

Financial Aid Deadlines: Parents, it's your turn!

Parents, it's second semester, senior year and the focus now is to get the financial aid process in order. You may be asking why...what our part? Are these applications worth the time and trouble? Yes they are. These applications offer the possibility of funding a college education -- grants, loans, and scholarships. (A number of colleges use the [FAFSA](#) and [CSS College Profile](#) along with the student's file to determine merit awards or scholarships.)

"Don't leave money on the table."

The applications

[FAFSA](#)—Every college, from a local community college to a very selective private college, requires the Free Application for Federal Student Aid. The FAFSA determines a student's eligibility for any federal aid, whether grants, subsidized loans, or work-study funds. The application is free; the 2014-15 school year version became available January 1, 2014.

[CSS Profile](#)—Most private colleges, which award their own funds in addition to federal aid, also require a completed [CSS Profile](#). (These schools often have the strongest needs-based financial aid.) The Profile is not free; it costs \$25 to send to one college, and \$16 for each additional submission...fee waivers are available. The 2014-15 school year form became available in October 2013.

Others—Some colleges have created their own forms to be completed in place of, or in addition to, the [FAFSA](#) and the CSS Profile. In addition, certain circumstances, such as business or farm ownership, may require additional forms.

The documents

Financial aid apps aren't so different from recipes, save time to gather the ingredients before you cook. Start with these documents:

- ✓ · Most recent signed, completed tax returns
- ✓ · Social Security number
- ✓ · Driver's license
- ✓ · Current statements from banks, retirement accounts, investment accounts, and any other assets
- ✓ · Current income and expense information, such as W-2s, 1099s, 1098s, etc.
- ✓ · Any untaxed income records, such as child support, workers' compensation, etc.
- ✓ · Any other documents related to assets or income

The frustrations

The timing—This all sounds straightforward enough, but the timing involved makes it complicated and, yes, a bit frustrating. The [FAFSA](#), CSS Profile, and other financial aid applications request specific information from our tax returns—and often these applications must be submitted—before the returns can be completed.

Providing estimates—The [FAFSA](#) and the [CSS Profile](#) offer the opportunity to enter estimates for the previous year's Adjusted Gross Income, itemized deductions, taxes to be paid, etc., then changes can be made after the tax return has been completed. Changes *will* have to be made because colleges also require the completed tax returns or an online link to verify the application.

Yet, providing estimates presents a bit of a nightmare for households with incomes that vary, such as small business owners, consultants, realtors, farmers, or salespeople; some items may sound simple enough, like a tuition credit, but aren't because of frequent changes in the rules.

Early returns—Estimates will only go so far. Some colleges require signed, completed tax returns by February 15.

The quantity—College application year is the most complicated since students are applying for financial aid with a variety of due dates and submission procedures from the full list of high school senior's colleges.

It will be frustrating...it is doable, and it's important to do for a number of reasons.

The why

Many college advisors recommend that every family should complete the [FAFSA](#), at least.

While some families may assume they make too much money to qualify for aid, there is only one way to find out. You have to apply.

Meanwhile, American colleges currently operate within a system of very high Costs of Attendance, which can be whittled down to lower net costs through aid, merit awards, and scholarships. Very expensive private colleges, especially those with healthy endowments, may offer a much lower net cost, indeed one that could be comparable to that of a public university. There's only one way to discover a family's net cost for each college.

Many colleges, especially private colleges, use the [FAFSA](#) and [CSS Profile](#) as a part of their merit awards and scholarships qualifications. One form I just saw included this permission request: "*I hereby grant permission for Student Financial Services to release my academic transcript and information about my financial aid to your prospective scholarship donors.*"

Even families with high income and asset levels may wish to access unsubsidized Stafford loans, with favorable interest rates and repayment beginning after the student leaves college (families who may not qualify for aid with one child in college are likely to see a change with two or more in college at the same time).