

Paying for College — 10-Point Checklist

The college financial aid season is gearing up for college-bound HS students and their parents. Both student and parent need to become familiar with the college financial aid process to ensure enough money is available when the student starts college in the Fall.

The coming Spring is the time for finalizing college selection and finding all available aid. There are tons of information outlining the financial aid process. Most of this information can be summarized in a quick 10-point checklist:

Checklist 1: First Thing, Make Sure Students Complete Their Off-to-College Tasks

If you are going to college, make sure to complete and submit the required documents to finalize your college selection. Deadlines include application submissions, college visits, housing selection, and getting ready for the move.

TIP: our college planning calendar at SayStudent.com lists what needs to be completed

Checklist 2: How Much Is It Going to Cost

Students need to calculate how much it is going to cost. Some schools cost more than others for the same education. Complete a cost-benefit analysis to determine which is your best value. Costs to compare include tuition, housing, books, transportation to and from home and cost inflation based on city location.

TIP: you can download tools that can help analyze college costs and benefits at the SayStudent.com web site.

Checklist 3: What is EFC

EFC is the Expected Family Contribution for higher education. In other words, financial aid is awarded based on a formula that calculates the total cost of attending school and the expected family contribution to that cost. Colleges use EFC to determine how much aid to award.

TIP: there are techniques to minimize EFC. View the SayStudent.com web site.

Checklist 4: Understand how the Financial Aid Process Works

The financial aid process has the following steps:

- **Step 1:** both parent and student must file the U.S. Government's FAFSA Form. The FAFSA form is required for all Federal Student Loans and many college aid programs, including some scholarships. You can file the FAFSA starting in January for the upcoming Fall academic year.

The information submitted via the FAFSA form includes the family's financial position: current year tax information, bank and investment statements, asset

holding, government benefits and the like.

- **Step 2:** the government compiles the information from the FAFSA form and calculates the EFC. The government generates a Student Aid Report (SAR) that is sent back to the student and to the colleges listed on the FAFSA form. Students need to review the SAR for corrections and to add new schools, if needed.
- **Step 3:** colleges use the SAR to calculate how much financial aid to award each student. The amount awarded depends on the EFC and other factors. The college will compile a Financial Aid Award letter that is sent to the student.
- **Step 4:** student will receive and compare award letters among colleges to determine best value. The award letter will show the expected cost of attendance and the financial aid award. The student can either accept or reject the award. Appeals can be made.

TIP: you can view a complete summary outlining the financial aid process at the SayStudent.com web site

Checklist 5: Understand Types and Sources of Student Financial Student Aid

Financial aid programs include government and college grants, scholarships, loans, work-study, state aid, and other special benefits and credit.

TIP: the SayStudent.com web site has detail financial aid charts summarizing all aid options for students and parents.

Checklist 6: Start Your Financial Aid Search

Students and parents need to complete a thorough search of financial aid options. Don't wait until the last minute. Aid options such as scholarships can go fast.

The aid search process:

- Start with scholarships. Though many scholarship awards are small, every dollar counts.
- Review what grants, college aid, and work-study aid that the college awarded.
- Apply for the maximum amount under the Stafford Student Loan program.
- Parents can apply for the Federal PLUS program. It covers the full cost of education minus the financial aid received by the student

- Consider other aid programs such as private student loans, home equity lines, state aid programs, and group benefits.

TIP: a complete summary of aid options with apply steps are available at SayStudent.com

Checklist 7: Establish a College Budget

Students and parents need to setup a budget to determine if enough money is available. The budget includes line items for financial aid options and itemized college costs. Note that some aid and cost line items are fixed, so you need to zero in on the variable aid and expense line items for increasing aid and cutting expenses.

The total financial aid received minus expected college costs will give you a total net cash position calculated by month. If the net cash position falls below zero, you are going to run out of money before the school year ends. Your budget will help determine where additional aid or expense reduction will be needed.

TIP: download our budgeting forms at SayStudent.com with all the required input items to analyze your net cash position.

Checklist 8: Managing Your Money

Money will be tight during school. Students need to control spending and avoid unnecessary debt. Recommendations include using prepaid credit cards with spending tightly monitored by student and parent.

TIP: view our summary illustration on how prepaid cards can work for students and parents at our web site SayStudent.com

Checklist 9: Build Your Credit

Finally, parents need to teach their college-bound students about basic financial management. Starting school brings on many new responsibilities like building a strong credit report and managing credit payments. These credit techniques will benefit students in the future for:

- * buying a home
- * finding a good career
- * keeping lending costs down
- * perhaps starting a business

TIP: our SayStudent.com web site has complete credit and debt management guides

Checklist 10: Get the Tools You Need for Success

Link to the SayStudent network for tools and tips to help student and parents in the college aid process. Our tools include aid search, money management, success building, and more.

All FREE without user registration. Link to: <http://www.SayStudent.com/tips>

The SayStudent College Financing Network offers a comprehensive suite of college aid products and services for both students and parents planning and financing college. Our services include college planning, college search, college financial aid review, student aid, and money management. You are invited to download our 1-page aid map.