

# Applying for Federal Financial Aid

## Objectives

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- Understand how to apply for federal student aid.
- Understand application output and how to make corrections.
- How to address special circumstances.

## Materials

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- PowerPoint Presentation
- FAFSA on the Web Worksheet, when available

## Trainer Tips

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- The instructor's guide is just that, a guide. If you feel more comfortable teaching from the PowerPoint slides or the FOTW Worksheet (when available), for example, feel free to do so. The FOTW Worksheet should be available in mid December 2011.
- As you prepare for the session, anticipate which sections of the FOTW will generate the most questions, such as the student status section.
- Encourage discussion by asking the participants questions. Get an idea of their students' experience in applying for financial aid; such feedback will be valuable for future training efforts.
- If your workshop site has Internet access, consider using the FAFSA demo site to demonstrate how to complete *FAFSA on the Web*. Test data for 2012–13 will not be available until mid-December 2011; check the website prior to the workshop. The site is at <http://fafsademo.test.ed.gov>. The user name is eddemo and the password is fafsatest.

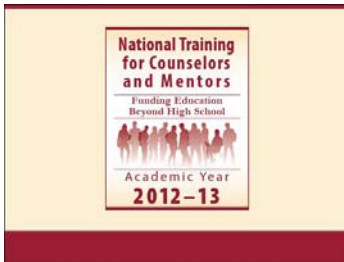
## 2012–13 FAFSA Changes

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- Question that requires reporting name of high school and location if applicant reports receipt of diploma has a “smarter” search option. Students who answered the question last year will be presented the question again and advised to use the “smarter” search option.
- IRS Data Retrieval will be available on February 1, 2012, and will be available in English and Spanish. Data will be available within several days for electronic tax files and within several weeks for paper tax filers. Special notes about using the IRS Data Transfer option are noted on the cover of the paper FAFSA and FOTW Worksheet.

# Applying for Federal Financial Aid

## SLIDE 1



## Applying for Federal Financial Aid

Today we are going to discuss:

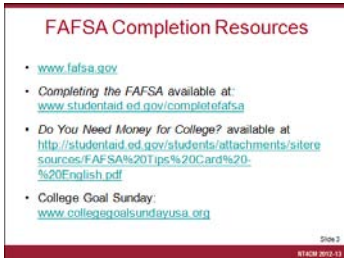
- Preparing students and families to complete the Free Application for Federal Student Aid, or FAFSA;
- The information applicants report on the FAFSA;
- Common errors;
- Processing FAFSA results; and
- Correcting FAFSA data.

**Note to Instructor:** Before presenting the following material, engage participants in a discussion of how they prepare students and families to complete the FAFSA. Possible strategies may include: having families gather needed documents and completing the FAFSA online. Let them know that approximately 99% of FAFSAs were filed either on-line or through another electronic process (such as through the school) in 2011–12. The U.S. Department of Education publications listed below may be ordered on-line.

## SLIDE 2



## SLIDE 3



## FAFSA Completion Resources

Resources for completing the FAFSA:

- FOTW website;
- *Completing the FAFSA*;
- *Do You Need Money for College?*; and
  - Formerly called *FAFSA Tips*.
  - Available in Spanish.
- College Goal Sunday.

## SLIDE 4

### FAFSA

- Produced by the U.S. Department of Education
- Collects family's personal and financial information used to calculate student's EFC
- Available in English and Spanish
- Available in three formats:
  - Paper
  - PDF (Download from [www.fafsa.gov](http://www.fafsa.gov))
  - On-line

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## FAFSA

The FAFSA is:

- Produced by the U.S. Department of Education;
- Collects personal and financial data to calculate the EFC and to determine if the student meets certain eligibility criteria;
- Used by states and many colleges to determine eligibility for their financial aid programs;
- Available in English and Spanish; and
- Available in three formats:
  - Paper,
  - PDF,
  - On-line, which is known as FAFSA on the Web, or FOTW.

The paper FAFSA:

- Students may request a copy by calling the Federal Student Aid Information Center at 1-800-433-3433; and
- Cannot be submitted before January 1, 2012.

The PDF FAFSA:

- Will be available on various Federal Student Aid websites; and
- Cannot be submitted before January 1, 2012.

The on-line FAFSA :

- Will be available January 1, 2012.

