



THINGS YOU NEED TO KNOW FROM THE FINANCIAL AID OFFICE

2020-2021

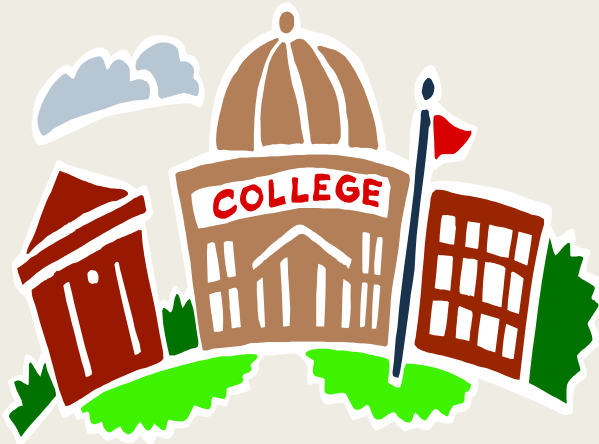
Hot Topics

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



What is Financial Aid?

Financial aid consists of **funds** (scholarships, grants, loans, work-study) provided to students and families to help pay for postsecondary **educational expenses**.



What is Cost of Attendance (COA)?

COA includes:

- *Tuition & Fees*
- *Room & Board*
- *Books & Supplies*
- *Transportation*
- *Personal Expenses*



Direct vs. Indirect Costs

COA Varies widely from college to college



What is Expected Family Contribution (EFC)?

- Amount family can reasonably be expected to contribute
- Stays the same regardless of college
- Two components
 - *Parent contribution*
 - *Student contribution*
- Calculated using data from a federal application form and a federal formula



What is Financial Need?

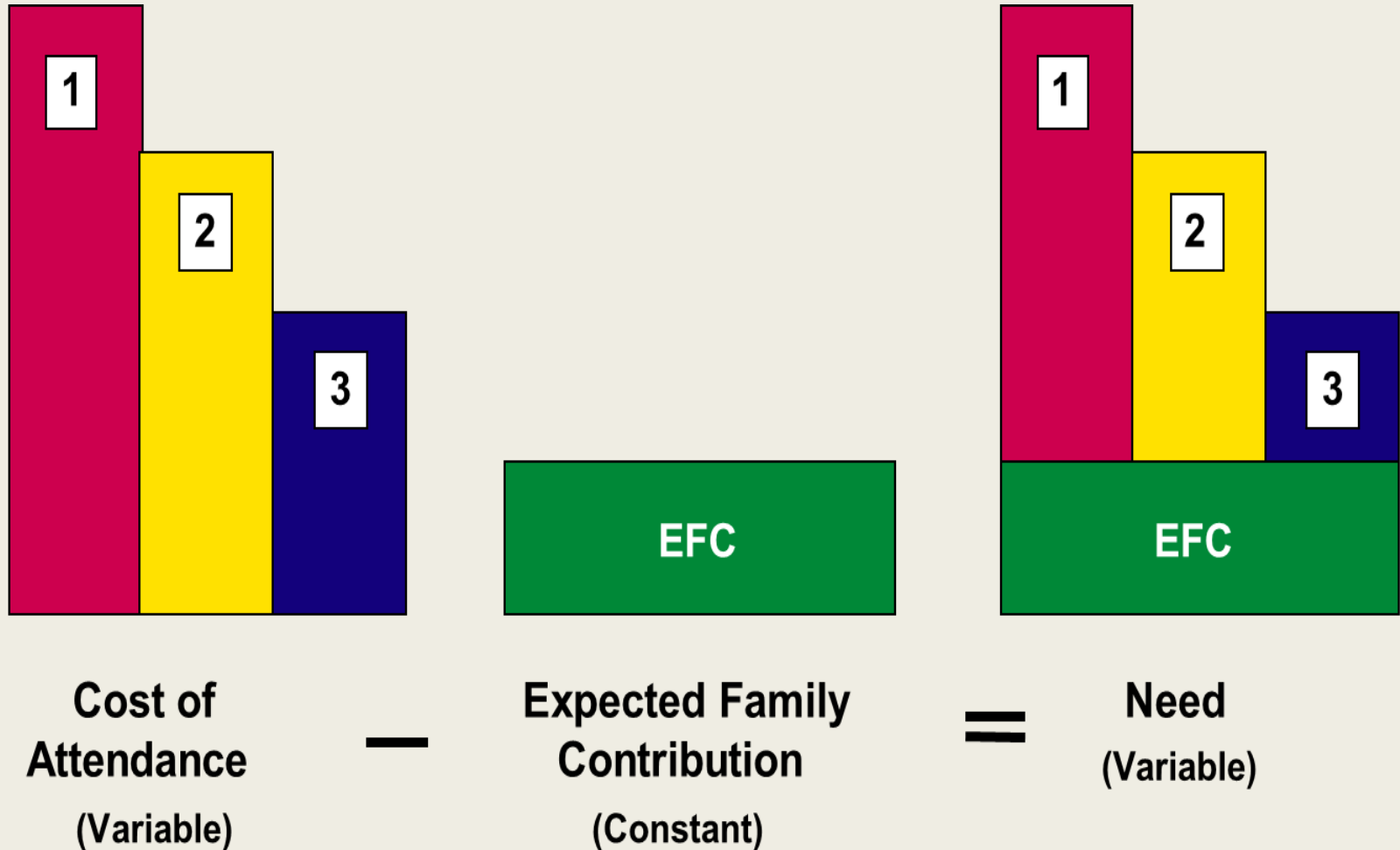
Cost of Attendance (COA)

