



Ocean Educational Consulting

## **The FAFSA Step-by-Step**

# Table of Contents

Filling Out the FAFSA	3
Before You Start	4
FAFSA Overview	5
Step 1: Questions about You (the Student)	6
Step 2: Student Financial Information	8
Step 3: Independent Status	9
Step 4: Questions About Your Parents	10
Step 5: Questions About Your Parents' Financial Information	12
Step 6: Colleges	13
Step 7: Signature	14
Step 8: Confirmation	15

## Filling Out the FAFSA

The FAFSA becomes available on October 1 of each year. You can fill it out online or fill in a PDF, print it out, and mail it in. It is a good idea to fill out the FAFSA as early as possible, because some schools give out financial aid in the order in which they receive the information from the FAFSA. There is no fee for filing the FAFSA. But beware, in recent years, some Internet companies have sprung up offering to fill out your FAFSA for a fee. This is unnecessary. The form may look overwhelming, but it is actually pretty simple. I will show you exactly how to fill it out below. When you look at the FAFSA, make sure that you go to the government website at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) to avoid imposter websites.

You should fill out and submit your FAFSA as soon as possible after the October 1 opening date. Even though the FAFSA form gives a deadline of June 30, colleges tend to make their financial aid decisions in February and March, so they need that information as quickly as possible. If you're worried that you do not have all of your tax forms in January, it is best just to estimate by using last year's tax returns. You can correct the FAFSA estimates when you have your completed return.

You can fill out the FAFSA online or print it out and fill it in on a PDF. At this point, FAFSA applications that are mailed in take about a month to process. After you submit the FAFSA, you will receive a Student Aid Report (SAR)—in about a week if you submit the form online and about a month if you mail the form. As soon as you receive your SAR, make sure that you take a careful look at it. It will tell you what your official EFC is. You can also update any new information from your tax return. This information will go to the financial office at the school that you choose to attend to determine how much financial aid you will receive.

About one-third of FAFSA applications are selected for what is called the verification process. If you are selected for verification, you will need to fill out a verification worksheet, provide federal tax returns, and possibly provide other financial documents.

## Before You Start

To make this process as painless as possible, you need to gather a number of financial records before sitting down to fill out the FAFSA. Specifically, you'll need:

- Most recent tax returns
- W-2 forms for the previous year
- Bank statements
- Information about other investments

Also, you need to determine if you are eligible for federal aid. To receive federal aid, you must:

- be a U.S. citizen or eligible non-citizen
- have a Social Security number
- not have a conviction for sale or possession of drugs
- be registered with Selective Service (if male and at least 18 years old).

It makes sense to fill out the FAFSA online. It will reduce the amount of processing time and it also helps catch any errors before you submit it. You can also return to it later and work on the FAFSA at a later time. You have 45 days to submit it. In order to sign the FAFSA electronically, you will need to get a PIN. Both you and your parents will need to sign the form with a different PIN. You can easily register for PINs at [www.pin.ed.gov](http://www.pin.ed.gov).

## FAFSA Overview

There are eight sections to the FAFSA: 1) questions about you (the student), 2) questions about which schools you are applying to, 3) questions to determine if you qualify for independent status, 4) questions about your parents, 5) questions about your parents' finances, 6) questions about your financial information, 7) signature, and 8) confirmation.

There are a few things to keep in mind as you fill out the FAFSA. First, when the question refers to "you," it means the student. Second, when the FAFSA asks about "college," it means any college, university, or community college. Third, the questions about income refer to the previous year, while the questions about assets refer to their value on the day you are filling out form. Fourth, "net worth" means the value of an asset minus any debt owed on it. Finally, just round off dollar amounts.

# Step 1: Questions about You (the Student)

**Name:** Enter your name as it appears on your Social Security card. No nicknames. If the names don't match, your FAFSA will be delayed.

**Address:** Put down your permanent home address.

**Social Security Number:** You need a Social Security number to apply for federal aid. Make sure you double check that you entered it correctly, because an error will delay the processing of your FAFSA.

