

# Financial Aid 101

## Beginning the Financial Aid Process



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Community College *of* Philadelphia

[www.ccp.edu](http://www.ccp.edu)

# Financial Aid 101

## What You Need to Know About Planning and Preparing For the Financial Aid Process: A Prospective Student Guide

# Financial Aid 101

## Topics We Will Discuss

- What is financial aid?
- Non-Need vs. Need
- Outside and Private Scholarship Awards
- Why submit a Free Application for Federal Student Aid (FAFSA)?
- What types of aid is available to me?
- Expected Family Contribution (EFC)
- Free Application for Federal Student Aid (FAFSA)
  - 2021-2022 Updates
- Special circumstances

# Financial Aid 101

## What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses. Financial aid may be in the form of grants, scholarships, loans, work study, or private sources.

Development of a family financial plan is key. Family financial planning should be for all enrollment years, not just the first year!

The reason students are attending is for an education and earning a degree. Financial aid is a supportive measure to ensure that our enrollment is secure and graduation is achieved!

# Financial Aid 101

## Categories of Financial Aid

- Non need-based
  - No family financial information used for consideration
  - Funds awarded typically by institution/private sources on basis of demonstrated student academic performance, leadership, or  
extra-curricular activities
    - Composite SAT scores (optional for selected programs)
    - Cumulative High School G.P.A
    - Letters of Recommendation
    - Renewable with academic criteria upon matriculation
  - May be in the form of:
    - Scholarship and/or Grant funded awards
    - Monies provided on behalf of the students
    - Sourced from either Institution or Private/Outside Agency
  - Application completion may be required
    - Verify with institution and/or private/outside agency

# Financial Aid 101

## Categories of Financial Aid

- Need-based
  - Funds awarded on basis of demonstrated family financial need from prior year tax/income/savings information using government/institutional calculations
    - Family demographic information
    - Parent information
    - Student information
  - May be in the form of:
    - Federal, State, Institutional grant funds
      - » Demonstrated Need
      - » Academic criteria (select programs/funds)
    - Federal loan funds
    - Federal Work-Study



# Financing Your College Education

## Consider other Financing Options

### Outside/Private Scholarships

FastWeb.Com

– [www.fastweb.com](http://www.fastweb.com)

CollegeNet.Com

– [www.collegenet.com](http://www.collegenet.com)

The College Board

– [www.collegeboard.com](http://www.collegeboard.com)

Scholarships.Com

– [www.scholarships.com](http://www.scholarships.com)

Scholarship America

– [www.scholarshipamerica.org](http://www.scholarshipamerica.org)

# Financial Aid 101

## Why complete a Free Application for Federal Student Aid?

- To Determine Eligibility for Need-based Types of Aid
  - Funds awarded on basis of demonstrated family financial need from prior year tax/income/savings information using government/institutional calculations
  - May be in the form of:
    - Grant Funds from:
      - » Federal
      - » State
      - » Institutional grant funds
    - Federal loan funds
    - Federal Work-Study
- Some institutions award need-based aid over-and-above academic awards based on the FAFSA information
- Based on the institutions cost of attendance, you never know what aid (various sources) you may be eligible for



# Financial Aid 101

## Types of Financial Aid Available from Completing the FAFSA

### Scholarships (University and Private)

- Merit or Participation Awards that do not have to be repaid

### Grants (Federal, State, and University)

- Need-based awards that do not have to be repaid

### Self-Help Programs

### Loan Programs

- Loans must be repaid
- Some need-based student loans do not have to be repaid until the student leaves school. Student loans frequently have lower interest rates lower than loans to the general public

### Federal Work Study

- Federal need-based program that allows students to earn money for hours worked via a paycheck to help pay for educational expenses

# Financial Aid 101

## For Need-Based Funding: File the FAFSA

### FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)\*

Used to determine **Federal, State, and University Need-based** grant funds

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

or

**Federal Student Aid App**

\*Verify with every institution what financial aid forms are required (FAFSA, CSS Profile, and/or institutional) and associated deadlines for completion

**Every institution has a TITLE IV Federal school code: XXXXXXX**

# FSA ID: Student Financial Aid Account Set-up and Document Signing

Department of Education Student/Family Single Sign-On

## FAFSA Log-in process

- FSA ID is a user-selected username and password
- Process to complete and sign the FAFSA:
  - Log-onto Studentloans.gov for loan processing, NSLDS, etc.
  - Each FSA ID user must have a unique e-mail address
- Students and parents (dependent students only) can apply at any time, but will need one prior to completing the FAFSA.
  - Information must be correct with the Social Security Administration before your FAFSA or FSA ID can be processed.
- More information and creating an FSA ID can be found online at:
  - [www.studentaid.gov/fsaid](http://www.studentaid.gov/fsaid)