– Expected Family Contribution (EFC)

= Financial Need (FN)



Need Varies Based on Cost



Types of Financial Aid

Gift Aid

- Scholarships
- Grants

Self-Help Aid

- Loans
- Employment

Sources of Financial Aid

- Federal government
- States
- Colleges and universities
- Private sources
- Civic organizations and churches
- Employers



What's Out There for Students?

- Pell Grants – Based on EFC
 - *Automatic with eligibility*
 - *2020-21 maximum annual award amount \$6,345*
- FSEOG
 - *Supplemental grant for the neediest of students*
 - *Based on availability*



GRANTS

SCHOLARSHIPS



What's Out There ... (continued)

- Federal Work Study
 - *Federal dollars paid in exchange for part-time employment in designated jobs*
 - *School comes first*
- Federal Direct Loans
 - *Subsidized*
 - *Unsubsidized*
 - *Freshman Annual Loan Limit = \$5500*
 - *2019-20 Interest Rate = 4.53%*



WORK STUDY

FEDERAL LOANS



What's Out There . . .(continued)

- Federal Direct Loans
(cont'd)
 - *Parent PLUS Loans*
 - *2019-20 Interest Rate = 7.08%*
- Private/Alternative Loans
 - *Exhaust federal aid options first*



Special Circumstances

- Cannot be documented using FAFSA
 - *Change in employment status*
 - *Unusual medical expenses not covered by insurance*
 - *Change in parent marital status*
- 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



Special Circumstances

Unusual uncovered
medical/dental
expenses

Secondary
school tuition

Extraordinary
dependent care

Parent or
spouse
death

Loss of
employment

Divorce

Student
cannot obtain
parental
information



Satisfactory Academic Progress

Undergraduate Student Standards

- Time Frame
 - *150% of the published length of their program of study*
- Grade Point Average
 - Cumulative Credit Hours 0-30 Hours = 1.85
 - 31 Cumulative Credit Hours and beyond = 2.00
- Pace
 - *Must complete 80% or more of hours attempted over the history of their undergraduate college credits*



How Do Scholarships Work?

- Scholarships are considered “gift aid” and similar to grants
 - *Some have restrictions on what they will pay*
 - Direct costs only?
 - Are there enrollment restrictions?

 - *They come from multiple sources*
 - Institutions
 - Organizations
 - Employers
 - The list is growing every day



Where Do I Find Scholarships?



■ Institutions

- *Is there an application?*
 - Are there MULTIPLE applications?
- *When do I apply?*
 - What is the deadline?
- *Is it based on Merit or Need?*
 - What do they need to determine eligibility?
- *Does it require follow-up?*
- *Is it renewable?*
 - What are the requirements for renewal?



Where Do I Go From Here?

- Obtain and review admissions and financial aid Web sites and materials for each school to which you are applying.
- Meet all application deadlines.
 - *Complete FAFSA and other application materials. Submit all requested follow-up documents.*
- Investigate other sources of aid.



