



Fund Your Future

Understanding the College Financial Aid
Process

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Agenda

Applying for Financial Aid

Expected Family Contribution (EFC)

Cost of Attendance

Types, Categories, and Sources of Aid

Special Circumstances

What is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.



Grants

Scholarships

Loans

Work

Applying for Financial Aid



Free Application for Federal Student Aid (FAFSA) Application:

- Apply online at fafsa.ed.gov
- US Citizens and Permanent Residents

OR

California Dream Act Application:

- Apply online at dream.csac.ca.gov
- Students who are not eligible to file a FAFSA and are AB540 Eligible

AND

Cal Grant GPA Verification Form

- Form can be found at csac.ca.gov
- Check with your high school or college counselor for more details on how to file the Cal Grant GPA Verification Form, required of all students to be considered for the Cal Grant award.

Applying for Financial Aid



- Both the FAFSA and the Dream Act Application collect demographic and financial information about the student and the household.
- Information collected on the aid application determine a family's ability to contribute, otherwise known as the Expected Family Contribution (EFC).


Applying for Financial Aid

- For the 2020–21 school year, students & parents will report income information from the 2018 tax year
- Can ESTIMATE income if taxes not done
- Applications open October 1st
- Priority deadline for California is March 2nd

IRS Data Retrieval

For 2015, have your parents completed their IRS income tax return or another tax return?
Already completed ▾

For 2015, what is your parents' tax filing status according to their tax return?
Married-Filed Joint Return ▾

 You, the parents, may be able to use the IRS Data Retrieval Tool to view and transfer your tax information from the IRS.

Did you, the parents, file a Form 1040X amended tax return?
 Yes No

Did you, the parents, file a Puerto Rican or foreign tax return?
 Yes No

Did you, the parents, file taxes electronically in the last 3 weeks (or by mail in the last 11 weeks)?
 Yes No

- IRS will authenticate taxpayer's identity
- If match found, IRS sends real-time results to applicant in new browser window
- Applicant chooses whether or not to transfer data to the FAFSA

Which Parent to Use?

- **If parents are divorced or separated**
 - Report information about the parent the student lived with the most during the 12 months prior to completing the FAFSA.
- **If the student splits their time evenly between both parents**
 - Report information about the parent who provided more than half of the support during that 12 month period.
- **If that parent is remarried**
 - Report information using the biological parent, and the student's stepparent.



Expected Family Contribution

- EFC

- Amount of money a student and his or her family may reasonably be expected to contribute towards the cost of the student's education for an academic year
- Colleges use EFC to award financial aid

Expected Family Contribution

- EFC

The EFC consists of a Parent Contribution (PC) and a Student Contribution (SC).

EFC is based on family income, assets, household size, age of the older parent and the number in college.

In general, a family's EFC stays the same regardless of college.

Verification

- Some students may be required to verify the information reported on the aid application
- For tax filers, this could include sending in a copy of parents/students 2018 federal tax return
- Non-tax filers selected for verification may be asked to provide
 - Signed statements confirming that they did not file a 2018 federal tax return and were not required by IRS to do so
 - Copies of W-2s or other income documentation if any income was earned from work
- Aid applicants may also be asked to verify certain demographic data listed such as
 - Household size and number in college

Aid Eligibility Determination

$$\begin{array}{l} \text{Cost of Attendance (Student} \\ \text{— Budget)} \\ \underline{\text{Expected Family Contribution}} \\ \underline{\text{(EFC)}} \\ \text{Financial NEED (Financial Aid} \\ \text{Eligibility)} \end{array}$$

What is the Cost of Attendance?



- Direct costs
- Indirect costs
- Direct and indirect costs combined into cost of attendance
- Varies widely from college to college and can depend on living situation

Academic Year 2019-20	Residence Hall	On-Campus Apartment	Off Campus	With Family
Direct Costs Charged by UC Berkeley				
Tuition and Fees	\$14,254	\$14,254	\$14,254	\$14,254
Room and Board	\$17,220	\$13,692		
Total Direct Costs	\$31,474	\$27,946	\$14,254	\$14,254
Other Estimated Costs				
Housing and Utilities			\$9,916	\$2,884
Food	\$1,664		\$4,488	\$3,342
Books/Supplies	\$870	\$870	\$870	\$870
Personal	\$1,876	\$1,876	\$1,872	\$1,992
Transportation	\$400	\$400	\$570	\$1,510
Total Cost of Attendance	\$36,264	\$34,760	\$31,970	\$24,852

Let's rest for a minute...