**Phone Number:** Use your permanent home or cell phone number.

**Driver's License Number:** Enter it if you have one. If not, leave blank.

**Citizenship Status:** You are considered to be a citizen if you were born in the United States or went through the naturalization process. To be considered as an eligible non-citizen, you must be a permanent resident with a green card or have refugee status and be allowed to live permanently in the United States. If you are an eligible non-citizen, you need to include more alien registration.

**E-mail Address:** Although it is optional to include your e-mail address, I recommend that you do so because you will receive your SAR even more quickly through e-mail. The federal government will also provide this e-mail address to the colleges to which you're applying.

**Marital Status:** This refers to your marital status on the day that you are filing the FAFSA. You cannot change this information once you file the FAFSA. If your marital status changes after you submit the form, you will need to contact the financial aid offices at the colleges where you are applying.

**State of Legal Residence:** There are two parts to this question. The first asks which state you currently reside in. The second part asks if you have lived in the state for less than five years. This information will help determine if you are eligible for in-state tuition at public universities.

**Male or Female:** This question asks if you are male or female. If you are a male between age 18 and 25, you must be registered with Selective Service in order to be eligible for financial aid. If you're not registered, there is a box that you can mark so that you will be registered.

**Conviction for Sale or Possession of Drugs:** You should answer “yes” to this question only if the events occurred while you were receiving financial aid. If this is your first time filling out the FAFSA, this question won’t even come up on the online form. If you do have a conviction while you were receiving financial aid, then you will be asked to fill out an additional worksheet that the Department of Education will mail to you after you submit your FAFSA.

**Parents’ Schooling:** Some states provide financial aid to students who are the first in their family to attend college. Federal financial aid is not impacted by this question.

**High School Completion Status:** To be eligible for federal financial aid, you need to have a high school diploma or its equivalent. This could include a GED diploma. If you are homeschooled, it means that you completed your state’s requirements for homeschooling at the high school level.

**Name and Address of Your High School:** If you are doing this form online, it will allow you to find your high school on a list and auto-fill the name.

**Grade Level:** Your answer will determine if you qualify for specific financial aid programs based on your year in school.

**Degree:** This question asks you to list what degree you will be working towards in the coming year. Sometimes, certain forms of financial aid are not available for certain degree programs. If you are not sure if you are going to attend a community college or four-year college, mark “Undecided.” Once you have decided, make sure to contact your college to inform them of your choice.

**Work-Study:** This asks if you are interested in work-study jobs while in college. I will talk about work-study later in this chapter. I recommend marking “yes” since it is one of the best forms of financial aid available. Moreover, you are not required to take a work-study job just because you marked this box.

## Step 2: Student Financial Information

This section asks questions about your income and assets. It also determines whether or not you are an independent. Here is the information that you must include in this section.

**Tax Return:** This question refers to the tax return that is due on April 15. If you have filed a tax return or plan to file one, you will need to indicate which type of form you will use, the 1040 or the 1040EZ. You should check “yes” if you are eligible to file a 1040EZ (allowed for all persons making less than \$100,000 who do not itemize deductions). If you did not work and are not filing a tax form, you can skip a few questions below.

**Income Tax Information:** These questions are easy to answer if you have done a draft of your tax return. If you haven't done your taxes yet, use your W-2 and your previous year's tax form to put in estimates. You can amend your answers later. Do not put off filing the FAFSA until you file your taxes on April 15! You should send in your FAFSA as close to the October 1 opening date as possible, even if it means that you have to amend your tax information later.

**Assets:** This section asks about the total of your assets—money and property—that you own today. You should look at your bank statements to get these numbers. Also, include any CDs, savings bonds, or stock shares that you might have.

**Untaxed Income:** Untaxed income includes earned income credits, welfare benefits, Social Security benefits, child support, and all other money that you receive that is untaxed. You will be asked to fill in a worksheet online to calculate the total amount.



