

# Financial Aid Tips

## ➤ What is Financial Aid?

Money granted or loaned to a student to assist in the cost of paying for college.

## ➤ What sources of Financial Aid are there?

### **The Federal Government:**

- U.S. Department of Education
- U.S. Department of Veterans Affairs
- Individual Grant programs (i.e. Americorp, WIA)

### **State Government:**

- S.C. Commission on Higher Education

### **Educational Institutes:**

- Public and Private Colleges, Universities and Technical Institutes

### **Private Agencies:**

- Student Loan lending agencies (i.e. South Carolina Student Loan Corporation)
- Organizations and Associations awarding grants and scholarships (i.e. Rotary Club, Coca-Cola)
- Any organization that makes awards

## ➤ What types of Financial Aid are there?

**Grants:** Free money awarded primarily on need

**Scholarships:** Free money awarded on merit

**Loans:** Money borrowed by a student to pay for college, that must be paid back. Some are based on need.

**Work Study:** Employment at an educational institution that works around the student's school schedule. Usually awarded on need. Paychecks are earned; aid is not applied up front to bill.

## ➤ How do I apply for Grants and Scholarships?

### **The Free Application for Federal Student Aid:**

The FAFSA determines eligibility for:

- **Federal Awards:** Pell Grant, SEOG, A.C. Grant, Smart Grant, College Work Study, Perkins Loans, Federally Guaranteed Stafford Loans, etc...;
- **State Awards:** Lottery Tuition Assistance, South Carolina Need Based Grant, and South Carolina Tuition Grant;
- **Private Awards:** some grants and loans from private agencies.

### **Scholarships Applications:**

- **May be required for some scholarships**
- **Usually require an essay**
- **Often available as early as November**
- **Contact the awarding agency for a form**

## ➤ How do I apply for Federal and Alternative Loans?

### **Federally Guaranteed Loans:**

- **Federally Guaranteed (no credit check)**  
Perkins Loans: School is the lender  
Direct Stafford Loans: Government is the lender  
FFELP Stafford Loans: Private lenders
- **FAFSA required**
- **Choose a Lender (if FFELP)**
- **Promissory Note must be signed**
- **Loan Entrance Counseling required**
- **Certification of Enrollment required**

### **Alternative Loans: Private lenders**

- **May require Credit Check or Cosigner**
- **Loan Application required**
- **Promissory Note must be signed**
- **Might require Certification of Enrollment**

## ➤ Do I have to apply for the LIFE, HOPE or Palmetto Fellows Scholarships?

**No.** Eligibility is determined from your admissions application at the institution. To determine eligibility the institution requires the *High School transcript, SAT or ACT scores, and proof of residency in South Carolina.* The Financial Aid Office will notify you of your award, and require you to *sign an affidavit.*

## ➤ What is Verification?

**Verification is when the Financial Aid Office has to compare the information from your Free Application for Federal Student Aid (FAFSA) to your income and tax information, to verify its accuracy. 1 in 3 applicants are selected randomly by the U.S. Department of Education. This must be completed before you can be awarded financial aid.**

## ➤ Will I have to complete any other paperwork?

**Yes.** After you have been awarded financial aid, you may be asked to complete other forms required. Be sure to sign and return these in a timely manner.

## ➤ Do I have to make good grades to keep my awards?

**Yes.** Federal Student Aid, State Aid, and most Institutional Aid require students to be meeting "Satisfactory Academic Progress" (SAP). This will require you to maintain a *passing Grade Point Average* and be *progressing towards the completion of your degree* at a reasonable rate. Each institution is allowed to set its own measures for SAP.

## Important Web Sites

<http://www.pin.ed.gov>

<http://www.fafsa.ed.gov/>

<http://studentaid.ed.gov/>

<http://www.che400.state.sc.us/>

<http://www.sctuitiongrants.com/>

<http://www.scgrad.org/>

<http://www.gibill.va.gov/>

<http://www.scstudentloan.org/>

<http://www.collegegoalsundaysc.org/> College Goal Sunday (Feb 16<sup>th</sup>-23<sup>rd</sup> 2008; Get free assistance filing the FAFSA)

Register for a Personal Identification Number (PIN) for you and your parents to sign the FAFSA

File the Free Application for Federal Student Aid on-line for FREE

A student's guide to Federal Student Aid

The South Carolina Commission on Higher Education, click on

The South Carolina Tuition Grant for Private Schools.