## SLIDE 5

**FAFSA on the Web**



- Website: [www.fafsa.gov](http://www.fafsa.gov)
- 2012–13 *FAFSA on the Web* available on January 1, 2012
- FAFSA on the Web Worksheet:
  - Used as optional “pre-application” checklist

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## FAFSA on the Web

### *FAFSA on the Web:*

- Easier, faster, and less error prone;
- No software required; and
- Only requires a computer with an Internet connection.

### FOTW Worksheet:

- Optional “pre-application” guide;
- Available late 2011;
- Can complete before submitting FAFSA; and
- Provides applicants guidance to collect information needed to complete FAFSA.

## SLIDE 6

**FAFSA on the Web**

Good reasons to file electronically:

- Built-in edits to help prevent costly errors
- Simplification: Skip-logic allows student and/or parent to skip unnecessary questions
- Immediate submission of original application and any necessary corrections
- More detailed instructions than space allows on the paper FAFSA
- Ability to check application status on-line
- Simplified application process in subsequent years

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## FAFSA on the Web

### Good reasons to use *FAFSA on the Web:*

- Built-in edits to help prevent potentially costly errors;
- “Skip-logic” allows students to skip questions which are unnecessary based on their answers to previous questions;
- Immediate submission of application data and of any corrections that might need to be made later;
- More detailed instructions than space allows on the paper FAFSA;
- Live help via chat with a customer service representative;
- The ability to check processing status; and
- A simplified application process for filing the FAFSA in subsequent years.

## SLIDE 7

### Modifications for 2012–13

- Minimal question changes
- One simplified log-in
- Expanded offering of IRS Data Retrieval
- Families expected to use IRS Data Retrieval if available at time of filing or they will be instructed to make corrections once they have filed tax returns.

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## SLIDE 8

### Modified Question

- Name and location of high school from which student received diploma will have a “smarter” search feature
- FOTW will ask any student who answered high school question for 2011–12 the question again and advised to use “smarter” search feature

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## SLIDE 9

### Deleted Questions

No questions deleted for 2012–13

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## SLIDE 10

### IRS Data Retrieval

- Students completing a 2012–13 FOTW will be able to utilize IRS Data Retrieval beginning February 1, 2012
- Data available in English and Spanish
- IRS data available within several days for electronic filers or several weeks for paper tax filers

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## Simplification for 2012–13

- Minimal question wording changes;
- One simplified log-in; and
- Expanded offering of IRS Data Retrieval tool.
  - Families expected to use IRS Data Retrieval Tool or they will be advised to use as soon as tax returns are filed.

## Modified Question

- Name and location of high school from which student received diploma will have a “smarter” search option.
- Any student who answered this question for 2011–12 will be asked again and advised to use “smarter” search option.

## Deleted Questions

- No questions were deleted for 2012–13

## IRS Data Retrieval

- Applicants can request their income tax data directly from IRS and import into *FAFSA on the Web*;
- Voluntary;
- Students completing a 2012–13 FAFSA will be able to utilize IRS data retrieval beginning February 1, 2012;
- Will be available for electronic tax filers within several days; and
- Will be available for paper tax filers within several weeks.

## SLIDE 11

### IRS Data Retrieval

- FOTW includes logic to determine if applicant is eligible to use IRS Data Retrieval
- Applicant's response will take him or her to the IRS system or provide a message that the applicant should use own financial figures to complete FOTW

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## SLIDE 12

### PIN Registration

- Website: [www.pin.ed.gov](http://www.pin.ed.gov)
- Not required, but speeds processing
- May be used by students and parents throughout aid process, including subsequent school years



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## SLIDE 13

### FAFSA on the Web Worksheet

- Very similar to last year's worksheet
- Includes questions that may be applicable to all students
- Skip logic means all students will not see same number and sets of questions on FOTW

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## SLIDE 14

### FOTW Worksheet

Section 1 collects general information about the student

- Social Security Number
- Citizenship status
- Drug convictions
- Selective Service registration

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**Note to Instructor:** IRS data retrieval may still not be available early enough for applicants who must submit the FAFSA early in order to meet some institutional filing deadlines.

- FOTW contains a question to screen for those who should use IRS Data Retrieval. Based on question response, an applicant will taken to IRS Data Retrieval option.
- Applicants not able to use IRS Data Retrieval will get a message to use their own financial data to complete FOTW.

## Federal Student Aid (FSA) PIN

The FSA PIN:

- Students and parents use PIN to sign FAFSA electronically;
- Speeds FAFSA processing; and
- May be used throughout college education.

