



Understanding Private School Financial Aid: What it is & How to Apply

by: Brian Fisher, AdmissionsQuest

Acknowledgements:

This booklet is an amalgamation of more than just our writings and thinking about the private school financial process. It is a collection of shared thoughts and works collected over the years by our colleagues and us. We do not stand alone as experts in the private school financial aid process. We freely admit that we stand on the shoulders of those who've come before us.

AdmissionsQuest's niche in the process is bringing the [thinking surrounding financial aid](#) as far as we can into the open.

Beyond our own letters and works, this booklet draws from works published by [School & Student Services By NAIS \(SSS\)](#) and [Sewickly Academy](#). We believe that the best insights and understandings of the financial aid process come from some of the best people and organizations in the business.

Our goal for this booklet is to present the process just as we would if we were talking to a family in the office or the coffee shop. We use “financial aid,” “financial aid process,” and “FA” interchangeably.

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Some opening thoughts on the school search and financial aid/things you should know about filing for financial aid

We begin with some thoughts that we include in almost every note we write to families asking about financial aid. These thoughts may come across as blunt; that is a conscious decision. Any healthy financial aid application requires a realistic understanding and acceptance of the process, as well as an acceptance of the potential outcomes.

Eligibility: the fundamental question

This book is for parents who are interested in securing a private school education for their child and who have questions about how to make private school tuition a financial reality.

Here's a quick rhetorical distillation of the questions and topics that you might be asking:

- Tuition is high. We want to afford private school, but we have limited resources. Is our family eligible for financial aid?
- Are we eligible for financial aid?
- Are we likely to receive an FA award?
- Is there a way to figure out if we qualify?
- Who can help us? To whom should we speak?
- Where should we start?

Placing your family in the financial aid continuum to determine where you stand and the likelihood of FA eligibility isn't as difficult as you might think.

Many families mistakenly believe they will not qualify. However, no specific income level disqualifies a family from financial aid. FA eligibility is based on many factors. Always investigate the possibility of receiving financial aid if you feel you cannot pay all of the costs yourself.

Are we eligible for financial aid?

Who can help us? To whom should we speak?

Where should we start?

Your financial aid conversation begins with these primary financial aid questions

- What percentage of students receive financial aid?
- What is the school's average grant?
- If your child receives financial aid for one year, what is the school's policy for renewing granted aid in subsequent years? If you are separated or divorced, how does the school evaluate your family's financial status and ability to pay?
- What options exist if you don't get the aid you need?

True cost of attendance: a number you must know

Once you know the list of schools to which you will apply, do your financial homework. Ask the school about the full cost of attendance.

Know how much it costs to attend (everything included) the school(s) to which you're applying.

At some schools, tuition or tuition, room, and board, includes everything or it includes everything but books and incidentals.

At other schools, tuition or tuition, room, and board covers only that with extra, required charges that will be billed later for items such as books, supplies, transportation, athletics, field trips, weekend activities, etc. These charges can quickly add up to large numbers, pushing the true cost of attendance quite a distance beyond quoted tuition numbers.

Honesty, openness, and accuracy

Honesty among everyone involved, openness in communication, and accuracy in reporting are the hallmarks of a sound financial aid application.

As a family, it's paramount that you work with financial aid officers in a forthright manner. We will do the same with you, our readers. With realities in the daylight, we can offer the best suggestions we know regarding school financing, scholarships, and financial aid.

Know how much it costs to attend (everything included) the school(s) to which you're applying.

The financial aid process is thorough and rigorous

A successful financial aid application requires planning, attention to detail, and tenacity. Be prepared to commit your time and be ready to use a fine toothed comb as you gather your financial information and answer questions.

Don't become discouraged or give up on the financial aid process.

Financial aid is a significant part of the decision to provide your child with the best educational opportunities you can find.

Be prepared to spend time and effort on all phases of the financial aid process—communicating with schools, gathering documents, and entering data.

Don't leave parts of the FA process undone until the last minute.

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Seeking financial aid is a process, not a recipe

Financial aid is a process—often with a good number of dead ends before finding what you need.

There's no ready money. The best approach to any process is to understand it, to harness it for use, to be at peace with the possible outcomes, and to breathe.

Completing the FA process will not produce a specific result. Each school administers its own financial aid program, making awards and grants based on the competition for need-based financial aid. The amount of aid you might receive varies from school to school based on how much aid the school has available and the quality of competition for each available dollar.

