



THE FINANCIAL AID PROCESS FOR ACADEMIC YEAR 2018-2019

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FINANCIAL AID TOPICS FOR TONIGHT

- **How to Apply for Financial Aid**
 - FAFSA, other forms and documentation
- **Award Letter**
- **What is Financial Aid, Anyway?**
 - Types and Sources of Financial Aid
- **How is Financial Need Determined?**
 - Budget, EFC, Financial Need
- **Extras**
 - Timetable
 - Special Circumstances
 - Tax Benefits
 - Net Price Calculator
 - Contact Information



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HOW TO APPLY FOR FINANCIAL AID

- Create FSA ID's for both the student and at least 1 parent
- Complete the Free application for Federal Student Aid ([FAFSA](https://www.fafsa.gov)) www.fafsa.gov
- Complete any [other forms](#) the financial aid office may require



FAFSA ON THE WEB

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FAFSA®
Free Application for Federal Student Aid

Home About Us FSA ID StudentAid.gov Help

SEARCH

English Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

**Start A New
FAFSA**

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login



SELECT THE PADLOCK ICON



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Submit a Free Application for Federal Student Aid

CREATE YOUR FSA ID'S

Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.

Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your identity to the federal government could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.

* Required

Log in to StudentAid.gov **Create An FSA ID** Edit My FSA ID

E-mail ?

Confirm E-mail ?

Username * ?

Password * ?


✓ Numbers ✓ Uppercase Letters ✓ Lowercase Letters ✓ Special Characters ✓ 8-30 Characters Show Text

Confirm Password * ?

Are you 13 years of age or older? * I am 13 years of age or older. I am 12 years of age or younger. ?

CONTINUE >

- [Log in to StudentAid.gov](#)
- [Edit My FSA ID](#)
- [Frequently Asked Questions](#)



BEGINNING THE FAFSA

Opening page when selecting “Start a New FAFSA”

The screenshot shows the FAFSA opening page. At the top, it features the Federal Student Aid logo, the text "PROUD SPONSOR of the AMERICAN MIND", and the FAFSA logo with the text "Free Application for Federal Student Aid". Below this is a navigation bar with "Home" and "Help" icons, a search box, and a "SEARCH" button. The main content area is divided into two sections: "Login" and "Help and Hints".

Login

Student Information

Form Approved
OMB No. 1845-0001
App. Exp. 12/31/2016

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.

Enter either your (the student's) FSA ID or personal information to log in to FAFSA on the Web.

Enter your (the student's) FSA ID Enter the student's information

OR

Do not log in with the FSA ID if you are not the student.

NEXT

NEED HELP?

Help and Hints

Login Options

The FSA ID, which consists of a user-created username and password, replaced the PIN effective May, 2015. It allows users to electronically access personal information on Federal Student Aid Web sites as well as electronically sign a FAFSA.

Select one:

Enter your FSA ID (only the student should log in with an FSA ID),

Or

Enter the student's name, Social Security Number and date of birth. (You may have to enter your FSA ID



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DOCUMENTS NEEDED TO COMPLETE FAFSA

- **2016 Federal Taxes—within 2 weeks after electronic submission of taxes, on the FAFSA you should be able to pull the data in through the IRS Data Retrieval Tool.**
- **2016 W'2's**
- **Untaxed Income information**
- **Bank Statement**
- **Asset Values**
- **Driver's License**
- **Social Security Number**



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FAFSA SECTIONS

- **Student Biographical Information**
- **Student Dependency Status**
- **Parent Information**
- **Student Information**
- **Colleges and Housing**
- **Signature Page and Submission**



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STUDENT BIOGRAPHICAL DATA

- **LEGAL NAME** as listed on the Birth Certificate
- **Address**
- **Citizenship**
- **Social Security Number**
- **Driver's License**
- **Male/Female—Selective Service**
- **Drug Conviction**
- **Biological Parent's Highest Grade level**



