

FINANCIAL AID BASICS

PAYING FOR COLLEGE

Paying for a college education is without a doubt one of the most significant challenges facing families today. There are many sources that can help students meet the rising costs of a college education. Financial aid is one way in which students can receive help for meeting college costs, both educational costs, such as tuition and books, and personal living expenses, which include room and board, personal expenses, and travel. Financial aid can come in a variety of sources. The most notable sources are:

Federal Government
State Government
Colleges and universities
Private Sources

FEDERAL GOVERNMENT FUNDS

Approximately two-thirds of all student financial aid comes from federal programs. Over \$60 billion is provided through the federal government each year by way of:

Grants – Awards based on financial need and have no requirement of repayment.

Loans – Awards that must be paid back with interest once your education is complete. Some loans are to students and others to parents.

Work-Study – Money you earn while in college that you do not have to pay back.

These types of aid are available to students attending a college, professional, vocational, or technical school. These funds include both need-based and non-need based aid. The largest and most widely used federal aid programs are:

Federal Pell Grants

Federal Supplemental Educational Opportunity Grants

Federal Work Study

Federal Stafford Loans

Federal Perkins Loans

Federal PLUS Loans

For complete information about Federal financial aid go to www.studentaid.ed.gov

CALIFORNIA GOVERNMENT FUNDS

CAL GRANTS

Cal Grant A: For students enrolled in a 4-year California college. Community college students are also eligible to apply for this grant. If awarded, they can reserve this grant until they transfer to the 4-year college. Up to \$8,300.

Cal Grant B: For disadvantaged students with financial need who are choosing to enroll in either a 2-year or 4-year California based college. \$1,551 +

Cal Grant C: For students enrolling in a occupational, career or technical training at a California Community College, or at private schools trade or technical schools in California. \$576 to \$2,592.

Specialized Programs: In addition to Cal Grants, the State of California offers a number of smaller financial aid programs, including Child Development Teacher Grants, Law Enforcement Personnel Dependent Grants, Robert C. Byrd Honors Scholarships, and Assumption of Loans for Education.

Community College Fee Waiver: The California Community College Board of Governor’s Enrollment Fee Waiver, or **BOG** Fee Waiver, will waive your enrollment fee regardless of any fee increase.

For more information about California State Financial Aid, go to www.csac.ca.gov, or call **the California Student Aid Commission** at **888-224-7268**.

COLLEGE & UNIVERSITY FUNDS

Colleges also offer their own scholarship, grant, and loan programs to supplement federal and state aid. Most of these “Institutional Aids” are in the form of scholarships and grants. They can be need-based or merit-based. Many schools have limited Institutional Aid funds that are awarded on a first-come, first-served basis. Higher cost private colleges, however, will more likely to have additional financial aid available. Colleges may have their own deadlines and supplemental applications for awarding student aid. Check with each college financial aid office for information.

At **University of California** campuses, more than 41,000 undergraduate students receive grant support through the **University Student Aid Program**, with an average of about \$2,900. **California State University** campuses offer the **State University Grant**. At **California Community Colleges**, the **CalWORKS** program coordinates financial aid and work-study opportunities, educational and personal counseling, job placement, child care and services for students currently receiving CalWORKS benefits.

PRIVATE SOURCES

Many organizations, such as corporations, labor unions, professional associations, religious organizations, credit unions, and community organizations offer financial assistance to students through scholarships. These scholarships can be either need-based or merit-based.

Many businesses also offer loans or educational allowances to employees and their families. Financial organizations offer private loan programs as well. Check with banks or savings and loan associations for these types of aid programs.

HOW FINANCIAL AID WORKS

Financial need is the difference between what it costs to attend college and what you and your family can afford. Financial aid is calculated by using this standard formula:

Cost of Attendance	-	Expected Family Contribution	=	Financial Need
Tuition & Fees Books & Supplies Room & Board Transportation Personal Expenses		Based on financial resources of a student and his/her family.		Students can receive up to this amount of need-based financial aid.

THE FINANCIAL AID PACKAGE

College financial aid administrators are responsible for putting together packages for students who apply for assistance. As a rule, public colleges must follow strict government guidelines when awarding financial aid. Private colleges, on the other hand, have much more latitude in how they use their funds and in how they award aid.