# FSA ID: Student Financial Aid Account Set-up and Document Signing

- 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 should create a FSA ID

The screenshot shows the 'Create a New FSA ID' page from the Federal Student Aid website. At the top, it says 'Federal Student Aid' and 'PROUD SPONSOR of the AMERICAN MIND®'. Below this, it says 'Create a New FSA ID' and 'An FSA ID gives you access to Federal Student Aid's online systems and can serve as your legal signature.' It then provides instructions on how to create an FSA ID and a warning about the importance of clicking the CANCEL button. The main form area has two tabs: 'Create An FSA ID' (selected) and 'Edit My FSA ID'. The form includes fields for E-mail, Confirm E-mail, Username, Password, and Confirm Password. There are also checkboxes for 'Numbers', 'Uppercase Letters', 'Lowercase Letters', 'Special Characters', and '8-30 Characters'. A 'Show Text' button is next to the password field. At the bottom, there is a 'CONTINUE' button. On the right side of the form, there are links for 'Edit My FSA ID' and 'Frequently Asked Questions'.

Federal Student Aid  
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### 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.*

Create An FSA ID Edit My FSA ID

E-mail

Confirm E-mail

Username \*

Password \*

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.

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

# Financial Aid 101

## File the FAFSA – New

### Apply as soon as possible after October 1, 20xx

- Most institutions have a recommended priority filing deadline for new incoming students:
  - Typically prior to March 1

### Complete online for 20xx/20xx academic year

- Complete a New FAFSA – do not use renewal
- Apply for FSA ID (one time)
  - Parent (1) and Student
- One FAFSA per Student SSN
- Complete Renewal FAFSA each year by October 1

# Financial Aid 101

## File the FAFSA

### Tax Information

- Submit official tax information using IRS Data Retrieval
- New: FAFSA will require PPY (Prior-Prior Year) tax information:
  - Using actual tax information and the IRS Data Retrieval process will result in an “Official” submitted FAFSA, otherwise submit with estimated information
- \*Note: All submitted estimated tax information must updated to actual “official” tax information to receive need-based aid
- Use PPY tax returns and W-2's
  - Parent taxes:
    - » Traditional household
      - » Mother and Father tax information
    - » Non-traditional household
      - » Custodial parent (and new spouse) only
      - » Non-custodial tax information not required
  - Student taxes
- Use Current Year demographic Household Information
  - Current household size
  - Current number in family
  - Current number in college
  - Current year asset information



# Financial Aid 101

## FAFSA Results and Q &A

### View and Review Student Aid Report (SAR)

- Received via email after FAFSA is processed
- Verify information is accurate
- Make corrections/update information
  - New SAR 3-5 days online
- SAR Questions: 1-800-4-FED-AID

### Can I choose to report 2020 information if my family's financial situation has changed since our 2019 taxes were filed?

- You must report the information the FAFSA asks for. If your family's income has changed substantially since the 2019 tax year, talk to the financial aid office at your school about the family's situation.
  - Note: The FAFSA asks for marital status as of the day you fill it out. So if you're married now but weren't in 2019 (and therefore didn't file taxes as married), you'll need to add your spouse's income to your FAFSA. Similarly, if you filed your 2019 taxes as married but you're no longer married when you fill out the FAFSA, you'll need to subtract your spouse's income.

### Where can I get more information about—and help with—the FAFSA?

- Visit: [www.StudentAid.gov/fafsa](http://www.StudentAid.gov/fafsa); and remember, as you fill out your FAFSA at [fafsa.gov](http://fafsa.gov), you can refer to help text for every question and (during certain times of day) chat online with a customer service representative

# 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

# FAFSA on the Web

## IRS Data Retrieval

- While completing FOTW, applicant may submit real-time request to IRS for tax data
- Tax filer retrieves own data
  - Voluntary
  - No consent
- IRS will authenticate taxpayer's identity
- If match found, IRS sends real-time results to applicant in new window
- Applicant chooses whether or not to transfer data to FOTW

# 2021-2022 Verification Process

- What is Verification?
  - The Office of Financial Aid compares student/family FAFSA entered tax information to completed submitted IRS tax returns for a selected population for accuracy
  - Verification process may impact student eligibility for certain types of need-based aid
  - Student Aid Report (SAR) will indicate who is selected
    - About one-third of all students who submit a FAFSA will be selected for verification
  - Certain types of financial aid may not be received by the student until the process is complete
  - Do not send in any information until The Office of Financial Aid requests required information in writing
    - Acceptable documentation will be indicated
    - Requested information may vary per student