## FAFSA on the Web Worksheet

FAFSA on the Web Worksheet:

- Very similar to last year's worksheet;
- Includes questions that may be applicable to all students; and
- Skip logic means all applicants will not see same number and sets of questions.

## FOTW Worksheet: Section One

Section One collects general information about the student.

- Social Security Number or SSN:
  - Student applicants must have valid SSN;
  - Exactly match name and date of birth on SSN card; and
  - Parents often report their SSN as the student's SSN.

**Note to Instructor:** When the CPS processes the FAFSA, it verifies that the student meets the citizenship/eligible noncitizen criterion, but it does not verify the citizenship status of the parents. Parents do not need to be U.S. citizens or eligible noncitizens for their students to be eligible for federal student aid. Participants are likely to ask this question.

- Citizenship status:
  - If an eligible noncitizen, Alien Registration Number.
  - Categories of eligible noncitizens include:
    - ◆ U.S. permanent residents;
    - ◆ Citizens of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands;
    - ◆ Persons granted asylum;
    - ◆ Persons paroled into the U.S. for at least one year;
    - ◆ Refugees;
    - ◆ Victims of human trafficking;
    - ◆ Battered immigrants-qualified aliens;
    - ◆ Conditional entrants; and
    - ◆ Cuban-Haitian entrants.
- Drug convictions:
  - Student who leaves all three questions blank will be directed to a worksheet to determine if answer affects eligibility for aid; and
  - Student may not be eligible if convicted of possessing or selling illegal drugs while enrolled and receiving Title IV aid.

- Selective Service registration question will only appear for males.

**Note to Instructor:** *The definition of an independent student has been expanded in the past couple of years. The FOTW Worksheet includes a simplified version of the unaccompanied and homeless youth status questions. Student status is covered in more detail in the NT4CM module, Student Status.*

## SLIDE 15

**FOTW Worksheet**

Section 2 collects information to determine the student's dependency status

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### FOTW Worksheet: Section 2

Section 2 collects information to determine student dependency status.

- Checking none of the boxes indicates that a student is dependent.
  - Parental information must be reported.
- Checking any one of the boxes makes student independent.
  - Generally, independent students do not provide parental information.
  - Some independent students may need to report parental information.

## SLIDE 16

**FOTW Worksheet**

Section 3 collects parental information

- Tax, income, and other financial information
- Dislocated worker status
- Assets

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### FOTW Worksheet: Section 3

Section 3 collects parental information.

- If parents divorced and the parent completing the FAFSA has remarried, stepparent's information must be included on the FAFSA.
- Parents need to supply tax and income information as well as amounts for checked items in the Additional Financial Information and Untaxed Income boxes.
- Checkbox to indicate whether either parent is a dislocated worker.

➤ Definition will be available on the screen where question appears.

- Assets:

➤ Based on responses to previous questions, parents may be asked to provide more information about their assets.

➤ Asset data may include current balance of cash, savings, and checking accounts; net worth of investments; and the net worth of certain businesses and investment farms.

➤ The value of 529 plans in either the parent's or student's name is reported as an asset of the parent.

**Note to Instructor:** Detailed definitions will be available on screen where information is reported.

Remember:

- Report asset value as of day FAFSA is submitted.
- Asset information cannot normally be updated.
- Family should contact the financial aid office if special circumstances exist.

### FOTW Worksheet: Section 4

All students must complete Section 4, answering questions as of the day he or she submits the FAFSA.

- Married students must provide spouse's information.
- Student (and spouse) needs to supply tax and income information as well as amounts for checked items in the Additional Financial Information and Untaxed Income boxes.
- Checkbox to indicate whether student and/or spouse is a dislocated worker.

### SLIDE 17

FOTW Worksheet

Section 4 collects student information

- Tax, income, and other financial information
- Dislocated worker status
- Assets

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- Definition will be available on the screen where question appears.
- Assets:
  - Based on responses to previous questions, student may be asked to provide more information about his or her assets.
  - Asset data may include current balance of cash, savings, and checking accounts; net worth of investments; and the net worth of certain businesses and investment farms.
  - Includes the value of 529 plans owned by the independent student and his or her spouse.

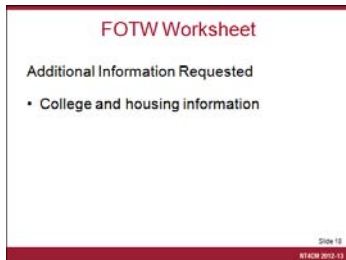
Remember:

- Report asset value as of day FAFSA is submitted.
- Asset information cannot normally be updated.
- Family should contact the financial aid office if special circumstances exist.