Financial aid administrators take in a number of factors when putting together a financial aid package: the cost of the college, the availability of funds, and the desirability of the student. Once a student's eligibility for aid has been determined, the college will offer students a combination of grants, scholarships, work-study, and/or loans in their financial aid package. Both full-time and part-time students are eligible for the aid.

All students should apply for financial assistance, even if you don't think you qualify. You may have more options than you think. Families with substantial incomes can possibly benefit from special payment plans designed to accommodate cash-flow problems. Generally, the earlier you apply, the better your chances are to receive a larger financial aid package, if you are eligible.

APPLYING FOR FINANCIAL AID

Apply for financial aid using one or more of the following financial aid forms:

- **FAFSA (FREE APPLICATION FOR FEDERAL STUDENT AID)**

All students applying for federal, state, or institutional financial aid must complete this form. In order to qualify for a CalGrant, this needs to be submitted by **March 2**.

- **GPA VERIFICATION FORM**

Students interested in applying for state government aid, such as the Cal Grant Program, need to complete this additional short form and submit it along with the FAFSA. This form must be signed and completed by the student, as well as, the student's counselor. The student's grade point average is used in the scoring and in the selection process of all Cal Grants awarded to college freshmen. This needs to be submitted by **March 2**.

- **CSS PROFILE**

Students applying for Institutional Aid, particularly at private colleges may be asked to complete this additional financial aid form. The CSS Profile is tailored to reflect more specific requirements of the various colleges to which the student is applying. Check individual colleges to see if this form is required and list deadline dates for each.

Check with your school counselor or in the College and Career Resource Center at your school to get the necessary forms, and to get assistance. You can also get the forms online:

www.calgrants.org - Here you can find all the information you need about the Cal Grant Program and how you can get thousands of dollars a year in free money to help finance your college education.

www.fafsa.ed.gov - Complete and file the FAFSA on-line and find links to federal financial aid programs. FAFSA PIN number. Pre-Application Worksheet allows student to keep them on track when completing the FAFSA on line.

www.collegeboard.com/profile/ - CSS Profile on line: -The financial aid application service of the College Board Many of the member colleges, universities, graduate and professional schools, and scholarship programs use the information collected on PROFILE to help them award non-federal student aid funds.

FINANCIAL AID TIMELINE

OCTOBER 16 Students can begin processing the CSS Profile.

EARLY NOVEMBER Students who filed the CSS Profile will begin to receive a CSS Profile Acknowledgment.

DECEMBER Begin filling out financial aid application forms.

JANUARY 1 1st Day to submit the FAFSA

JAN. 1 - MARCH 2 Financial Aid Filing Period

Submit FAFSA, CSS Profile, & GPA Verification Forms.

JANUARY-MARCH Receive Student Aid Report (SAR) from financial aid processor within 4 weeks after you submit the FAFSA.

APRIL Financial aid award letters will be sent out.

MAY 1 Deadline to accept financial aid award.

APPLYING EARLY

It is important that you don't wait until you get a college acceptance letter to apply for financial aid. Chances are most grants and scholarships will be gone. If you are applying to college early, your institutional financial aid deadlines will also be early, usually October or November. If you are applying through regular decision, you should try to submit the FAFSA application on the first day of the filing period, January 1, 2004, and no later than February. Generally, the earlier you apply, the better your chances are to receive a larger financial aid package because the funds are available. If you wait until March 2, which is the last day of the filing period, the bulk of the scholarship and grant monies may already be allocated for the earlier applicants.

WHAT CAN I DO NOW TO START THE PROCESS?

There are a number of things that can be done in the month of December to start the financial aid process prior to submitting the FAFSA application on January 1, 2007.

Gather all the financial records you will need to complete the FAFSA

- Student and parent's social security number.
- Student and parent's driver's license number, if applicable.
- Student and parent W-2 Forms for 2003.
- Student Federal income tax return for 2003 or guesstimate earnings, if applicable.
- Parent Federal income tax return for 2003 or guesstimation of earnings.
- If also completing CSS Profile, need Federal income tax return for 2002.
- Current bank statements, records of stocks, bonds, and other investments.
- Records of other untaxed income received, such as, Social Security, Temporary Assistance to Needy Families (TANF), welfare or veteran's benefits.
- Business or farm records, if applicable.
- Alien registration number, if you are not a U.S. Citizen.