Prepare yourself to be told “no” or to receive financial aid packages smaller than what you believe you need or qualify for.

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Financial aid is a finite resource

Financial aid monies are finite and scarce. A school doesn't want to limit the ability of any good student to attend. However, a school must allocate its resources (financial aid dollars in this discussion) in the best way that it knows how and in accordance with its financial aid policies.

Expect to pay something: private school is a partnership between school and family

In the spirit of partnership between school, student, and family, when a school makes a financial commitment to support a student, it wants to see a similar promise from a family. This establishes a shared seriousness and common bond.

Even if your family qualifies and receives a substantial aid package, be prepared to pay something.

Admission and financial aid decisions are independent of one another; they are not connected

Your admission application and financial aid application are two completely separate entities. A school's Admission Committee knows nothing about, and does not have access to, financial aid information.

It's perfectly possible to be accepted to a school and then receive a financial aid package too small to support matriculation.

Admissions and financial aid: concurrent processes but different deadlines

Admission deadlines can differ from school to school. Some schools use a process called rolling admission, under which they make a decision regarding an applicant's admittance a short time after the student's application is complete. Know the processes and the dates that your school uses.

Financial aid deadlines. Know each school's financial aid deadlines. Again, they can differ from school to school. However, they tend to be more uniform, fall on the same date or earlier than application deadlines, and most importantly for the applying family, financial aid deadlines tend to be hard and fast.

If you miss a financial aid deadline, you are likely to miss out on aid.

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School fit comes first: all the financial aid in the world will be of no benefit if the school fit isn't good

Even though a financial aid application can take on a life of its own and begin to overshadow the admission process, remember that the process is about your child and finding the school that will do the best job of cultivating him or her.

Your first order of business must be to seek and identify schools that best fit where your child stands in his or her educational path.

Find the school(s) that best 'fits'— then make financial aid part of the application process.

Need help with school fit?

You can find our resources covering school fit at www.admissionsquest.com.

Educate yourself about what 'financial aid' means: what are we talking about when we use the term financial aid?

We're often talking about a combination of different types of aid: need-based merit scholarships, grants, and loans combined into a single package that can make school tuition affordable for a given family.

Financial aid is not simply a grant or a lower tuition number awarded by a school.

A family's financial aid package is exactly that—a series of different solutions in the form of grants, loans, or maybe a tuition payment plan—woven together to build a package that makes a particular school affordable for a family.

Your financial aid application should include a conversation with the school. Do research and make yourself knowledgeable about the kinds of aid and financing available from each school such as grants, tuition discounts, merit awards, student profile scholarships (geographic, social affiliation), achievement/merit awards, and loans. More on each type of assistance follows later.

Loans are not financial aid, but a school may factor them into a family's expected contribution (see below).

Find the school(s) that best 'fits' then make financial aid part of the application process.

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Loans are not financial aid but, as we cover below, a school may factor them into a family's expected contribution.

Talk with your school(s): a healthy financial aid application begins with an open, honest dialog between family and school

Start with your school(s). The number one resource regarding financial aid policies, requirements, and resources is the financial aid officer or director at a school.

Find out if the school(s) you are interested in offer financial aid. Visit their websites or call their admissions or financial aid offices. Each school can send you forms on their policy and any other information you need to apply for financial aid. Most schools strongly suggest that you apply online. It's important to know the expectations of each school to which you are applying.

No one will know more about aid and financing options for their students than your school(s).

Do NOT become angry or frustrated with the school or the financial aid officer working with you.

Almost to a T, every financial aid officer is a serious professional working to build a solution that works best for everyone.

Always keep the dialog open and leave a conversation with everyone feeling positive, even if the result was imperfect.

If a resulting financial aid package is too small to make attendance possible in the coming year, it's not unheard of for a school to encourage a second admission and financial aid application the following year, if it works for the student.

The two ways to learn if you qualify for financial aid:

1. Talk with the financial aid officer(s) at your school(s).
2. Apply.

The aid officers can provide you with a rough idea of whether or not your family fits in that school's financial aid window.

Formally applying for financial aid yields a specific expected family contribution and a subsequent aid package from the school (upon completed application).

