

# **“What You Must Do After You Fill Out Your College Financial Aid Forms...**

## **And Why It’s Still Not Too Late To Increase Your Eligibility For College Funding!”**

If it’s after January of your child’s senior year, you may be finished filling out your FAFSA and Financial Aid Profile forms.

There’s only one slight catch...

### **You’re Not Done Yet!**

You see, even after you file your financial aid forms, there are still several more “steps” you need to complete.

To begin with, about 4 to 6 weeks after you file your FAFSA, you will receive a document from the Federal processing center called the “Student Aid Report,” or “SAR.”

The SAR is basically a computerized print out of all the personal and financial questions you answered on the FAFSA.

Typically, there are two sections to the SAR.

Section One gives you instructions for making changes, and lets you know if you’ve made any mistakes that need to be corrected when filling out the FAFSA.

Part One of your SAR will also tell you if you qualify for a Pell Grant.

Don’t worry if you don’t and your SAR says you’re ineligible. Most middle class and upper-middle class families DON’T qualify for a Pell Grant since this is a federal grant that is only meant for low—income families.

If you do happen to qualify for the Pell Grant program, you will have three sections to your SAR, with section three serving as your “voucher” for the Pell Grant program.

Regardless of whether or not you’re eligible for the Pell Grant program, your SAR will also print your “Expected Family Contribution” which is how much the government expects you to pay towards your child’s college education.

Look on the first page of your SAR. Below the date in small type, there are three letters followed by some numbers.

Here's a sample of what it looks like:

**Dec. 5, 2001**

**EFC: 09550**

What this means is that according to the federal formulas, the government expects you to contribute \$9,550 towards the first year (or subsequent years) of college for your child.

Unfortunately, the federal EFC is not the number most private colleges and universities use. Most of the schools that asked you to fill out a Financial Aid Profile form will be using a different formula to calculate how much you should be paying towards college costs called the "Institutional Methodology." This figure is normally higher than the federal EFC.

### **Here's What You Need To Do If You Have To Revise Or Update Your Information**

If you estimated your income and tax information when you originally filled out your financial aid forms, (as most people do), you must revise or update your information as soon as possible.

Since most people don't file their tax returns until April 15th, it would be a good idea to meet with your accountant or tax preparer and explain that you need to update your income tax information on your child's financial aid forms immediately.

Tell your accountant you can't wait until April 15th, or it will hurt your chances of receiving financial aid. This should do the trick.

After you've received your final updated income and tax information, it's time to correct it on your SAR.

Go to Part Two of your SAR where it says:

#### **You Told Us:/The Correct Answer Is:**

Look for the questions you estimated when you filed your FAFSA and update the information under "The correct answer is" side.

Once you've completed this process, you should call the Financial Aid offices at all of the colleges you applied to, and they will tell you to do one of three things:

1. Make changes to Part Two of your SAR, and send the revisions to the processing center listed in Part Two of your SAR.
2. Make changes to Part Two of your SAR, and send them directly to the financial aid office.
3. Send the entire SAR with no changes to the financial aid office, and they will make the revisions.

When you speak to the financial aid officers, ask if they want an original copy of the SAR.

If they do, I recommend requesting a duplicate copy of the SAR by calling (319) 337-5665.

Within 2 - 4 weeks after you send Part Two of your revised SAR in, you should receive a totally new updated version of your original SAR with all of your changes. When you receive it, take a close look at it to make sure they made all the necessary changes.

After you've updated your SAR, the next step is to wait to hear back from each of the schools your child is accepted to in the form of an award letter.

Several of the schools will also require you to send in a completed copy of your tax return before they will give you a financial aid package.

In light of this, I highly recommend you get your taxes done as soon as possible.

Also, some financial aid forms will be randomly selected for "verification" which is the equivalent of being selected for an audit by the IRS.

If you are selected for verification, you will be asked to supply a copy of your tax return, and documentation on the income and assets you listed.

But, don't worry if you are selected for verification. It is very commonplace, and a lot less intrusive than an IRS Audit.

If you follow the step-by-step plan I've outlined above, everything should proceed smoothly and award letters will start arriving around April or May.