The South Carolina Tuition Prepayment Program

For Veterans of the Armed Forces, the GI Bill is a resource for VA Education Benefits

The South Carolina Student Loan Corp. administers the *South Carolina Teacher's Loan*



## Tips on Filing the FAFSA:

APPLY EARLY

APPLY ACCURATELY

Register for a PIN at [www.pin.ed.gov](http://www.pin.ed.gov) and file the FAFSA on-line ( [www.fafsa.ed.gov](http://www.fafsa.ed.gov) ) to save 2 weeks of processing.

### Section 1: Demographic Information

- Name and Social Security Number: Be sure these match your Social Security Card.
- E-mail address: If you enter this you will receive no paper mail. Only enter this if you use this address regularly
- Are you U.S. Citizen? Be sure to answer this. An eligible non-citizens is:
  - A U.S. Permanent Resident (I-551 or I-151), A conditional permanent resident (I-551 C), or
  - A noncitizen with an I-94 showing: "Refugee," "Asylum Granted," "Parole" or "Cuban-Haitian Entrant"
- What is your marital status "today"? This can not be changed. If your status will change you may want to wait to file.
- What is your State of Legal Residence? Be sure you answer this to be considered for State Aid.
- What degree are you working on? First time students are working on a 1<sup>st</sup> Bachelor's Degree or Associates Degree
- What grade level will you be in?
  - First time students are in Grade Level 0 (never attended college & 1<sup>st</sup> year undergrad.)
  - If you have ever taken classes before you may be Grade Level 1 (attended college before & 1<sup>st</sup> year undergrad)
- Do you wish to be registered with Selective Service? Men must be registered in order to qualify for Federal Aid.
- What types of student aid interest you? You will automatically be considered for grants. If you indicate loans and/or workstudy you may be awarded them, but do not have to accept them. Work study funds are limited.
- Will you have your first Bachelor's Degree? This is a college degree, so the answer is probably "No"
- Parents' highest school completed? If you answer these you may be considered for special programs.
  - If neither parent attended college you would be a "First Generation College Student."
- Have you ever been convicted of possessing or selling illegal drugs while receiving Federal Student Aid? You must answer this. Be careful. Only answer Yes if you were convicted during a period of college enrollment for which you were receiving Federal Student Aid (grants, loans, etc...)

### Section 2: Student Status

- ❖ **In this section you will answer the questions that determine if you are "Dependent" or "Independent" for *Financial Aid Purposes only*.**
  - ❖ **This is not related to who filed with you on their taxes.**
    - Will you be working on a master's or doctorate degree? No, unless have a degree already.
    - As of today are you married? Answer this the same way you did above.
    - Do you have Children or Dependents who receive more than half of their support from you?
      - You personally must be providing more than 50% of the cost to support that person, including food and housing. If you don't, you can't claim that person for this question.
      - If you and your child live with your parents, you likely do not provide more than half the child's support.
    - Are both your parents deceased or are you a ward/dependent of the court?
      - Both parents must be deceased to answer "Yes"
      - If you are adopted answer "No".
      - If you answer "Yes", be prepared to provide proof to the Financial Aid Office.
    - Are you currently serving on Active Duty for purposes other than training? Basic Training and Advanced Individual Training aren't "Active Duty".
    - Are you a Veteran of the U.S. Armed Forces? You must have been discharged for reasons other than "dishonorable"
- If you answered YES to any of these questions you are Independent. The Financial Aid Office may verify this.**

**I have a child, why can't I claim her on my FAFSA as a dependent?**  
For Financial Aid Purposes only, you must provide at least half of the support to consider that child a dependent. If someone else supports her they can count her as their dependent.

### Important Dates:

January 1 <sup>st</sup>	FAFSA on the web available	<a href="http://www.fafsa.ed.gov/">http://www.fafsa.ed.gov/</a>
February 16 <sup>th</sup>	College Goal Sunday- Trident Tech	
February 23 <sup>rd</sup>	College Goal Sunday- All other locations	<a href="http://www.collegegoalsundaysc.org/">http://www.collegegoalsundaysc.org/</a>
March 30 <sup>th</sup>	Recommended date to have FAFSA filed	
April 15 <sup>th</sup>	Federal Tax filing deadline	
June 30 <sup>th</sup>	Deadline to file the FAFSA for the SC Tuition Grant.	
July 31 <sup>st</sup>	Recommended date to have FAFSA filed to receive financial aid for the Fall semester.	

**School Priority Deadlines:** Many institutes have a "priority deadline". If you get your FAFSA filed and complete by that date you will be considered for all possible awards. After this limited funding awards are often gone. Call the institution or check its website for this date.

**Why am I dependent?**  
Unfortunately living on your own and claiming yourself on your taxes isn't enough. The U.S. Department of Education will consider parents as a financial resource until you are 24.