To definitively determine your family's eligibility, you must formally complete the financial aid application at your school(s). The financial aid officer(s) at each school can provide you with their application and application process.

No one will know more about aid and financing options for their students than your school(s).

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What if you're still just not sure whether to go through the aid process... or if you think you might not qualify?

To get a sense of your family's prospects, contact the admissions or financial aid professionals at the schools you're interested in. They will be able to provide guidance that's appropriate for your circumstances. But don't be surprised if each school offers a different funding strategy and aid policy. That's why you need to ask each about the specifics of its various options and see how these options fit within your financial planning. Whether you qualify for financial aid or not, keep in mind that other financing options exist. These include tuition loan programs, payment plans, and other personal finance alternatives such as home-equity loans or lines of credit, which many families use to fill gaps that their available income or savings can't meet. It's always a good idea, as with any major investment, to check with a financial advisor on the best strategies you might use to manage school costs, given your resources and family goals. (School & Student Services By NAIS (SSS))

Honesty and accuracy are fundamental and paramount in the financial aid process.

A third-party financial aid service company will collect and process your financial information for the school

Schools lack the resources and expertise needed to process a family's financial statement and generate an expected family contribution amount. In every case that we know, financial aid management and data evaluation of each family's expected family contribution is operated and handled by a third-party company—an independent financial aid servicing firm. Schools subscribe to one of several financial aid service companies to assess and determine a family's expected contribution. To file your financial aid application, you will be directed to the web site of the financial aid processing company retained by the school.

It's conceivable that a family applying to multiple schools may have to complete more than one financial statement. Be prepared to work through the online filing process more than once if applying to multiple schools.

Examples of third-party financial aid processors include:

- School & Student Services By NAIS (SSS)
- TADS
- FACTS Tuition Management Company
- Private School Aid Service.

Honesty and accuracy are fundamental and paramount in the financial aid process.

What does the financial aid processing company do? What does a school learn from my financial aid application?

Concisely, the financial aid processor takes a family's financial data and financial statement, runs the numbers, and produces a number known as the estimated family contribution, or EFC. The EFC is an amount created through the processor's model that a family could reasonably be expected to contribute toward school tuition. If several schools use a common processor, the processor sends the same report to each school.

The financial aid processor makes no recommendation to the school. The school administers and constructs its own aid packages.

Some financial aid processors go a bit further by providing the school with an overview, or snapshot, of the family's financial situation. The financial aid processor may also produce a concurrent report that goes to the family so that the family sees, and knows, what is reported to the school.

The report from the FA processing company is only the starting point in a family's financial aid package.

Estimated family contribution sets a baseline for the school. From there, each school allocates its own resources and makes independent decisions regarding each family.

Financial aid packages may include grants, merit awards, discounts, payment plans, and loans.

The financial aid processor makes no recommendation to the school. The school administers and constructs its own aid packages.

The report from the FA processing company is only the starting point in a family's financial aid package.

School loans: three important thoughts

Loans generally enter the equation after a school has offered its aid package to a family.

Three important thoughts about loans:

1. Schools learn nothing about a family's creditworthiness from the FA processor. The FA processor addresses only estimated family contribution. A school might believe that you have borrowing power when, for any number of reasons unknown to the school, you do not.
2. Some families may find it advantageous to use a loan as part of their financial management.
3. Loans must be repaid.

Loans generally enter the equation after a school has offered its aid package to a family.

Financial aid realities for the late applicant

Before embarking on the late application process, families need to know a blunt fact: at almost every school, financial aid is not available or is available in very limited amounts. The bulk of any school's financial aid dollars is awarded according to the school's published financial aid filing calendar. If applying late and in need of aid, check with each school you are interested in prior to completing an admission application.

The possible parts of a financial aid package and what they mean

This is a distilled look at the types of financial aid along with information about sibling discounts, employee discounts, supplemental loans and tuition payment plans written by our colleagues at School & Student Services By NAIS (SSS). *You'll find a more detailed version of this explication available at <http://sss.nais.org/parents/>.*

Need-based financial aid

This is the classic form of need-based financial aid. When someone says, or hears the term, financial aid, they think of grants in the forms of tuition remission, tuition reduction, or outright cash grant. For families demonstrating need, need-based grants comprise the primary form of financial aid. Grants are made on an annual basis and could cover any, or all, of a school's tuition as well as other school expenses.

