

UNDERSTANDING FINANCIAL AID



Counseling Department

Follow Us:  @zchscounseling
 ZCHSCounseling

What is Financial Aid?

Financial aid is a general term for money that students may receive for post-secondary education. There are two primary types of aid: need and merit. Need-based aid is awarded to students who demonstrate a shortage of financial resources to fund their post-secondary. Merit-based aid is awarded to students who have performed exceptionally well in a

particular area (like athletics, academics, service, performing arts, etc.). While some aid based programs keep need-based and merit-based aid separate, others use a combination of both to determine eligibility.

Refer to our [Scholarships & Merit-Based Aid](#) document for more information on merit-based aid.

What is Need-Based Aid?

Federal & State Grants, Work-Study, Federal Loans

Need-based aid is awarded to students who demonstrate an inability to fund all or part of their post-secondary education. Need-based aid is determined primarily by completing the Free Application for Federal Student Aid (FAFSA). Some colleges require supplemental applications in addition to the FAFSA to determine how much institutional need-based aid they will award. The CSS/Financial Aid Profile is a common supplemental application used for non-federal

funds. Students/families should research and follow each college's process for awarding aid. Need-based aid is awarded to students by federal, state, educational institutions, and/or private foundations in the form of grants, work-study, loans, and scholarships. Grants and scholarships do not need to be paid back. Work-study programs provide students opportunities to work and earn money for college expenses. Federal and state loans must be paid back.

How is need-based aid determined?

In simple terms, financial aid eligibility is determined in the following way:

1. Based on information provided in the student's FAFSA application, an Estimated Family Contribution (EFC) is determined. The EFC is calculated using a federal formula and will be the same no matter where a student applies.
2. Next, the cost of attending a particular college is considered.
3. The difference between the cost of attendance and the EFC determines the student's "need".

**Cost of Attendance – EFC
= Financial Need**

4. Financial Aid offices at colleges work to provide the student with a financial aid package. A college's financial aid package can include federal, state, and institutional grants. It can also include work study, scholarships, and loans.

How is the FAFSA completed?

The FAFSA is an online application found at fafsa.gov. The application is free. Students/parents should never pay to complete this application. The FAFSA application will collect prior-prior tax information. (2016 tax information for the 2018-2019 FAFSA application.)

When Should the FAFSA be Completed?

Students/families should complete the FAFSA for the first time during the senior year of high school. The application becomes available on October 1st. The deadline for Indiana is April 15th. However, some colleges may have deadlines that are earlier than April 15th. Therefore, students/families should research and note deadlines accordingly.

Who Should Complete the FAFSA?

All students/families should fill out the Free Application for Federal Student Aid (FAFSA), no matter the financial circumstance. Students/families must complete the FAFSA in order to be considered for federal and state need-based aid, as well as most institutional need-based aid and merit-based aid.

How Can I Get Help Completing the FAFSA?

The FAFSA application itself has a built-in help system that helps answer questions about how to complete the FAFSA. Below are other helpful resources available to students/families:

- Our counseling department offers a Financial Aid Information Night each year for students and parents. The purpose of this event is to raise financial aid awareness and understanding.
- Our counseling department offers a FAFSA Completion Workshop following the Financial Aid Information Night. Students and parents are able to work on and/or complete the FAFSA with assistance from financial aid professionals.
- College Goal Sunday is an annual event in the State of Indiana that offers free on-site assistance in completing the FAFSA. Financial Aid professionals are available to answer questions and help students/families complete their FAFSA correctly. College Goal Sunday sites are offered throughout the state. For dates and more information visit www.collegegoalsunday.org.
- College financial aid offices are great resources for obtaining information on school's financial aid policies and processes. College websites usually provide a wealth of information about their financial aid process and procedures. However, it is also appropriate to contact a school's financial aid office directly to get assistance.

Online Resources:

There are several online resources available to students/families. Some are able to estimate an Expected Family Contribution (EFC). For example, the FAFSA4caster allows students to enter financial information and receive an estimate of their eligibility for federal student aid. Also, all colleges are required to provide access to a net price calculator to determine what the out-of-pocket price might be after grants and scholarship aid are taken into account.

FAFSA4caster

www.fafsa.ed.gov/FAFSA/app/f4cForm

Department of Education's Net Price Calculator

www.collegecost.ed.gov/netricecenter.aspx

FinAid

www.finaid.org

Indiana Student Financial Aid Association

www.isfaa.org

National Association of Student Financial Aid Administrators

www.nasfaa.org

College Board: CSS/Financial Aid Profile

www.css.collegeboard.org

Indiana College Costs Estimator

www.indianacollegecosts.org

INvestEd

www.investedindiana.org

Form Your Future

www.formyourfuture.org