## Tips on Filing the FAFSA:

### Section 3: Parental Information

- ❖ *You only need to complete this section if you were determined to be Dependent in Section 2.*
- ❖ **In this section you will report the parent's demographic and financial information.**
- ❖ **You must get your parents' assistance in completing this section.**
- ❖ **You must report parent information on the application, but this does not make them liable for any charges. The information is only needed to determine if you, the student, qualify for aid.**
- ❖ **If there are extenuating circumstances that make it impossible or harmful for you to get information from your parents, then you need to contact the Financial Aid Office at the institution you wish to attend.**
  - What is your parents' marital status as of today?
    - This can not be changed. If their status will change you may want to wait to file
  - Month and date of marital status? Be sure to give this, it is required.
  - If your parents are divorced, you only need to report information for the parent who you lived with for more than 50% of the last 12 months.
  - Father's/Mother's Social Security Number, last name and Date of Birth? You need to report this information for the parents whose income you are reporting on the FAFSA. If they are married, report both.
  - Step-Parents: If the parent you lived with is remarried you must report your step-parent's information.
- ❖ **Some of these answers can be taken directly from your Federal Tax Form. Beneath those questions you will see a line that says something like "Adjusted gross income is on IRS Form 1040 – line 37; 1040A – Line 21; or 1040EZ – line 4." All you need to do is find that line on your taxes and copy the number in that field to the FAFSA.**
  - Have your parents completed a tax return? If they have not filed yet, be sure to update the application when they do.
  - Were they eligible to file a 1040A or 1040EZ? If so, certain types of income might not count against you.
    - "No" if they made less than \$100,000, did not itemize, and did not receive alimony.
  - Did your parents or anyone in their household receive assistance from any of these Federally Means Tested Programs? Supplemental Security Income, Food Stamps, Free or Reduce Price School Lunch, TANF, WIC
    - If they received one of these you may qualify for more financial aid.
    - Only check one if these if they received these benefits in the prior year.
    - Be prepared to provide evidence to the Financial Aid Office at the institution you attend.
  - What was your parents' Income Tax? This is the amount you paid after any refund. This is not your withholdings.
  - How much did your parents earn from working? Even if they didn't file, if they worked you need to answer this.
    - If your parents filed taxes jointly, you will probably need to get this information from their W-2 forms.
    - Unemployment benefits are not considered income from work.
  - How many people are in your parents' household (Step 5 of paper)? Count all those who your parents provide at least half the support for. If they live with your parents but they or someone else provides most of the support, do not count them. If you are determined to be dependent, but do not live in your parents' household, still count yourself.
  - How many will be college students (Step 5 of paper)?
    - Count yourself, but do not count your parents.
    - Only count those who are attending at least half-time and are dependents of your parents.
- ❖ **Parent FAFSA worksheets A, B and C:**  
**The worksheets are provided on the back of the paper form. As you complete each worksheet, copy the answer from that page to the question in this section. If you are doing this on-line it will be moved automatically.**
  - You must get your parents' assistance in completing this section. Only they will know the answers to these.
  - *Use the Tips from Section 4 to complete this portion of the FAFSA.*
- ❖ **Parent Asset Information:**
  - As of today, total current balance of cash, savings and checking accounts? Don't include funds targeted to pay a bill that is not educational related.
  - As of today, what is the net worth of your parents' investments, including real estate (not your home)? You don't report the house they live in as an investment; if they own more than one house, report all but the one they live in.
  - As of today, what is the net worth of your parents' business and/or investment farms? You only report a business if it employs more than 100 people. You don't report a farm if it is a family farm that they live on and operate.

**Who is considered a parent?** A parent is either a biological parent or an adoptive parent. A legal guardian is not considered a parent. If you live with someone who didn't adopt you, you will still need your parents' information.

### **Need more help? Try these:**

FAFSA on the Web Worksheets: <http://www.fafsa.ed.gov/before012.htm>  
Federal Student Aid FAFSA guidance: [http://studentaid.ed.gov/students/publications/completing\\_fafsa/index.html](http://studentaid.ed.gov/students/publications/completing_fafsa/index.html)  
Fastweb Resources (click on "FAFSA"): <http://www.fastweb.com/fastweb/resources>  
Schoolsoup search engine for scholarships: <http://www.schoolsoup.com/>  
"You can Afford It" by NASFAA: <http://www.nasfaa.org/subhomes/doitaffordit/afforditcover.html>  
S.C. Student Loan Corporation Services: <http://www.scstudentloan.org/>  
SallieMae Planning for the College Process: <http://collegeanswer.com/>