Merit awards

Merit awards—awards based on a recognized talent of ability—are rare, though not unheard of, in the private school world. They are academic scholarship awards at the collegiate level given for outstanding talent in areas such as athletics, art, music, and academics.

Sibling discounts

These discounts are based on the number of children you enroll in the same school. Not all schools offer these, and the trend among those that do is to phase them out or keep the discounts small. Even so, the discounts are worth asking about.

Employee discounts

Many schools also provide tuition discounts, also called tuition remission, to certain employees at the school. If you are employed at (or considering employment at) a school, be sure to understand your eligibility for tuition remission.

Payment plans

Most schools bill for tuition in one or two lump sums, which are due prior to the start of the year or prior to each semester. An installment plan that lets you break those sums into several monthly payments may make tuition easier to manage.

Loan programs

Tuition loans help you spread your payments over a much longer period of time than tuition payment plans allow (spread out over many years, rather than several months). Because most schools do not run their own loan programs, you usually have to get such loans from a private lender.

Source: School & Student Services By NAIS

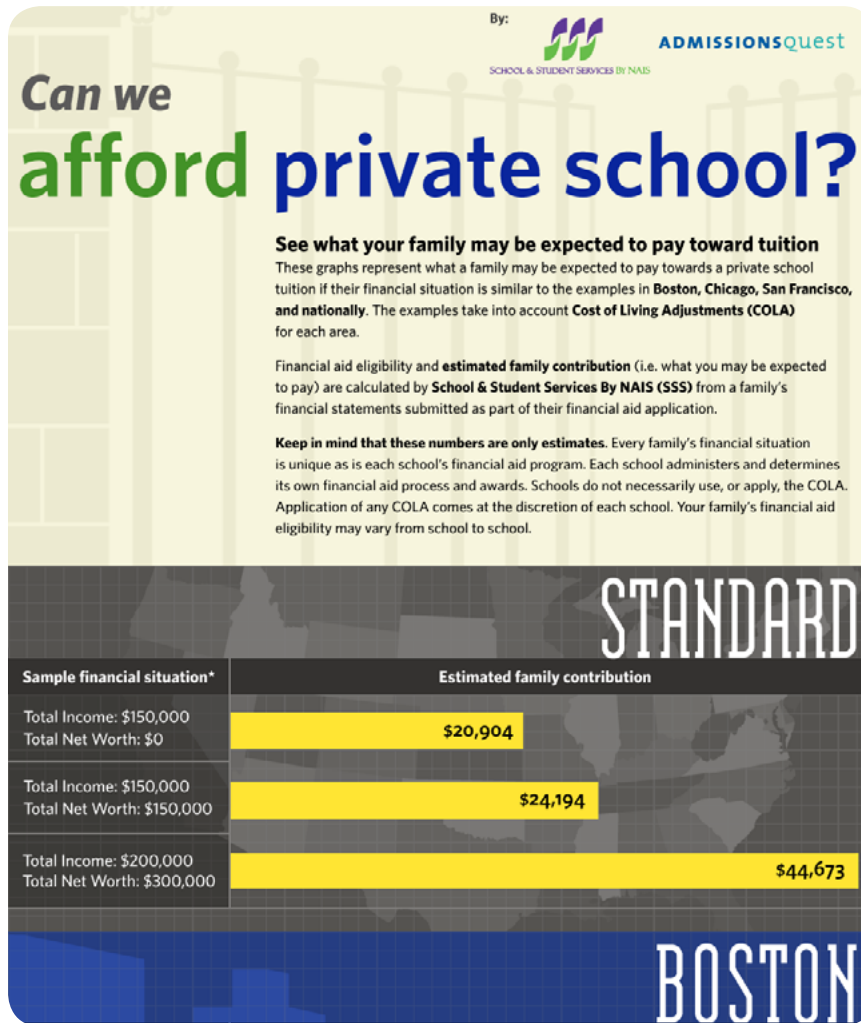
You'll find a more detailed version of this explication available at:

<http://sss.nais.org/parents/>.



Case studies

These case studies are designed to give an understanding of the different financial aid packages that families might receive from different schools throughout different parts of the country. Always, keep in mind that each school administers and makes its own financial aid decisions.