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ITEMS THAT DETERMINE STUDENT DEPENDENCY STATUS

- 24 years of age or older
- Married
- Master's Degree
- Active Duty
- Veteran
- Have Children that are supported by student
- Parents Deceased
- Legal guardianship
- Homelessness
- **NOTE: dependency of student is NOT determined by whether or not the student is claimed on a parent's tax return nor parents willingness to pay.**



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PARENT GENERAL INFORMATION

- Last Name
- First Initial
- SSN
- Date of Birth
- Marital Status
- State of Legal Residence
- Email
- Number in the Household
- Number in College



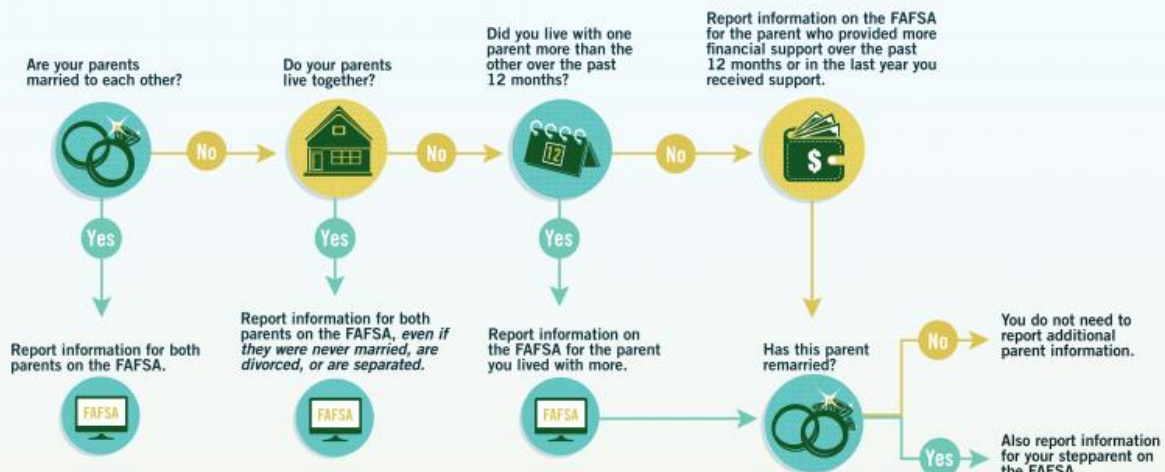
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WHO'S MY PARENT WHEN I FILL OUT MY FAFSA®

Dependent students are required to report parent information on the *Free Application for Federal Student Aid (FAFSA)*.¹ For reporting purposes, "PARENT" means your legal (biological or adoptive) parent or stepparent, or a person that the state has determined to be your legal parent.

Use this guide to figure out which parent's information to include (depending on your family situation).



The following people are not your parents unless they have legally adopted you:



Widowed Stepparent



Grandparents



Foster Parents



Legal Guardians



Older Brothers or Sisters



Aunts or Uncles

If you're not sure whom to report as a parent, you can visit StudentAid.ed.gov/afsa/filing-out/parent-info or call 800-4-FED-AID (800-433-3243).

¹ If you're not sure whether you are a dependent student, go to StudentAid.gov/afsa/filing-out/dependency

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PARENT & STUDENT FINANCIAL INFORMATION

- **Filing Status**
- **Type of return filed or filing**
- **Adjusted Gross Income (AGI)**
 - ('help' will tell you exactly which line on the 1040, 1040A, 1040EZ)
- **Taxes Paid**
 - ('help' will tell you exactly which line on the 1040, 1040A, 1040EZ)
- **Income earned from work for Parent 1 and Parent 2**



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PARENT & STUDENT FINANCIAL INFORMATION CONT.