Subsidized vs. Unsubsidized

	Subsidized	Unsubsidized
What you need to qualify	Must demonstrate financial need	Don't have to demonstrate financial need
How much you can borrow	No more than \$3,500 depending on need	Up to an additional \$2,000 Note: Subsidized + Unsubsidized must not equal more than \$5,500
How interest works while you're enrolled in college	US Department of Education pays interest	You are responsible for interest payments
Who can borrow	Undergraduate students only	Undergraduate and graduate or professional degree students



- Both subsidized and unsubsidized loans are distributed as part of the federal direct loan program. However, if you meet the financial need requirements to qualify for subsidized loans, you'll pay less over time than you would with unsubsidized loans.
- Subsidized Loan Interest: Interest is paid by the US Department of Education while you're enrolled at least half time in college.
- Unsubsidized Loan Interest: Interest begins accruing as soon as the loan is disbursed, including while students are enrolled in school.
- Taking on too much student loan debt may make repayment difficult after you graduate or leave school. It's best to borrow no more than what you need to pay for your costs for the year of college expenses.



Loan Repayment

Your federal student loans can't be canceled or forgiven because you didn't get the education or job you expected, or you didn't complete your education (unless you couldn't complete your education because your school closed).

Once you graduate, drop below half-time enrollment, or leave school, your federal student loan goes into repayment. You have a six-month grace period before you are required to start making regular payments. Note that for most loans, interest accrues during your grace period. You can choose to pay the interest that accrues during your grace period.

When your loan enters repayment, your servicer will automatically place you on the Standard Repayment Plan. You can request a different repayment plan at any time.

Your loan servicer will provide you with a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment.

Federal Work Study

■ What is Work-Study?

Work-Study is a federal financial aid program administered by Kentucky Christian University. It is designed to promote access to employment to help students meet educational expenses. Recipients of Work-Study awards have access to part-time job opportunities while attending Kentucky Christian University.

■ Available Work Study Positions

The Financial Aid Coordinator tracks available positions with supervisors and students. The coordinator is responsible for assigning students to open positions. Students do not get to choose their assignment but may be requested by a supervisor.

■ Financial Need

In order to be eligible for employment under the Federal Work-Study Program, a student must meet all the general eligibility requirements for Title IV Financial Aid Programs. This must be re-established each academic year.

■ Approval for Federal Employment

Once awarded federal employment, the student will receive an award letter on their student portal advising them of their federal employment amount. Students cannot begin working until the Financial Aid Coordinator has verified all pre-employment requirements are met.



■ Pre-Employment Requirements

Students who have been assigned work study must have the following documents on file before they will receive a paycheck. It would be beneficial to you and the students if the paperwork were turned in as quickly as possible.

- Assignment Sheet signed by supervisor and student
- W-4 Form
- I-9 Form
- Haz-Com Form (as required)



■ Assignment Sheet

The assignment sheet is on two-part paper (white/yellow). This tells the student how much the student will earn per hour, pay period end dates and when they will receive their paycheck. The white copy is returned to Financial Aid and the student retains the yellow.

■ W-4

The W-4 is a form completed by an employee to indicate his or her tax situation (exemptions, status, etc.) to Kentucky Christian University. The W-4 form tells the human resource officer the correct amount of tax to be withheld from an employee's paycheck for Federal Taxes.

■ I-9

The I-9 form is a document that is designed to ensure that a newly hired student is legally eligible to work in the United States.

NOTE: YOU WILL BE REQUIRED TO PROVIDE PHOTO IDENTIFICATION AND SOCIAL SECURITY CARD FOR IDENTIFICATION VERIFICATION. PLEASE BRING THESE WITH YOU TO COMPLETE PRE-EMPLOYMENT PAPERWORK

■ K-4

The K-4 is a form completed by an employee to indicate his or her tax situation (exemptions, status, etc.) to Kentucky Christian University. The K-4 form tells the human resource officer the correct amount of tax to be withheld from an employee's paycheck for State Taxes.

■ Haz-Com Form

Hazard communication (Haz-Com) training refers to the training that Kentucky Christian University must provide if the work environment includes hazardous materials.

