

What You Need to Know About Financial Aid

Presented by:

Office of Financial Aid
Christopher Newport University

CHRISTOPHER NEWPORT UNIVERSITY



Topics We Will Discuss Tonight

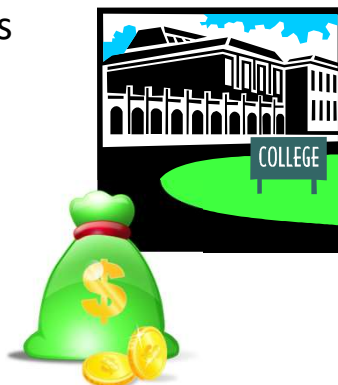
- What is financial aid?
- Cost of attendance (COA)
- Expected family contribution (EFC)
- Financial need
- Types and sources of financial aid
- Free Application for Federal Student Aid (FAFSA)
- Special circumstances

CHRISTOPHER NEWPORT UNIVERSITY



What is Financial Aid?

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



CHRISTOPHER NEWPORT UNIVERSITY



What is Cost of Attendance (COA)?

- Direct costs
- Indirect costs
- Direct and indirect costs combined into cost of attendance
- Varies widely from college to college

CHRISTOPHER NEWPORT UNIVERSITY



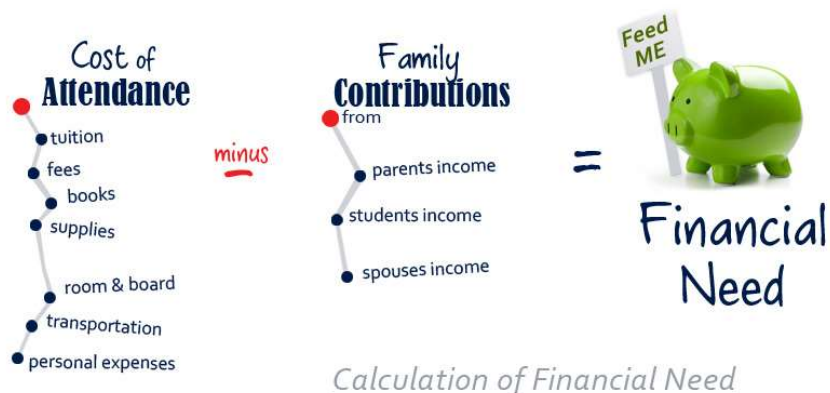
What is Expected Family Contribution (EFC)?

- Measure of a family's financial strength
 - Determined by Dept. of Education
- Calculated using data from a federal application form and a federal formula
- Two components:
 - Parent contribution
 - Student contribution
- Stays the same regardless of college

CHRISTOPHER NEWPORT UNIVERSITY



What is Financial Need?



CHRISTOPHER NEWPORT UNIVERSITY



Types of Financial Aid

- Scholarships
 - Grants
- } Gift Aid
- Loans
 - Employment
- } Self-Help Aid

CHRISTOPHER NEWPORT UNIVERSITY



Gift Aid: Scholarships

- Money that does not have to be paid back
- Awarded on the basis of merit, skill, or unique characteristic

CHRISTOPHER NEWPORT UNIVERSITY



Gift Aid: Grants

- Money that does not have to be paid back
- Usually awarded on the basis of financial need

CHRISTOPHER NEWPORT UNIVERSITY



Self-Help Aid: Education Loans

- Money students and parents borrow to help pay college expenses
- Repayment usually begins after education is finished
- Only borrow what is really needed
- Look at loans as an investment in the future

CHRISTOPHER NEWPORT UNIVERSITY



Self-Help Aid: Federal Work-Study Employment

- Allows student to earn money to help pay educational costs.
 - A paycheck directly to the student that is most commonly used towards indirect costs.
- Student may opt whether or not to work or number of hours to work.

CHRISTOPHER NEWPORT UNIVERSITY



Sources of Financial Aid

- Federal government
- States
- Colleges and universities
- Private sources
- Employers

CHRISTOPHER NEWPORT UNIVERSITY



Federal Government

- Largest source of financial aid
- Must apply each year using the FAFSA
- Aid awarded primarily on the basis of financial need

CHRISTOPHER NEWPORT UNIVERSITY



Federal Student Aid Programs

- | | |
|---|---|
| • Federal Pell Grant | • Federal Work-Study (FWS) |
| • Teacher Education Assistance for College and Higher Education (TEACH) Grant | • Subsidized and Unsubsidized Federal Direct Student Loans (Direct Loans) |
| • Federal Supplemental Educational Opportunity Grant (FSEOG) | • Parent PLUS Loans |