Consider completing the federal income tax returns

Apply for a PIN Number if applying online

Print out a Pre-Application Worksheet if applying online

Complete the FAFSA form

Complete the GPA Verification Form

- If your FAFSA and GPA verifications are submitted by March 2, then you will have applied for a Cal Grant.

Complete the CSS Profile

Required by some institutions. Only if you are interested in applying for institutional aid.

TIPS ON FINANCIAL AID

- Do not eliminate a college because you think it costs too much. Apply for admission and financial aid and see what happens. Most colleges can meet the demonstrated need.
- Get organized. Keep a file with all the information you gather about various aid programs.
- Set up a calendar and record the financial aid deadline dates and dates you submitted applications.
- Keep copies of all completed applications you file.
- **Submit your FAFSA** as early as possible – **DO NOT WAIT** until the March deadline. You can submit as early as January 1.
- It is better to submit online if at all possible. (See below)
If you are going to mail your FAFSA, make sure you request a “Certificate of Mailing” receipt from the post office when you send your forms. If your forms are lost in the mail, the financial aid offices will allow you to submit a duplicate form if you have a receipt.
- Students who apply online will have their applications processed usually within 24-48 hours. Paper applications can take up to 4 weeks to process.
- Be sure to print out a copy of your online FAFSA before submitting it.

APPLYING FOR FINANCIAL AID – ON LINE

Applying for financial aid online can make the application process simpler and faster. It is easy to navigate and is available around the clock, seven days a week. When completing the form online, you will only be asked those questions that pertain to you because it uses skip logic and skips questions that do not apply to you. Your answers are edited automatically with built-in prompts, so fewer mistakes are made than from the paper application. Should any questions arise regarding the application or the process, an extensive online help is available. Furthermore, students will receive their results within 72 hours, faster than if you

were to mail in a paper FAFSA.

If you decide to apply for financial aid online, you and your parents will both need to apply for a PIN number. The PIN number will allow you to electronically sign your FAFSA online. Other benefits are it allows you to access your processed application, review it, make corrections to it, print out your Student Aid Report (SAR) once your application is processed, and electronically sign loan promissory notes, if applicable. Once you apply for your PIN, the number will be e-mailed to you within 1-5 days or sent to you within 7-10 days if no e-mail address is provided. It is important to apply for the PIN now during the month of December. Be aware: students applying for the PIN number late in February may not receive the number in time to apply online.

Students will also find it helpful to print out a Pre-Application Worksheet before applying online. Since the questions on the paper FAFSA are numbered differently from the online FAFSA, using the Worksheet will help you stay on track as you go along.

FINANCIAL AID ONLINE WEBSITES

www.calgrants.org - Here you can find all the information you need about the Cal Grant Program and how you can get thousands of dollars a year in free money to help finance your college education.

www.fafsa.ed.gov - Complete and file the FAFSA on-line and find links to federal financial aid programs. FAFSA PIN number. Pre-Application Worksheet allows student to keep them on track when completing the FAFSA on line.

www.collegeboard.com/profile/ - CSS Profile on line: –The financial aid application service of the College Board Many of the member colleges, universities, graduate and professional schools, and scholarship programs use the information collected on PROFILE to help them award non-federal student aid funds.

www.careeradvantage.com - Financial aid and other valuable information on vocational and trade schools across the state.

www.csac.ca.gov - Information about the California Student Aid Commission, the organization that administers the Cal Grant Program.

www.FastWeb.com - Online database of thousands of scholarships.

www.FinAid.org - Brings together a good deal of information on financial aid and how to apply for it, and has calculators to estimate expected family contributions.

www.studentaid.ed.gov - New site from the Department of education which helps students locate information about government funding.

www.CaliforniaColleges.edu - Information on financial aid, as well as a wealth of information about California colleges and universities.

www.lcusd.net/lchs/Students/college_corner.asp. Monthly College Corner newsletter of LA CANADA High School. Each month has a Senior section and a Junior Section and a Junior Senior Section. Wealth of information step by step information about choosing, applying, and paying for college