# Summary Of FAFSA Changes for 2021-2022

- **What's New?**

- Students will be able to file the 2021-2022 FAFSA as early as October 1, 2020.
- The 2021-2022 FAFSA will report on prior-prior tax year information instead of prior tax year.
  - » 2021-2022 FAFSA will report on 2019 tax information instead of 2018
- Students will be able to complete the 2021-2022 FAFSA using the  
New Federal Student Aid Phone App

- **What's the Reason?**

- As a result of using prior-prior tax year information, students and families will have to utilize the IRS Data Retrieval Process for official tax information, thus eliminating submitting the FAFSA with estimated tax information.
- Receive earlier notification of financial aid award packages to coincide with Enrollment Management recruitment efforts.
- A more convenient way to complete and submit the FAFSA information.

# Financial Aid 101

$$\begin{array}{ccc} \text{Cost of Education} & - & \text{Expected Family Contribution (EFC)} = \text{Financial Need} \\ \text{(Variable)} & & \text{(Standard for all schools)} \quad \quad \quad \text{(Variable)} \end{array}$$

## Cost of Education is:

- Tuition and Fees
- Room and Board
- Books and Supplies
- Transportation
- Personal Expenses

## Expected Family Contribution is:

- Parent Contribution from:
  - Earnings
  - Assets
- Student Contribution
  - Student Earnings
  - Student Assets



- Practice completing a Free Application for Federal Student Aid (FAFSA) and calculating your Expected Family Contribution (EFC) online at either: [www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov) or [www.collegeboard.com](http://www.collegeboard.com)



# Financial Aid 101

## What is the Expected Family Contribution (EFC)?

- Amount the federal government determines that a family can reasonably be expected to contribute towards the cost of a college education for an academic year
- Federal EFC stays the same regardless of college
- Two components
  - Parent Contribution
  - Student Contribution
- Calculated using data from a federal application form and federal formula

# Financial Aid 101

## What is Cost of Attendance (COA)?

Cost of attendance is the average amount for one student for one year. Cost of attendance will vary based on:

- **Direct Costs**
  - Tuition, Fees, Room and Board (if applicable) – The Bill
- **Indirect Costs**
  - Books, supplies, digital classroom materials, travel/personal expense – Non-billable
- **Direct and indirect costs combined into cost of attendance**
- **Varies widely from college to college**

# Financial Aid 101

## Federal Grant Programs

(Eligibility determined based on FAFSA)

### Federal Pell Grants

- Need-based award
- EFC less than \$5,711 (2020-2021 academic year)
- Award up to \$6,345 – variable
- Renewable each year upon eligibility
- Eligibility determined by the Department of Education

### Federal Supplemental Educational Opportunity Grants (FSEOG)

- Need-based award
- Pell eligible students only
- Amount and number awarded vary



# Financial Aid 101

## State Grant Program

### Pennsylvania State Grant (PHEAA State Grant\*)

- Need-based Program
- For Undergraduate Students
- Awarded by the State of Pennsylvania
- Up to \$4,140 per academic year (2020/2021 academic year)

\* FAFSA information automatically released to your individual state's higher education assistance agency. Student contacted by PHEAA for State calculated award amount. Application link is displayed on the FAFSA Submission Confirmation page

\* Non-Pennsylvania Residents – check with your individual State Agency about their State Grant programs and PA partnerships (Delaware, Rhode Island, Massachusetts, Vermont, Ohio)

# Financial Aid 101

## Private Sources

- Foundations, businesses, charitable organizations
- Deadlines and application procedures vary widely
- Begin researching private aid sources early

## Civic Organizations and Religious Affiliations

- Research what is available in community
- To what organizations and affiliations does student and family belong?
- Application process usually spring of senior year
- Small scholarships add up!

# Special Circumstances

## College reviews special circumstances

- Information that cannot be reported on FAFSA
- Send explanation to financial aid office at each college
- Request additional documentation
- Decisions are final and cannot be appealed to U.S. Department of Education

## Circumstance Types

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



# Financing Your College Education

## Receive and Review Financial Award Packages

### Financial Aid Review Process

- Confirm student's major and housing status
- Determine the financial affordability between competitive institutions
- Compare total costs versus total financial aid awards received
- Consider funding options:
  - To meet the difference between cost and aid
    - » Including options to replace the EFC

# Financing Your College Education

## Financial Aid Timeline (Typical 4yr Institution Only)

(Rolling Admission)