- **Education Credit**
- **Child Support Paid**
- **Tax deferred pensions (401k's or 403b's)**
 - (W2 boxes 12a,b,c,d,e,f g,h,s)
- **Child Support Received**
- **Distributions from IRA or Pensions**
- **Other Income**



PARENT & STUDENT FINANCIAL INFORMATION CONT

- **Balance of Cash, Savings, Checking**
- **Net Worth of Investments**
 - Real estate (not the home you reside in), trust funds, UGMA and UTMA accounts, money market funds, mutual funds, CD's stocks, stock options, bonds, other securities, installments on land sale contracts, commodities
 - Qualified educational benefits or education savings accounts (e.g., Coverdell savings accounts The refund value of 529 prepaid tuition plans)



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PARENT & STUDENT ASSETS CONTINUED

- **Do not include**
 - Home you live in, value of life insurance, retirement plans (401K, 403B) plans, pension funds, annuities, non-education IRA's, Keogh plans, etc) or cash, savings and checking accounts already reported under cash, savings, and checking.
 - UGMA and UTMA accounts for which you are the custodian but not the owner.
- **Investment Value means the current balance or market value of these investments as of today (the date the FAFSA is being submitted).**



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PARENT & STUDENT ASSETS CONTINUED

- **Business or Farm Value**

- Include the market value of land, buildings, machinery, equipment, inventory etc. Business and/or investment farm debt means only those debts for which the business or investment farm was used as collateral.
- **Do not include** a business if your family owns and controls 50 percent of the business and the farm or business has fewer than 100 full-time equivalent employees
- **Do not include** the value of a family farm that you and (your spouse, and/or your parents) live on and operate.



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COLLEGES AND HOUSING PLANS

- **List up to ten colleges**
 - Search for the school code
 - For each school, you will indicate your housing plan at that school
 - List WI schools first. Only the first four will be included on the State lists to the colleges.



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IRS DATA RETRIEVAL TOOL (DRT)

- **Allows the federal tax data to be linked from the IRS data base to the FAFSA.**
 - Must input address identical to the return
 - Case sensitive with letters, watch spaces and abbreviations
- **Extension filers may have delays in using the Retrieval tool** www.fafsa.ed.gov/Apply/RegLakeland
- **Not Available for Amended Tax Filers**
- **The financial information transferred will not display. This is for the protection on your financial information.**



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SIMPLE STEPS TO TRANSFER TAX INFORMATION INTO YOUR FAFSA® FORM

The IRS Data Retrieval Tool (IRS DRT) Electronically Transfers Your Federal Tax Return Information Into Your FAFSA® Form

WHY

EASY Transfer info with the click of a button.

FAST Instantly retrieve your information.

ACCURATE Correctly fill in your information.

HOW



1 Log in to your current FAFSA® form or start a new application at fafsa.gov.

3 Click the "Link to IRS" button and log in with your FSA ID to be transferred to the IRS to retrieve your info.

5 Check the "Transfer My Tax Information into the FAFSA® form" box, and click the "Transfer Now" button.*

2 In the finances section of the online form, you will see a "Link to IRS" button if you are eligible to use the IRS DRT.

4 Once at the IRS site, enter your information exactly as it appears on your federal income tax return and click the "Submit" button.

6 You will know that your federal tax return information has been successfully transferred because the words "Transferred from the IRS" will display in place of the IRS information in your FAFSA form.

*For your protection, your tax information will not be displayed on either the IRS site or fafsa.gov.

The IRS DRT can be used by both students and parents.

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To learn more about the IRS DRT, visit StudentAid.gov/irsdrt



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SIGNATURE PAGE

- **FSA ID**
 - Student needs an ID to electronically “sign”
 - A Parent needs an ID to electronically “sign”
- **You must mark the oval to agree to the statement on the page.**
- **REMEMBER to click “submit” to actually submit the FAFSA and verify you can view the confirmation page**



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FREQUENT FAFSA ERRORS

- **Parent & student 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 & investment net worth**



THE 2018-2019 CORRECTIONS ON THE WEB

- **Talk with a financial aid office regarding corrections. Some corrections are required to be made while others may not be.**
- **If you marked “will file” for taxes you will be required to submit corrections.**



WHAT HAPPENS AFTER THE FAFSA IS SUBMITTED?

- Student receives an e-mail saying that the FAFSA was successfully submitted (usually right away).
- Student receives an e-mail that the FAFSA is processed within 3-5 days.
- All colleges listed on the FAFSA should receive an electronic copy within 3-5 days after the FAFSA is *processed*.