Types of Financial Aid

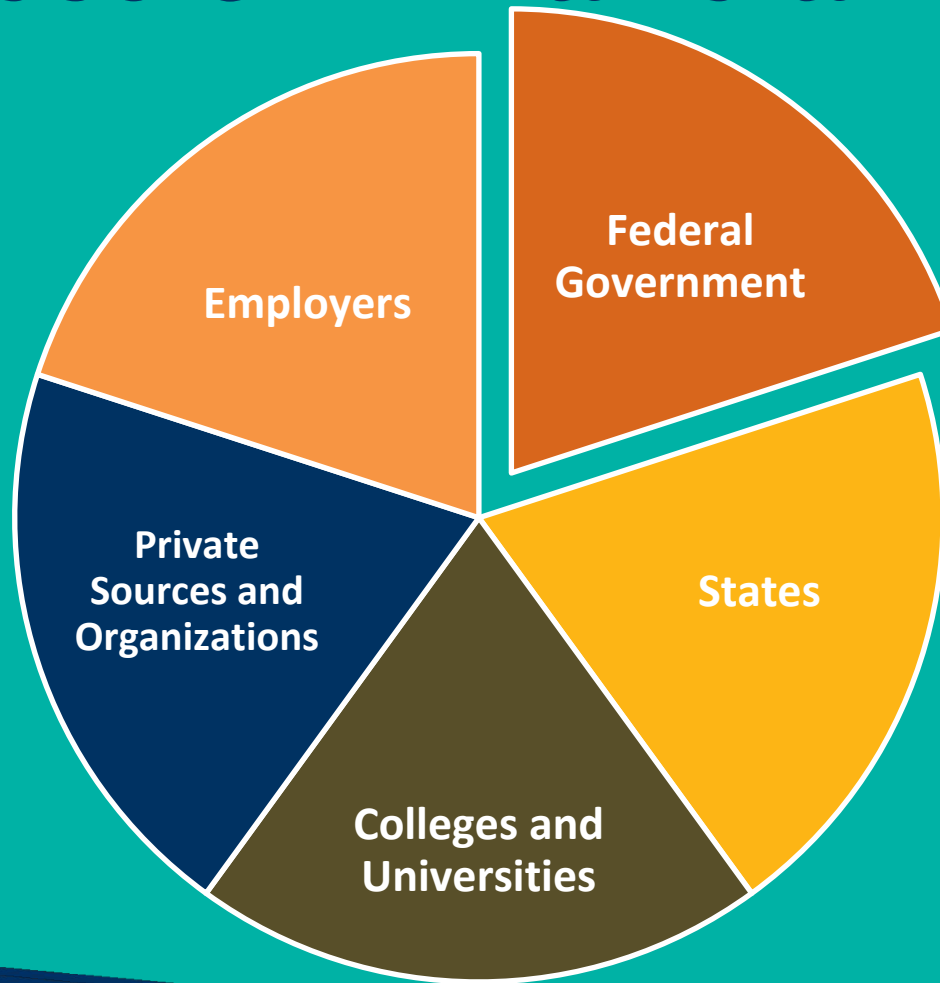
Grants

Scholarships

Work-Study

Loans

Sources of Financial Aid



Applying for Scholarships

- Scholarships typically open October–November for following year.
- Deadlines in the spring (February – May). **Don't wait to apply!**
- Look online, ask your counselors, check with organizations/parents' work.
- Never pay money to apply or give out sensitive information.
- Look for scholarships with criteria specific to you (interests, hobbies, clubs, special circumstances).
- Apply for scholarships every year.

Searching for scholarships is hard work, but worth it in the end!

Private Sources and Employers

- Foundations, businesses, charitable organizations, community organizations
- Begin researching private aid sources early
- Small scholarships add up!





Special Circumstances

- Situations that are not reflective on the aid application
 - Change or reduction in employment status
 - Unusual medical expenses not covered by insurance
 - Change in parent’s marital status (divorce)
 - Unusual dependent care expenses
 - Natural disaster
- Need to work with the college Financial Aid Offices directly
- *Decisions are made at the college level*

Financial Aid Tips

Create a calendar of college admissions and financial aid related deadlines.

Complete the FAFSA or Dream Application by March 2nd!

Write down the name of the college or university representative with whom you speak.

Research scholarships.

Financial literacy. Understand how to budget wisely

Questions?