You'll find this helpful infographic titled,

"Can I afford private school?" available at:

<http://www.admissionsquest.com/can-we-afford-private-school>

As we said earlier, there is no guaranteed outcome in applying for financial aid. Financial aid monies are finite and scarce. Schools do their best to balance a variety of competing interests when making financial aid decisions and awards. Be prepared to respond in a level-headed and thoughtful manner should you receive an imperfect financial aid package.

Apply for financial aid: a plan and a commitment

Start early. Procrastination leads to missed opportunities and anxiety.

Applying for financial aid can be both stressful and time-intensive. Just as you get your “ducks in a row” for your admission application, you’ll do the same with your FA application.

Chart a plan and a calendar to guide your financial aid application

Remember, learn your financial aid deadlines and follow these tips:

- Be accurate and precise in all reporting and dealings
- Be open
- Be honest
- Ask questions
- Follow up with your schools

Deadlines

Admission and FA applications, because they are separate and independent processes, require two separate applications that often have different deadlines.

Request information early and be sure to contact each school’s financial aid officer with any questions.

FA deadlines come early and they are hard and fast. You put your chance of receiving an FA award in mortal jeopardy by missing a deadline.

Hear from Tabor Academy’s Director of Financial Aid as he share the steps you must take as you apply for financial aid.



FA deadlines come early and they are hard and fast. You put your chance of receiving an FA award in mortal jeopardy by missing a deadline.

A template for an ideal financial aid timeline

August-December

- Find the best school fit for your student.
- Begin the application process.
- Begin an open, honest dialog about your financial aid application.
- Introduce yourself to the Financial Aid Director at each school.

Let them know that FA will be part of your application. Ask them about their financial aid process. Do they have an FA application package that they can send? Do they have any 'school specific' processes or requirements of which you need to be aware?

Pose these questions to the Financial Aid Director:

- What's the realistic full cost of attendance?
- What's the FA application deadline?
- What types and combinations of FA does the school offer?
- What (if any) additional information or forms are required of small business or farm owners?
- Do you have any special procedures for separated/divorced parents?
- Does the school require a minimum contribution from families, or, can financial aid cover all school costs?
- If my child receives financial aid for one year, what is the school's policy for granting aid in the following years?

What about schools with rolling admissions?

Some schools don't set one admission deadline but continue to accept applications until their classes are filled. Ask them about their financial aid timeline and expectations.

August -December

Learn your financial aid deadlines

- Learn which financial processor each school uses. Remember: different schools use different financial aid servicing companies; if applying to multiple schools, you might have to provide data to multiple financial aid servicers.
- Confirm the most recent tax year for which you must provide data. Some schools use the previous tax year in their evaluation; some schools use current tax year data.
- Learn and gather required documents.
- Start this process early; it takes time. Each school will have a list of required financial documents for their financial aid application.
Financial aid documentation includes but is not limited to:
 - Federal Income Tax Return*
 - State Income Tax Return*
 - W-2 Forms*
 - Various IRS Forms*
- Learn the requirements and start early.
- Be prepared to file your current year income tax returns early. Schools may want these included with your application.

Financial aid documentation includes but is not limited to:

- ***Federal Income***
- ***Tax Return***
- ***State Income Tax Return***
- ***W-2 Forms***
- ***Various IRS Forms***



November or December:

- Begin the financial aid application process.
- Complete Your Tax Return. Know which year each school requires.
- Check in and communicate with the FA officer at your school(s). Do they have everything they need? Do they need anything else?
- Be accurate in all reporting and data entry.

January or early February:

- Your admissions applications are due.

January or February:

- Your financial aid applications are due.

Late February or early March:

- Schools send out admissions decisions.

March or April:

- Schools send out financial aid decisions.

April, May, June:

- Schools require your final enrollment decision and tuition deposit to reserve a spot in the class.

Apply early. Be on time. Follow up. Make sure that everyone has all information and documentation needed. Wait patiently.

For your records:

Keep copies of all documentation submitted. You may need to refer back to them at various points in the admissions, or in the financial, processes.

Additional resources

- School & Student Services By NAIS (SSS): <http://sss.nais.org/parents/>
- Financial Aid Section: <http://www.admissionsquest.com/~financialaid/index.cfm/articletypeid/7>

Private School Lenders:

- prepGATE: <http://www.prepgate.com/>
- Your Tuition Solution: <https://secure.yourtutionsolution.com/>

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March or April

April, May, June