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THE CSS PROFILE: APPLICATION FOR NON-FEDERAL AID

- **About 300 colleges require the CSS Profile in addition to the FAFSA**
- **Online financial aid application for non-federal aid**
- **Available Oct. 1 each year for the next year**
- **Prepare by collecting same documents as for FAFSA, but also have most current year's tax info and previous year's tax info available**
- **Initial fee of \$25 and \$16 each for additional school report. There are fee waivers for income less than \$45,000.**
- **Custodial parent completes parent info, but must provide basic information and email address for noncustodial parent, also**



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HOW TO COMPLETE CSS PROFILE

- Go to [Collegeboard.org](https://collegeboard.org)
- Click on “CSS/Profile”
- Click on “Interactive Presentation” for quick tips
- Click on “Sign In” Then Click on “Sign In 2018-19” if you are a first year user
- Be sure to select 2018-2019.
- Complete both parent and student sections
- Average application will take between 45 minutes and 2 hours to complete
- Remember to **SAVE** your application – it does not need to be completed all at one sitting
- For complete submission, a valid debit or credit card is required



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ADDITIONAL FORMS

- **Additional forms (these may not be required for everyone)**
 - Financial aid application
 - IRS tax return **transcripts** for Parents and Student
 - IRS DRT fulfills this requirement
 - By Phone 1-800-908-9946
 - On line at www.irs.gov under tools “Order a Tax Return Transcript or Account Transcript—for amended tax files only
 - Paper request—download form 4506T-EZ from the website www.irs.gov
 - Non tax filers may need to request a letter of non-filing from the IRS
 - W-2’s
 - Verification worksheet (maybe different for each college)
 - Social security card
 - Selective service card
(<https://www4.sss.gov/regver/Register1.asp>)
- **File should be complete before funds can be disbursed.**



THE AWARD LETTER

- Lists each source of assistance
- Gives you the right to accept or decline any type of aid
- May need to be signed and returned to the Financial Aid Office
- Many colleges have the award letter available on-line.



AWARD LETTER IS ACCEPTED. WHAT'S NEXT?

- If the student accepted a loan, the necessary promissory notes need to be completed at www.studentloans.gov
- Students borrowing for the first time through the federal programs must complete Entrance Counseling.
- Students should keep copies of the loan application, award letters, and disclosure statements
- Be there to help your child. Most freshmen have never borrowed money and need guidance determining which loan program is best for them.



WHAT IS FINANCIAL AID, ANYWAY?

- **Financial aid is money a student receives to help the student and family pay for educational expenses.**



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TYPES OF FINANCIAL AID

- **Grants—Money not paid back**
- **Scholarships—Money not paid back**
- **Loans—Money a student or parent borrows and pays back to a lender**
- **Work Program—An opportunity for a student to earn wages via an on-campus job**



FEDERAL SOURCES

- **Grants**
 - Pell
 - SEOG
 - Teach Grant
- **Loans**
 - Subsidized
 - Unsubsidized
 - PLUS
- **Work Study**



WORK STUDY

- **Wages partially funded by Federal Dollars**
- **May be required to apply for a job**
- **Jobs may not always be guaranteed**
- **Earnings must be issued to the student**



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STUDENT LOANS

- **Loan Limits for the Subsidized/Unsubsidized per academic year for dependent students.**
 - \$5500 Freshman
 - \$6500 Sophomore
 - \$7500 Junior
 - \$7500 Senior
 - Student completing in 4 years accepting max loans will borrow \$27,000 total
- **Career Maximum for dependent to borrow is \$31,000**
- **Subsidized Loan limit of 150% of Program.**



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STUDENT LOANS CONT.

- **Federal Subsidized Loan**

- Current fixed interest rate of 4.45% (rate subject to change annually for new loans in upcoming academic year).
- 6 months grace period after college before repayment begins; however interest starts accruing right after separation from college or when student drops below $\frac{1}{2}$ time enrollment.
- 1.069% origination fee deducted by the federal government from the gross amount of the loan
- government pays the interest while the student is in college.



STUDENT LOANS CONT.

