



# Completing the FAFSA

2018-2019

Angola High School

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# Discussion Topics

- FAFSA Terminology
- Preparing for the FAFSA
- The FAFSA Process
- Special Circumstances

# Goals of Financial Aid

- To assist students in paying for college and is achieved by:
  - Evaluating a family's ability to pay educational costs
  - Distributing limiting resources in an equitable manner
  - Providing balance of gift aid and self-help aid



## DID YOU KNOW?

- Each year, the federal government provides more than \$150 billion in financial aid (grants, work-study, and loans) for college or career school.
- To apply for this aid you must complete the FAFSA
- State governments and many colleges and universities use your FAFSA information to award you their aid

## RELAX!

The FAFSA is designed to be simple to fill out. Tips throughout the application help you understand the questions. Most people finish filling out the FAFSA in less than half an hour!



# FAFSA TERMINOLOGY

# FAFSA

- Free Application for Federal Student Aid
- Annual application for most forms of financial aid
- Basis for determining eligibility for:
  - Federal Funds (Grants, Scholarships, Loans and Work Study)
  - State of Indiana (Grants and Scholarships)
  - Institutional Need-based aid
- Determines EFC

# What is the Expected Family Contribution (EFC)?

Two components

- Parent contribution
- Student contribution

Calculated using FAFSA data and a federal formula.

Main components are:

- Family size
- # in college
- Students income/assets
- Parents income/assets

Stays the same regardless of college choice

**Colleges use EFC as an index of your family's financial strength to award financial aid**



# What is Cost of Attendance (COA)?

**Direct costs** (pay directly to the school)

- Tuition & Fees
- Room & Board

**Indirect costs** (costs associated with attending school but not necessarily paid to the school)

- Books & Supplies
- Transportation
- Miscellaneous personal expenses
- Off Campus housing

Direct and indirect costs are combined into the total cost of attendance

**\*\*Vary widely from college to college\*\***

# How is financial need determined?

$$\text{Financial Need} = \text{COA} - \text{EFC}$$

## College A

COA	\$46,246
EFC	- <u>12,250</u>
Need =	33,996

COA - Variable  
EFC - Constant

## College B

COA	\$21,174
EFC	- <u>12,250</u>
Need =	\$8,924

# When do I need to file the FAFSA?

- For the 2018-19 academic year, the FAFSA may be filed beginning October 1, 2017
- Needs to be completed on an annual basis
- **State Aid Filing Deadline is April 15<sup>th</sup>, 2018**
- Colleges may set FAFSA institutional filing deadlines

# PREPARING FOR THE FAFSA

## GATHER THIS INFORMATION

The FAFSA asks questions about you and your finances, so have the information below handy.



Social Security number



Alien registration number



Federal tax information or tax returns



Records of untaxed income



Cash, savings, and checking account balances



Investments other than the home in which you live

### DON'T HAVE ALL YOUR INFO READY YET?

That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit [StudentAid.gov/dependency](https://studentaid.gov/dependency).)

# Dependent vs. Independent Students

- At least 24 years old
- Graduate or professional student;
- Married;
- Have children or dependents (in which the student provides over 50% of their support);
- Veteran of the U.S. Armed forces or currently serving on active duty
- At age 13 or older, both parents deceased, in foster care or a ward/dependent of the court;
- Emancipated minor (determined by a court in state of legal residence);
- In legal guardianship (determined by a court in state of legal residence);
- Homeless



## FAFSA Tips

Who is  
considered a parent?

- Dependent students are required to report parent information
- “parent” means legal (biological, adoptive or court appointed) parent
  - If married or unmarried & living together, both parents are listed on the FAFSA

# FAFSA Tips

## Who is considered a parent?

- If divorced, separated or never married & not living together:
  - Student Asks:
    - Who did I live with more the last 12 months?
    - Who provided more financial support the last 12 months?
  - Answer determines which parent is listed.
    - If that parent is remarried, must also provide stepparent information

# FAFSA Tips

## Who is considered a parent?

- Not a factor in determining a parent:
  - Who claims student on taxes
  - Who makes more money
- Never considered a parent (unless they have legally adopted student)
  - Grandparents
  - Foster parents
  - Legal Guardians
  - Aunts/Uncles
  - Older siblings
  - Widowed stepparent



# FSA ID

DO YOU HAVE  
AN FSA ID?