## **Tips on Filing the FAFSA:**

### **Section 4: Student Finances**

- ❖ **In this section you will report the student's financial information. Be sure to read the questions carefully.**
  - ❖ **Some of these answers can be taken directly from your Federal Tax Form. Beneath those questions you will see a line that says something like "Adjusted gross income is on IRS Form 1040 – line 37; 1040A – Line 21; or 1040EZ – line 4." All you need to do is find that line on your taxes and copy the number in that field to the FAFSA.**
    - Have you completed a tax return? If you have not filed yet, be sure to update the application when you do.
    - Were you eligible to file a 1040A or 1040EZ? If so, certain types of income might not count against you.
      - "No" if you and your spouse made less than \$100,000, did not itemize, and did not receive alimony.
    - How much did you earn from working? Even if you didn't file taxes, so long as you worked you need to answer this.
      - If you are married and filing jointly you can get this information from your W-2s.
      - Unemployment benefits are not considered income from work.
    - Veterans Benefits: Report the monthly amount and how much you will earn per month (not the yearly amount).
    - What was your Income Tax? This is the amount you paid after any refund. This is not your withholdings.
    - How many people are in the household?
      - **You only answer this question if you were determined to be Independent on Section 2.**
      - Count all those for whom you provide at least half the support (not just that they live with you).
    - Did you or anyone in your household receive assistance from any of these Federally Means Tested Programs? Supplemental Security Income, Food Stamps, Free or Reduce Price School Lunch, TANF, WIC
      - If you received one of these you may qualify for more financial aid.
      - Only check one if these if you received these benefits in the prior year.
  - ❖ **FAFSA Worksheets A, B and C**

**The worksheets are provided on the back of the paper form. As you complete each worksheet, copy the answer from that page to the question in this section. If you are doing this on-line it will be moved automatically.**

    - **If Dependent be sure to answer the parents' section from the parents' point of view.**
    - **If you don't know what something is you probably don't have it.**
    - **Answer 0 if you don't have anything in an answer.**
    - **Worksheet A: Tax Credits and Federal/State Benefits**
      - Earned Income Credit: This is very common, so make sure to check your taxes for this.
      - Additional Child Tax Credit: This is also common amongst larger families, be sure to check your taxes.
      - Welfare Benefits: Include any form of welfare except food stamps or subsidized housing.
      - Social Security Benefits for all household members: This means anyone counted in the "Number in Household"
        - Disability benefits are often Social Security Benefits
    - **Worksheet B: Other Untaxed Income**
      - Payments to tax-deferred pensions and savings plans: This is money held out before taxes are calculated on your income. Be sure to check your W-2 and if you think your W-2 is inaccurate, check with your employer.
      - Child support received: This is income you received (not what you paid)
      - Untaxed portions of IRA Distributions/ Pensions: Be sure to subtract the Taxed portion from the Total Distribution, otherwise you will be reporting this income twice.
      - Housing allowance for members of military, clergy or other: If you receive Military Housing or live in a Parsonage you must report this here.
      - Money received/paid on your behalf: This means gifts and bills paid on your behalf. This does not include "In-Kind" support, which simply means room and board in a relative's house that they already pay for.
    - **Worksheet C: Income Reductions**
      - Education Credits: If you didn't pay for school last year you won't have anything in this space. This is only what you paid after scholarships and grants (loans count as paying).
      - Child support you paid: This is money you paid out (not income)
      - Taxable earnings from need based employment programs: If you had Federal Worksheet study in the prior year you report that income here so you aren't penalized for financial aid you received.
      - Student grant and scholarship aid counted as part of income: If you received grants and scholarships that exceed your tuition and fees in the prior year, you had to report that as part of your income on the IRS Tax Forms.
  - ❖ **Student Asset Information:**
    - As of today, total current balance of cash, savings and checking accounts? Don't include funds targeted to pay a bill that is not educational related.
    - As of today, what is the net worth of your investments, including real estate (not your home)? You don't report the house you live in as an investment; if you own more than one house, report all but the one you live in.
    - As of today, what is the net worth of your business and/or investment farms? You only report a business if you employ more than 100 people. You don't report a farm if it is a family farm that you live on and operate.
- ### **Section 5: Colleges to Receive Information**
- Federal School Codes: You will be able to search for these when filing on-line. Otherwise check with the college.
  - Housing Plans: Be sure to answer this question, but remember not all schools have dorms.
  - Expected Enrollment Status: Inform the college if you enroll in less or more classes than what you reported here.