CHRISTOPHER NEWPORT UNIVERSITY



States

- Residency requirements usually apply.
- Award aid on the basis of both merit and need.
- Use information from the FAFSA and/or state aid applications.
- Deadlines vary by state
 - Check FAFSA on the Web website
 - Check with each college or university

CNU Financial Aid
Deadlines:

Preferred Filing Date:
December 15, 2019

Priority Filing Deadline:
March 1, 2020

CHRISTOPHER NEWPORT UNIVERSITY



Colleges and Universities

- Award aid on the basis of both merit and need
- Aid may be gift aid or self-help aid
- Use information from the FAFSA and/or institutional applications
- Deadlines and application requirements vary by institution
 - Check with each college or university.

CHRISTOPHER NEWPORT UNIVERSITY



Private Sources

- Foundations, businesses, charitable organizations, civic organizations, & churches
- Deadlines and application procedures vary widely
- Begin researching private aid sources early, small scholarships add up!
- Never stop applying for scholarships throughout high school and college

CHRISTOPHER NEWPORT UNIVERSITY



Employers

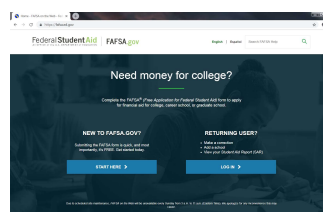
- Companies may have scholarships available to the children of employees.
- Companies may have educational benefits for their employees.

CHRISTOPHER NEWPORT UNIVERSITY



How to Apply: FAFSA (Free Application for Federal Student Aid)

- Website Application
 - Complete the electronic FAFSA internet application used by students and parents at: www.FAFSA.gov
- Or
- Mobile Application
 - Download the free [myStudentAid](#) app from the Apple Store or Google Play.
- Sophisticated on-line edits and skip logic help avoid errors.
- On-line help is available for each question.
- Student and one custodial parent should still get an FSA ID to sign FAFSA at: fsaid.ed.gov



CHRISTOPHER NEWPORT UNIVERSITY

FSA ID

The FSA ID is your electronic signature.

The student and at least one custodial parent will be required to create an FSA ID, made up of a username and password, to access and sign the FAFSA electronically.

Sign up through the FSA ID link on the FAFSA website: www.fafsa.gov.

Have the following information ready:

- Name
- Social Security Number
- Date of Birth
- Email address

The information will be run through a match with the Social Security Administration so the name and social MUST match the SSA records.

FederalStudentAid | PROUD SPONSOR of
AN OFFICE of the U.S. DEPARTMENT of EDUCATION | AMERICAN MIND®

CHRISTOPHER NEWPORT UNIVERSITY

FAFSA Information & Tips

(For the 2021-2022 School Year)

- File early, beginning October 1 each year
- Use 2019 financial and tax information
- If applying to multiple schools, be sure to meet each school's priority filing deadline
- Student and at least one parent whose information is reported must complete and sign the FAFSA with an FSA ID
- FAFSA must be submitted each year for aid



CHRISTOPHER NEWPORT UNIVERSITY



Getting Ready



Before starting the FAFSA on the Web (FOTW), gather:

- Student driver's license
- Student Alien Registration Card, if applicable
- Student and Parent
 - ▶ Social Security numbers
 - ▶ 2019 W-2 Forms and records of money earned and other taxable benefits
 - ▶ 2019 federal income tax form
 - ▶ Records of 2019 untaxed income
 - ▶ Current bank statements
 - ▶ Business, farm, and other real estate records
 - ▶ Records of stocks, bonds, and other investments
- Create a file for copies of all financial aid documents submitted

CHRISTOPHER NEWPORT UNIVERSITY



The FAFSA Breakdown

- Section 1 – Student Demographics
- Section 2 – School Selection
- Section 3 – Dependency Status
- Section 4 – Parent Demographics
- Section 5 – Financial Information
- Section 6 – Sign and Submit
- Section 7 – Confirmation

CHRISTOPHER NEWPORT UNIVERSITY



Electronic FAFSA

Benefits of filing electronically:

- Built-in edits to prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- Option to use Internal Revenue Service (IRS) Data Retrieval Tool to import tax data
- More detailed instructions and “help” for common questions
- Ability to check application status online

CHRISTOPHER NEWPORT UNIVERSITY



IRS Data Retrieval Tool

- While completing the FAFSA, applicant may submit real-time request to IRS for tax data
- IRS will authenticate taxpayer's identity
 - Must have a valid Social Security Number
 - Must have filed a 2019 federal tax return
- If match is found, IRS sends real-time results of what financial information was filed
- Applicant chooses whether or not to transfer data to FAFSA On the Web

CHRISTOPHER NEWPORT UNIVERSITY

IRS Data Retrieval Tool

- Some will be unable to use IRS DRT
- Examples include:
 - No Social Security Number (SSN) was entered
 - Student or parent are married but filed separately

CHRISTOPHER NEWPORT UNIVERSITY

What Happens Next?