# FSA ID

- User ID and Password format
- Student and one parent **both** need own FSA ID
- Each individual must use unique email address
- <https://fsaid.ed.gov/>

## 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

Create An FSA ID

Edit My FSA ID

E-mail



Confirm E-mail



- [Edit My FSA ID](#)
- [Frequently Asked Questions](#)

# FSA ID

- Sign and Submit initial FAFSA
- Make corrections to processed FAFSA
- Review previously received federal aid
- Sign federal student loan documents
- Parents: apply for federal loan
- Apply for income based repayment

# Apply for Aid: FAFSA

[www.fafsa.gov](http://www.fafsa.gov)

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND® | FAFSA®  
An OFFICE of the U.S. DEPARTMENT of EDUCATION | 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**

## Financial Information

- The IRS Data Retrieval Tool
- Also available in corrections
- **2016** processed federal tax information can be transferred from IRS to FAFSA
  - Note: you will not update after filing 2017 return
- Student and parent (for dependent students)

The screenshot displays the FAFSA website interface. At the top, the FAFSA logo and the slogan "START HERE GO FURTHER FEDERAL STUDENT AID" are visible. Below the logo, there are navigation links for "Contact Us" and "Browse Help", and a search bar. The main navigation menu includes "Student Demographics", "School Selection", "Dependency Status", "Parent Demographics", "Financial Information" (highlighted with a red box), "Sign & Submit", and "Confirmation".

The "Financial Information" section is titled "Parent Tax Information". It features a green checkmark icon and a message: "Application was successfully saved." Below this, there is a question: "For 2010, have your parents completed their IRS income tax return or another tax return?" with a dropdown menu set to "Already completed".

There is a link: "View and Transfer your 2010 Tax Information from the IRS. [How it works](#)". Below this, a note states: "Note: If you recently filed your taxes, your IRS information may not be available yet. If you filed your taxes electronically, it may take 1-2 weeks; but if you filed your taxes via the mail it may take 6-8 weeks. You can use your personal copies of your tax returns and complete the FAFSA. You could also wait until your IRS information becomes available before submitting your FAFSA, but you should keep in mind any [deadlines](#)." Below the note, there is a field for "Enter your PIN and click [Link To IRS](#)." and a dropdown menu for "Which parent are you?" set to "Select".

There is a button: "Click [Skip This Option](#) if you do not want to use this tool." Below this, there is a button: "SKIP THIS OPTION".

At the bottom of the section, there is a note: "If your 2010 IRS tax filing status is [married filing separately](#), you filed an [amended tax return](#), or you filed a [foreign tax return](#), we recommend that you [Skip This Option](#)." Below this, there are navigation buttons: "PREVIOUS" and "NEXT".

At the bottom of the page, there are buttons: "NEED HELP?", "SAVE", "CLEAR ALL DATA", "VIEW FAFSA SUMMARY", and "EXIT".

On the right side, there is a "Help and Hints" section titled "Which parent are you?". It contains the text: "This question is used to determine which parent is providing a PIN in order to access the IRS Web site." Below this, there are two bullet points: "• Select **Father / Stepfather** if you are the student's father / stepfather." and "• Select **Mother / Stepmother** if you are the student's mother / stepmother."

# IRS Data Retrieval Tool

- 2016 tax data will be presented and the applicant will have the option to “transfer” the tax information to the FAFSA
- Transferred data will have a notation- **“Transferred from the IRS”**
- Complete transfer for both student and parent
- **\*\*Do not update after completing 2017 return\*\***



# Benefits of IRS Data Retrieval

- Applicants can complete their FAFSA more easily and accurately
- No manual entry!
- Reduces likelihood of being selected for verification



# Signatures

- Required
  - Student
  - One parent (dependent students)
- Format
  - Electronic using FSA ID (recommended)
  - Signature page
  - Paper FAFSA

# Frequent FAFSA Errors

Mistakes can delay your application and limit the amount of aid you are eligible to receive. To avoid errors, carefully read all of the questions on the FAFSA.

- Leaving blank fields
- Using commas or decimal points: **ALWAYS** round to the nearest dollar
- Incorrect personal information
- Providing incorrect parent Information
- Missing signatures
- Household size & number in college
- Not using legal name

# Special Circumstances

- Cannot be reported on FAFSA
- Contact the Financial Aid Office at each school to explain your specific situation
- College will review special circumstances
  - Be prepared to provide supporting documentation

# Special Circumstances

- Change in employment status
- Excessively high medical expenses not covered by insurance
- Change in parent marital status
- Expenses related to a student's disability
- Death of a parent
- One time income exclusion
- Unusually high dependent child care costs associated with a disability

# Processing the FAFSA

- After you submit the FAFSA, your information will be sent to the colleges and/or career schools you listed

## PROCESS TIMELINE

You'll receive an e-mail within a few days, letting you know your FAFSA was processed.

Your college or career school might request additional information from you. Make sure you respond by any deadlines.

# FIRST-TIME APPLICANTS

You'll receive an aid offer from each college or career school you applied to and listed on your FAFSA, stating the amount of aid you could receive at the school.

Review and compare your offers, and decide which school to attend based on the school's net cost and how well the school suits your needs.

# RECEIVING FINANCIAL AID

Formally accept the school's aid offer - and remember, if you're offered student loans, borrow only as much as you really need.

Your school will handle your aid. Ask the financial aid office when and how your aid will be paid out, what it'll cover, and how much (if any) money will come directly to you once tuition and fees are paid.



# Questions??

THANK YOU!!