### Additional Information

- A few additional screens will appear for students to supply necessary information for processing the form related to their college and housing choices.
  - List up to 10 colleges to receive FAFSA information.
  - Provide Federal School Code and housing plans.
  - On-line search for school codes.

### SLIDE 18



## SLIDE 19

### Frequent FAFSA Errors

- Parent and student Social Security Numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth

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## Frequent FAFSA Errors

Frequent errors include:

- Parent and student names and Social Security Numbers;
- Divorced and remarried parental information;
- Income earned by your parents or stepparents;
- Untaxed income;
- U.S. federal income taxes paid;
- Household size;
- The number of household members enrolled in college; and
- The net worth of investments and real estate.

**Note to Instructor:** You may wish to remind participants that many questions that appear on FAFSA on the Web do not appear on the worksheet.

All FAFSAs are filed with Central Processing System or CPS which:

- Processes information;
- Calculates EFC; and
- Performs matches with federal databases.

## SLIDE 20

### FAFSA Processing Results

- CPS notifies student of FAFSA processing results by:
  - E-mail notification containing a direct link to student's electronic SAR if student's e-mail was provided on paper or electronic FAFSA
- Student with FSA PIN can view SAR on line at [www.fafsa.gov](http://www.fafsa.gov)

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## FAFSA Processing Results

Notification of FAFSA processing results:

- CPS notifies student of FAFSA processing results by:
  - E-mail notification containing a direct link to student's Student Aid Report (SAR) if student's e-mail address was provided on paper or electronic FAFSA.
- Student with FSA PIN can view SAR on-line at [www.fafsa.gov](http://www.fafsa.gov).

## SLIDE 21

### FAFSA Processing Results

Central Processing System (CPS) notifies student of FAFSA processing results by:

- Paper Student Aid Report (SAR) if paper FAFSA was filed and student's e-mail address was not provided
- SAR Acknowledgement if filed electronically via FAFSA on the Web and student's e-mail address was not provided

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## SLIDE 22

### Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using FAFSA on the Web ([www.fafsa.gov](http://www.fafsa.gov)) if student has a FSA PIN
- Updating and mailing paper SAR
- Submitting documentation to school's financial aid office

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## FAFSA Processing Results (continued)

Notification of FAFSA processing results:

- Filed a paper FAFSA with no e-mail address:
  - Receive paper Student Aid Report or SAR.
- Filed a FOTW with no e-mail address:
  - Receive paper SAR Acknowledgement.

## Making Corrections

Students should:

- Review SAR for accuracy; and
- Pay close attention to estimated income information.

Students may submit corrections:

- **FAFSA on the Web:**
  - Must have a FSA PIN.
  - Parents of dependent students must sign, using either a FSA PIN or signature page.
- **Paper SAR:**
  - Submit corrections directly on paper SAR.
  - Student must sign SAR.
    - ◆ One parent must sign if student is dependent.
  - Mail to address on SAR.
  - Cannot submit corrections on SAR Acknowledgement.
- **IRS Data Retrieval**
  - Applicants that did not use IRS Data Retrieval system will receive messages beginning in early April 2012 regarding making corrections by transferring completed tax information into FOTW.

- **The School's Financial Aid Office:**

- School may be able to submit corrections electronically.
- School will need signed documentation of changes.

When the CPS receives corrections:

- Recalculates EFC; and
- Notifies student of processing results.

Students should:

- Review updated information for accuracy; and
- Keep copies of their FAFSA and any other forms.

The CPS forwards FAFSA data to:

- Schools student listed on the FAFSA; and
- State agency.

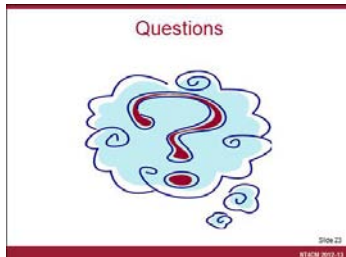
### **Special Circumstances**

FAFSA does not allow students and families to indicate the presence of special circumstances in a family's financial situation.

**Note to Instructor:** *The treatment of special circumstances is discussed in NT4CM modules: And the Number Is... and After the FAFSA.*

**Note to Instructor:** *Answer any participant questions before moving on to the next training topic.*

## **SLIDE 23**



## SLIDE 24