- October thru May 20xx
  - Apply for FAFSA FSA ID
  - Receive W-2's from all employers
  - Complete and submit FAFSA online
- December 20xx
  - Week of December 1, 20xx
  - College receives all completed FAFSA's filed after October 1, 20xx
  - College to receive FAFSA's on weekly rolling basis through June 20xx
  - Updated/corrected FAFSA's will be received and reviewed
  - Estimated Award Packages Provided
    - Financial Aid Award Packages mailed containing estimated cost of attendance and Grant Aid
- January 20xx
  - Financial Aid Award Packages received by students for review
- May 20xx
  - May 1, 20xx – Deadline for Matriculation
    - Confirmation of Enrollment

# FSA Mobile App 2021-2022

Now Available: 2021–2022 FAFSA® Form on myStudentAid Mobile App

Students and parents can complete the 2021–2022 FAFSA form using the myStudentAid app. Students and parents may download the myStudentAid app in the [Apple App Store](#)(iOS) or [Google Play](#) (Android). The myFAFSA component—which is used to complete the FAFSA form—is the app's featured function. Note: If students and parents downloaded the app prior to Oct. 1, they must download an update to access the 2021-2022 FAFSA form.

The following are key features of myFAFSA:

- Students and parents may begin, complete, and submit a new or renewal FAFSA form for the 2021-2022 FAFSA processing cycle.
- Users will be offered a customized experience based on their role (student, parent, or preparer). The app provides guidance on how to complete the FAFSA questions, making the overall process more positive, engaging, and user-friendly.
- Users will have a secure experience with the same data protections as completing the FAFSA form through fafsa.gov.
- Students and parents may use the IRS Data Retrieval Tool (IRS DRT) to electronically transfer federal tax return information into a FAFSA form.

# FSA Mobile App 2021-2022

## Additional Key features of myFAFSA:

- Parents will be able to automatically transfer their information from a completed FAFSA form for one of their children into a new FAFSA form for another child. Note: This functionality is not currently available but is planned for a future update of the app. (Timing TBD.)
- Students and parents may be eligible to transfer their FAFSA information into their state aid application. Participating states include Iowa, Minnesota, Mississippi, New Jersey, New York, Pennsylvania, and Vermont.
- Students will be able to view additional information about the schools they selected on their FAFSA form for easy comparison of schools.

In addition to the features provided by myFAFSA, the myStudentAid mobile app provides links to the following services:

- Profile: manage username and password (FSA ID)
- myFederalLoans: view federal student aid history
- myCollegeScorecard: view and compare information about schools
- Contact Us: get in touch with Federal Student Aid contact centers to have questions answered
- StudentAid.gov: access Federal Student Aid's key source of information about the federal student aid programs, application process, and loan repayment options

# FSA Mobile App 2021-2022



**myStudentAid** [4+]

U.S. Department of Education  
Office of Federal Student Aid

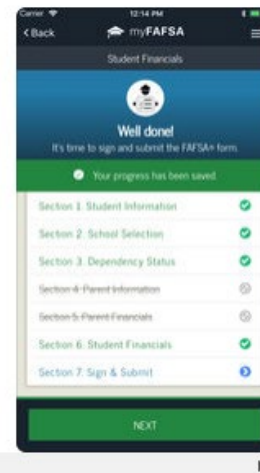
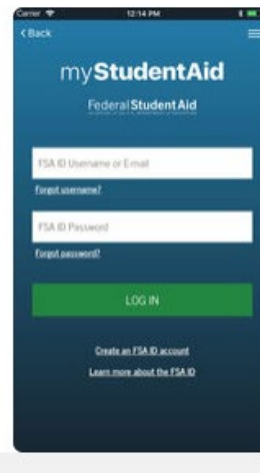
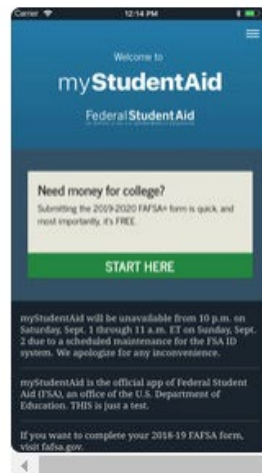
#28 in Finance

★★★★☆ 3.6, 67 Ratings

Free

## Screenshots

iPhone iPad





# Community College of Philadelphia

## Success Starts Here



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# 2021-2022 AY FAFSA Demo

## FAFSA Demonstration Site

- A demonstration site is available so you can increase your own understanding of the FAFSA and show it to students before they apply. At the demo site, you can complete a sample FAFSA, make corrections, or check the status of the application. However, when you choose "submit," the information is not actually submitted. The site is purely a learning tool.
- <http://fafsademotest.ed.gov/> , enter the user name eddemo and the password fafsatest, and you're all set. The site displays both the English and Spanish versions of the online FAFSA. The demo site is updated in December each year to show the upcoming year's FAFSA.