics.

Select **I am unable to provide parental information** to get additional information about special circumstances.

Signing the FAFSA

- After completing the FAFSA, student and parent (if dependent) must sign by:



- Entering PIN
 - Both student and one parent should each have PINs

OR

- Print signature page, sign and mail to address provided within 7 days

Sign the Application and Submit by clicking “Submit My FAFSA Now”

Student Demographics	School Selection	Dependency Status	Parent Demographics	Financial Information	Sign & Submit	Confirmation
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Sign & Submit

Application was successfully saved.

[VIEW OR PRINT YOUR FAFSA INFORMATION](#)

Are you a preparer?

Yes No

How do you (the student) want to provide your signature?

- Sign Electronically With My PIN (Fastest) [Apply For A PIN](#)
- Print A Signature Page
- Submit Without Signatures

READ BEFORE PROCEEDING

By signing this application electronically using your Federal Student Aid PIN or by signing a signature page and mailing it to us, YOU, THE STUDENT, certify that you

- will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education,
- are not in default on a federal student loan or have made satisfactory arrangements to repay it,
- do not owe money back on a federal student grant or have made satisfactory arrangements to repay it,

Terms of Agreement - Student

Agree Disagree

How do you (the parent) want to provide your signature?

- Sign Electronically With My PIN (Fastest) [Apply For A PIN](#) | [Forgot/Don't Know My PIN](#)
- Print A Signature Page
- Submit Without Signatures

READ BEFORE PROCEEDING

By signing this application electronically using your Federal Student Aid PIN or by signing a signature page and mailing it to us, YOU, THE PARENT, agree if asked

- to provide information that will verify the accuracy of your completed form
- to provide U.S. or state income tax forms that you filed or are required to file

Help and Hints

Are you a preparer?

A preparer is anyone who charges a fee for helping you fill out your FAFSA.

Typically high school counselors, school financial aid administrators, or other mentors do not charge a fee to help you complete your application, so they are not considered preparers unless you paid them for their services.

If you are a preparer, select Yes.

The Sign & Submit page now includes the signature process for the student and parent.

Confirmation Page

- ✓ Confirmation Number
- ✓ Data Release Number (DRN)
- ✓ EFC estimate
- ✓ Pell Grant and Direct Loan estimates
- ✓ Option for parents to transfer info to an application for a sibling
- ✓ Option to transfer info to a state application if state is participating in API
- ✓ College rates for each college on the FAFSA

Confirmation

Confirmation Number:


F 01200522304 10/28/2010 16:51:23

Data Release Number (DRN): 1040

2011-2012

Confirmation Page

Congratulations, Kim! Your FAFSA was successfully submitted to Federal Student Aid. You should print this page for your records.

 **Optional Feature - Transfer your parents' information into another FAFSA** - Do your parents need to complete a FAFSA for your brother or sister? Click [here](#) and all the information your parents provided in this application will be transferred to a new FAFSA. Your parents will have to provide a signature again, but that's all.

Eligibility Information

Estimated Expected Family Contribution (EFC) = 04443

The EFC is an index that schools use to determine your eligibility and is not the amount of money that you have to pay. Your school's financial aid office will use your EFC to determine the specific types and amounts of student aid you are eligible to receive.

You may be eligible to receive the following:

[Pell Grant](#) Estimate - \$1,176

[Direct Stafford Loan](#) Estimate - \$5,500

You may also be eligible to receive other federal state, or institutional grants, scholarships, and/or work-study.

College Rates

The table shows the [graduation, retention, and transfer rates](#) for the schools you selected. Go to the College Navigator Web site at www.nces.ed.gov/collegenavigator for complete information.

School Name	Graduation Rate	Retention Rate	Transfer Rate
DUBURN UNIVERSITY	NA	NA	NA
ART INSTITUTE OF CHARLOTTE (THE)	49%	47%	6%
DUKE UNIVERSITY	95%	97%	NA
BENNETT COLLEGE	48%	76%	NA
CENTRAL PIEDMONT COMMUNITY COLLEGE	8%	60%	33%

Next Steps

The colleges you listed will have access to your FAFSA information once your application is processed. For more information about student aid go to www.FederalStudentAid.ed.gov/aidinfo. Return to FAFSA on the Web at any time to check the status of your application, or to make corrections or changes.

Contact Us

If you have questions, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) or 319-337-5665. If you are hearing-impaired and have questions, contact the TTY line at 1-800-730-8913.

[PRINT THIS PAGE](#)

[E-MAIL THIS PAGE](#)

FAFSA on the Web Worksheet

- The questions within FAFSA on the Web are presented in a different order than the questions on the paper FAFSA.
- The questions that are included on the Worksheet are ordered as they appear online.
- Complete the Worksheet rather than the paper FAFSA if you want to use it to help you complete the Web version.
- Worksheet is available in PDF form www.fafsa.gov

Conclusion

- Lots of aid available from federal and state governments
- Get a PIN now! www.pin.ed.gov
- Student and parent must each have a PIN
- **Complete forms by deadlines**
- Use www.fafsa.gov to complete, sign and submit application.

Conclusion

- Respond promptly to colleges if additional information requested
 - Tax return transcripts or other information
- College will notify via email, Web or mail of aid eligibility
- Student should follow colleges' instructions to accept or decline aid offered.

Questions?

