



How Your Financial Aid Package Is Calculated

Financial aid packages – composed of loans, grants, scholarships, and work-study funds – are assembled annually by your college. Primarily determined by need, financial aid packages are calculated by subtracting the difference between your school's "Cost of Attendance" and your "Expected Family Contribution."

Cost of Attendance (COA) - Expected Family Contribution (EFC) = Financial Need

(COA – EFC = Financial Need)

In addition to need-based aid, financial aid packages include merit-based awards that you may be eligible to receive based on certain skills or "merits" that you possess (i.e., academic, athletic, musical or other achievements). Merit aid may be renewable or may be one-time only awards.

Applying For Financial Aid – The FAFSA

In order to start the process of applying for Federal, as well as most State and school financial aid, you need to fill out the [Free Application for Federal Student Aid \(FAFSA\)](#). Using a standard Federal formula, the FAFSA determines the amount that you and your family are expected to contribute toward the cost of college. Keep in mind that applying for Federal student aid through the FAFSA is **FREE**.

- You can begin applying for financial aid through the FAFSA form between January 1st and through June 30th of the following calendar year. Apply as soon as possible after January 1st in order to meet all school and State financial aid deadlines. Also, **be sure to ask** your institution's financial aid officer if there are any forms that your school may require you to fill out in addition to the FAFSA.
- You will need to re-apply for financial aid each new academic year for which you seek aid. To ease the process of re-applying for aid, you will receive a "Renewal Application" that contains pre-printed information from the FAFSA you submitted the previous year. Be sure to apply as soon as possible after January 1st to ensure that you meet all deadlines in your State and at your institution.
- You do not need to be *admitted* to apply for financial aid. While you must be *accepted for enrollment* at an institution of higher education *to receive financial aid*, you can start applying for financial aid your senior year in high school any time after January 1st – and the earlier the better!

- You need a “pin” number to apply for financial aid. A “pin” is a personal identification number that allows you to do a number of things, such as “sign” the FAFSA and make corrections to your application information. Apply for your pin at www.pin.ed.gov. You can also apply for a pin when you complete the FAFSA.
- The FAFSA comes in two formats – paper and electronic. The electronic version is typically processed more quickly than paper version and also contains “skip logic” which may allow you to bypass certain questions that do not pertain to you. The electronic version can be accessed online at <http://www.fafsa.ed.gov>. The paper FAFSA is available by calling the Federal Student Aid Information Center toll-free at 1-800-4-FED-AID.
- You can also download a *PDF* version of the FAFSA at www.FederalStudentAid.ed.gov by clicking on “FAFSA Filing Options.” Fill out and submit the FAFSA directly to the U.S. Department of Education **OR** ask if your school’s financial aid officer is willing to submit your FAFSA to the Department electronically on your behalf.
- Track & Meet Deadlines. Missing deadlines may prevent you from receiving the funds for which you are eligible. Also, be sure to ask your institution’s financial aid officer if there are any forms that your school may require you to fill out in addition to the FAFSA.

Calculating Your Expected Family Contribution, or “EFC”

On the FAFSA, you will be asked questions about your family size, the number of family members in college, whether you are a dependent or independent student, and questions about the income and assets of both you and your family. Assets are things like cash, checking and savings accounts, ownership of or equity in business, and real estate other than your family home.

After completing the FAFSA (remember to keep a copy for your records), the Federal Government will analyze the information you submitted and calculate your EFC. The result of this analysis will be sent to you in a document called a “Student Aid Report” or “SAR” for short.

Review your SAR and make sure all the information is correct. If any information is wrong, go to www.fafsa.ed.gov and make the necessary changes. Your school will receive the updated information directly from the Department.

Calculating Cost of Attendance

The phrase “Cost of Attendance” (COA) has a specific meaning under Federal law. Cost of attendance is the sum of your educational costs which typically include tuition and fees, books and supplies, room and board, transportation, and miscellaneous personal expenses. “Cost” may also include other types of expenses such as loan fees, child or dependent care costs, study abroad or cooperative education costs, and expenses related to a disability. Cost of attendance will vary from college to college.

Your institution will assemble your financial aid package by subtracting what you can contribute toward your education, as determined through the FAFSA, from your cost of attendance. If your COA is more than what you can contribute, you may be eligible for need-based financial aid (such as grants, work-study and low-cost Federal student loans).

It is important to know that outside scholarships (i.e., those not provided through your college) and private loans are considered “resources” that can be used towards your college costs. Consequently, these sources of funding may reduce the amount of need-based aid that you are eligible to receive. Ask your financial aid office how outside scholarships and private loans will affect your financial aid package so that you don’t miss out on less costly aid options.

Your Award Notification Letter

After you complete and submit your FAFSA, your school will send you an “award notification letter” – a notice that lists the types and amounts of aid for which you are eligible. Most colleges and universities award aid in the form of financial aid packages that combine aid programs such as scholarships, grants, loans, and work-study funds.

If your Expected Family Contribution is less than your Cost of Attendance, you may be eligible for need-based financial aid. Even if you think you won't qualify for need-based aid, **apply anyway**. There may be sources of funding that you are eligible to receive that you are not aware of, **but you won't know for sure unless you apply!**

When reviewing your award letter, consider the following points:

- The types and amounts of aid you're offered will vary from institution to institution depending on your financial need, the school's Cost of Attendance, available funds, and the number of aid applicants.
- You can accept or decline parts of your aid package. Talk to your financial aid counselor if you have questions about your financial aid package.
- Institutions may ask you to formally accept or decline your award offer and usually require you to do so by a specific date. If you miss deadlines, you may miss out on the opportunity to receive the financial aid for which you are eligible.

Early Estimates of Your Financial Aid Eligibility

The U.S. Department of Education offers an online tool to help students and families financially prepare and plan for college *before* a student's senior year of high school. Called the [FAFSA4caster](#), this online tool instantly calculates a student's Expected Family Contribution.

While this calculation is not your “official” EFC, it provides an indication of your financial aid eligibility that will allow you to create scenarios based on future earnings and to establish college savings strategies.

FAFSA4caster also offers:

- An opportunity to become familiar with the student aid lifecycle and the roles of all financial aid players – students and families, schools and institutions, loan holders, guaranty agencies, and loan servicers.
- Automatic generation and e-mail of a Federal Student Aid “PIN” for use on *FAFSA on the Web*.
- A streamlined process that contains only data elements required to determine Federal eligibility.
- Some of the data entered into the *FAFSA4caster* will pre-populate your *FAFSA on the Web* application when you officially apply for Federal student aid.
- Access the *FAFSA4caster* at <http://www.fafsa4caster.ed.gov>.