

Handout B: Understanding Financial Aid and Scholarships

FAFSA (Free Application for Federal Student Aid)

FAFSA forms become available in December of your senior year. All students applying for any federal financial aid must file this form as soon as possible after January 1. Analysis of the data on this form will determine eligibility for Pell Grants; Supplemental Educational Opportunity Grants (SEOG); Stafford Loans (subsidized and non-subsidized); Perkins Loans; work-study; and other federal and, in some cases, state programs. Many states, while often requiring their own forms, will also require the FAFSA to award state grants to students. Since federal aid is a key component of most awards, it is critical that this be filed in a timely manner. FAFSA forms are available in your college guidance office, usually in late December. To complete an online application, students should use FAFSA on the Web at www.fafsa.ed.gov. There is no cost to process the FAFSA.

CSS Profile™

Separate from the FAFSA, each college may have its own financial aid form which is used to help their financial aid offices determine a student's eligibility for the institution's own funds. The College Scholarship Service (CSS), a branch of the College Board, developed PROFILE to help streamline and start the financial aid application process **earlier in the fall**. PROFILE does the work of gathering financial information requested from various colleges and universities and then sends the customized application directly to you. You then complete the PROFILE application with your parents and return it to CSS at least one week before the earliest priority filing deadline specified by your schools. Paper versions of the PROFILE registration forms are usually available in your college guidance office in September. You can also register for the application online at www.collegeboard.com. The online application is only available to students who register for PROFILE through the College Board online.

It is highly recommended that you complete *both* the FAFSA and the CSS profile forms electronically.

Understanding a school's financial aid policies

In order to be clear about a school's financial aid policies, which will in turn help you make intelligent decisions about where to apply, ask any or all of the following questions about these issues when visiting schools:

- Does the college practice a need-blind admission policy?
- What percentage of the student body is on financial aid?
- What percentage of students had their full need met?
- What percentage of the funds (if any) is merit-based?



- What percentage of the funds is need-based?
- Do the same financial aid procedures and policies apply for the entire four years?
- If my family has more than one student in college, will that be taken into consideration when calculating my family contribution? What about another student in private school?
- If the cost of college goes up, will my aid go up accordingly?
- Can the school's financial aid be used to cover the costs of study abroad programs?
- How are outside scholarships handled? Are they credited against the loan component of my aid, the grant component or the family contribution?
- Do I need a certain grade-point average to keep my institutional grant?
- Are emergency funds available for short-term loans?
- Are there any tuition payment plans that will allow me and my parents to spread our payments out over a period of months?
- What is the policy with regard to noncustodial parents and stepparents? Are they expected to contribute if financially able?
- What is the typical financial aid package?
- How much indebtedness can I expect after four years?
- How many hours a week will I have to work to fulfill the work-study portion of my aid package?

Funding for financial aid comes from the federal government, state government, private sources and the colleges and universities themselves.

Applying for scholarships

This is a critical aspect of the college planning process. Work closely with your parents and guardians, and your guidance counselor to explore your financial aid options.

You have probably heard that “millions of scholarships go unclaimed each year.” You have probably also heard stories about outstanding students who can't get scholarships. The fact is there are thousands of scholarships. However, most of these scholarships have very specific eligibility criteria (e.g., a student must go to XYZ college, have an ACT score of 28+ and be in the top 5 percent of his or her class; or a student must belong to particular ethnic group, race or religion, have leadership ability, a specific major or have overcome a great obstacle).

When it comes to academic scholarships, students generally must have an outstanding GPA (3.5 or better), high ACT and/or SAT scores (ACT 26+/SAT 1800+) and excellent recommendations. Scholarship applicants are usually expected to also be involved in extracurricular or community activities. To receive an athletic or talent scholarship, a student must truly be outstanding.

Even though it is not easy to obtain an academic or talent scholarship, students and parents who are willing to invest the time and energy may find that their efforts pay off handsomely. When looking for scholarships, keep the following in mind:

- **Start early.** Begin looking for possibilities during your junior year. Be ready to locate and complete applications early in your senior year.
- Finding and applying for scholarships takes time and effort.
- While groups and organizations offer numerous scholarships, most of the large scholarships are offered by the individual colleges. Contact the financial aid office of the college(s) you are considering and ask for information on the scholarships offered.
- Private colleges are often more generous when awarding scholarships, which makes them competitive in price with public colleges. Don't rule out a private college until you have seen its financial aid package.
- Apply for local scholarships (e.g., Rotary, Elks). These are generally for smaller amounts (\$100 to \$1,000); although, since the competition is not as great, these scholarships are usually easier to get.
- Be aware of deadlines. Scholarship applications become available throughout a student's senior year, and sometimes are due only weeks after being publicized.
- Network. Tell everyone that you are looking for scholarships. Also, look for scholarship opportunities with your place of employment, your church and with organizations to which you belong. Also look for scholarship opportunities in the local newspaper.
- The Internet can provide students and parents with a great deal of information on a wide variety of scholarships.
- Be organized. Make sure your teachers and guidance counselor are given plenty of time to write recommendations and to prepare transcripts. Be aware of deadlines.
- Remember that most financial aid is not awarded in the form of scholarships. Pursue all financial aid opportunities available to you.
- You will have a better chance of getting a scholarship at a college where you are in the top 25 percent of the applicants.
- Always check to see if financial aid and scholarship awards are renewable.
- Scholarship searches that charge a fee are very seldom worth the money and frequently are scams.