Students and the colleges the student listed receive Student Aid Report (SAR) from federal processor in 10-14 business days.



Students and families review SAR for important information and accuracy of data.



Colleges match admission records with FAFSA and other required financial aid forms to determine aid eligibility.



Colleges provide notices of financial aid eligibility to admitted students who have completed all required financial aid forms.

CHRISTOPHER NEWPORT UNIVERSITY



Federal Verification

Some students may be required to verify the information reported on the FAFSA.

- **If selected for verification, the tax information of federal tax filers will be verified through:**
 - The IRS Data Retrieval Process, or
 - IRS Tax Transcripts if requested by the college or university
- **Non-tax filers selected for verification may be asked to provide:**
 - Non-tax Filer's Verification Statement from IRS
 - Copies of W-2s or other income documentation from each employer, if any income was earned from work
- **Selected aid applicants will also be asked to verify certain demographic data listed such as:**
 - Household size and number in college

CHRISTOPHER NEWPORT UNIVERSITY



Special Circumstances

- Cannot be documented using FAFSA but the FAFSA still must be completed
- Send written explanation and documentation to financial aid office at each college
- College will review and request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education

CHRISTOPHER NEWPORT UNIVERSITY



Examples of Special Circumstances

- Change in employment status
- Unusual medical expenses not covered by insurance
- Change in parent marital status
- Unusual dependent care expenses
- Student cannot obtain parental information due to extenuating circumstances

CHRISTOPHER NEWPORT UNIVERSITY



Meeting the Cost after the FAFSA

Don't assume your financial aid offer based on the FAFSA will cover the full cost of attendance at every school. Plan ahead and understand all of your options.

- Research the total cost of each school early
- Compare the bottom line – not just the total amount of aid offered
 - How much of the package includes loans?
 - What are the out-of-pocket expenses after aid is applied?
- Scholarships are EXTREMELY important – never stop applying
- It is important to have external resources in place such as college savings plans and external scholarships
- Understand your options for covering the cost difference
 - Payment Plans
 - Parent PLUS and/or Private Loans

CHRISTOPHER NEWPORT UNIVERSITY



Example Financial Aid Offers

School A

Total Cost of Attendance (COA)	\$20,250.00
Less EFC	-\$3,200.00
Equals Financial Need	\$17,050.00

Financial Aid Offer (Package)	
Federal Grants	\$2,845.00
State Grants	\$4,700.00
Scholarships	\$500.00
<u>Loans</u>	<u>\$5,500.00</u>
Total Aid Package	\$13,545.00

Work Study \$1,000.00

Total Cost of Attendance (COA)	\$20,250.00
Less Total Aid Package	\$13,545.00

Bottom Line-\$6,705.00

School B

Total Cost of Attendance (COA)	\$30,000.00
Less EFC	-\$3,200.00
Equals Financial Need	\$26,800.00

Financial Aid Offer (Package)	
Federal Grants	\$2,845.00
State Grants	\$6,600.00
Scholarships	\$1,000.00
<u>Loans</u>	<u>\$5,500.00</u>
Total Aid Package	\$15,945.00

Work Study \$1,000.00

Total Cost of Attendance (COA)	\$30,000.00
Less Total Aid Package	\$15,945.00

Bottom Line- \$14,055.00

CHRISTOPHER NEWPORT UNIVERSITY



Important Notes

- File the 2021-2022 FAFSA as soon as October 1, 2020
- Submit all required forms, including the FAFSA, by each college's published deadlines
- Start the scholarship search early
- Keep a copy of all forms submitted
- Watch for financial aid notifications for incoming freshman by e-mail or mail from each school

CHRISTOPHER NEWPORT UNIVERSITY



Resources

- Federal Student Aid: <https://studentaid.ed.gov/sa/>
- FSA ID: <https://fsaid.ed.gov/npas/index.htm>
- FAFSA on the Web (FOTW): <https://fafsa.gov>
- Annual Scholarship Fair and Online Search: www.scholarshipsharing.org
- CNU Office of Financial Aid: cnu.edu/financialaid

CHRISTOPHER NEWPORT UNIVERSITY



Questions?

CHRISTOPHER NEWPORT UNIVERSITY