- **Federal Unsubsidized Loan**
 - Interest rate is 4.45% (Undergraduates)
 - 6 month grace period after college before repayment begins; however interest starts accruing right away
 - 1.069% origination fee deducted by the federal government from the gross amount of the loan
 - The student is responsible for the interest on the loan while in college



PLUS LOANS

- **Federal Parent Loan for Undergraduate Students (PLUS)**
 - Loan for Parents
 - Interest rate 7.00%
 - 4.276% origination fee deducted from the gross amount of the loan



PLUS LOANS CONT.

- **Credit check is performed—if denied, an endorser can be obtained, or the student will be offered an additional unsubsidized loan of \$4,000.**
- **It is more likely for a parent to be approved for a PLUS Loan than a private loan.**
- **Payments begin 60 days after the latest disbursement**
 - Parents can request to defer payments while the student is enrolled at least half-time.



FEDERAL SOURCES

- **Federal Pell Grant**
 - Has a 600% limit
 - Maximum of \$5,920
 - Available for Part-time students
- **SEOG Grant**
 - Must be Pell Eligible to be considered
- **Teach Grant**
 - Must be an education major
 - Can turn into a loan if conditions aren't met



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STATE SOURCES

- **Grants**
 - Wisconsin Grant (Private/UW's/Techs)
 - Talent Incentive Program (TIP)—Wisconsin Education Opportunity Programs (WEOP)
<http://dpi.state.wi.us/weop/index.html>



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MISCELLANEOUS SOURCES

- **Institutional Funding (College)**
- **Community, foundations, Companies**
- **DVR**
- **Tribal Indian Grants**
- **Financial Institutions—Private/Alternative Loans**



SCHOLARSHIPS

- **Outside Scholarships**

- Must report scholarship(s) to financial aid offices
- Ask the college if the outside scholarship affects the student's financial aid award
- loan or work-study can be affected
- National searches:
 - www.fastweb.com
 - www.gocollege.com
 - www.finaid.org
 - www.nextstudentloans.com/sse1



SCHOLARSHIPS CONT.

- **When applying for Scholarships:**
 - 1. Type applications**
 - 2. Follow directions**
 - 3. Dress Up for Interviews**
 - 4. 20 hours completing applications:**

If a student is awarded \$1000, this equates to \$50 per hour!



ALTERNATIVE LOANS

- More than 100 Private Banks have developed their own loan programs for student.
- www.finaid.org/loans/privatestudentloans.html
- list of available lenders at above web link.
- Schools can't always recommend a lender



HOW FINANCIAL NEED IS DETERMINED

Budget

- Expected Family Contribution (EFC)
= Financial Need



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FINANCIAL AID BUDGET = SCHOOL-SPECIFIC COST OF ATTENDANCE

- **Tuition and Fees—Direct Cost**
- **Room and Board—May be direct or indirect Cost**
- **Books—Indirect cost**
- **Transportation—Indirect cost**
- **Personal—Indirect cost**
- **Loan Fees—Indirect cost**



EXPECTED FAMILY CONTRIBUTION (EFC)

- **Government Calculation from FAFSA submission**
 - student income and assets
 - parent income and assets
 - number of people in the family
 - number of people in college
- Made of Two Components:
 1. Parent Contribution
 2. Student Contribution



TIMETABLE

- **Be very aware of deadlines.**
- **Some colleges have cut off dates for different institutional grants or scholarships.**
- **With the opening of the FAFSA in October, many schools have adjusted priority dates**



SPECIAL CIRCUMSTANCES

- **Involuntary loss of employment**
- **Unusual and excessive paid medical expenses**
- **Divorce/Separation**
- **Death of parent or spouse**
- **Other involuntary circumstances affecting family finances can be evaluated by financial aid counselor.**



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TAX BENEFITS

- **There are federal tax credits available while students are in college. This is a good time to talk with a tax advisor about these benefits and how they may impact your tax filing in the future.**



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NET PRICE CALCULATOR (NPC)

- **Available on all college websites**
- **Strictly an estimate to attend based on past year's cost and awarding formulas**
- **Colleges must follow minimum guidelines**
- **Net Prices can vary depending on the Cost of Attendance (COA)**



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