## Step 3: Independent Status

The questions in step three determine if you can be considered an independent student. The federal government has very strict criteria for determining that you have independent status. The characteristics that would qualify you for independent status are:

- You are age 24 or older when you start college.
- You will be enrolled in a graduate degree program.
- You are married.
- You have children who get more than half of their child support from you.
- You have dependents other than your children or spouse who live with you and get more than half their support from you.
- You're an orphan, or you've been a ward/dependent of the court.
- You're currently serving in, or are a veteran of, the active-duty U.S. Armed Forces. Reservists who did not activate do not count.
- You are a homeless, unaccompanied youth or you are at risk of becoming one.

If you are independent, then you do not have to have your parents fill out the questions pertaining to their finances. If you cannot get financial information about your parents, you will need to contact the financial aid offices at the colleges where you are applying. They should have a protocol in place for you to follow to show that you have special circumstances regarding your financial aid application.

## Step 4: Questions About Your Parents

This is the most complicated part of the FAFSA, yet when you look at it closely, you see that it really isn't that bad. There are two basic sections to the parent questions. The first section asks for demographic information about your parents' household. The second section asks for specific financial information. Most of this information can be found on your parents' federal income tax forms. Even better, the FAFSA tells you exactly where to find the answers to these questions on the tax forms.

You will need to answer the demographic questions about your parents if you are a dependent student, even if you do not live with either or both of them. At least one of your parents will also need to sign the FAFSA form on paper or by using a PIN.

The FAFSA has very strict definitions for how to classify a "parent."

- If both of your parents are living and married to each other, you need to answer the questions about both of them.
- If only one of your parents is still alive, you need to answer the questions about him or her.
- If your widowed parent has remarried, answer questions about your parent and stepparent.
- If you have a single parent, answer the questions about him or her.
- If your parents are divorced or separated, answer the questions about the parent who you have lived with for most of the past year.
- If that parent has remarried, answer the questions about your stepparent as well.
- You should not provide any information about grandparents, foster parents, or legal guardians. For the purposes of FAFSA, they are not considered your parents unless they have legally adopted you.

Here are the questions the FAFSA asks about your parents:

**Marital Status:** Mark the box that describes your parents' marital status today.

**Social Security Numbers:** Although you must have a Social Security number to file the FAFSA, your parents do not have to have them. If they do have numbers, they must list them. If they don't, they can just list 000-000-0000.

**Names:** Make sure their names match their Social Security cards (if they have them).

**Parents' State of Legal Residence:** This question asks about your parents' state of residence. If they have lived in the state for fewer than five years, they will have to indicate when their legal residency began.

**Number of People in Your Parents' Household/College Students in Household:** This number should include you, your parents, your parents' other children if your parents provide more than half of their support, and other people if they live with your parents and your parents provide more than half of their support. The next question asks how many people in your parents' household are enrolled in college. This includes you (and any other dependents in college), but not your parents.

## Step 5: Questions About Your Parents' Financial Information

**Tax Return for Past Year:** This refers to the tax return that will be due on April 15.

**Type of Tax Return:** This section asks if your parents will file a 1040 or if they are eligible to file a 1040EZ form.

**Dislocated Worker:** You should answer “yes” to this question if either or both of your parents have been laid off and are still unemployed. Also answer “yes” if either parent lost a business in the past year. Your parent can also be considered dislocated if they stay at home but do not receive support from a spouse and cannot find a job. If you do answer “yes” to this question, you should get in touch with the financial aid offices at the colleges where you are applying to explain your circumstances.

**Income Tax Information:** Again, the questions in this section are very easy to answer if your parents have done a draft of their tax return. If they haven't, however, they should be able to come up with estimates using their W-2 forms, bank statements, and last year's tax returns. The important thing to remember is that you must submit the FAFSA as soon as possible after January 1. You can always go back later and fix any estimated numbers that you included in the FAFSA.

**Assets:** This section asks about the total amount of cash, savings, and other investments that your parents have. You should list the amounts that they have on the day they were filling out the FAFSA. This does not include the value of your parents' house (their primary residence), a family business of less than 100 employees, or the family farm where they live. If your parents own more than one home, however, they will need to report the equity in the additional property under “investments.” In this section, your parents also need to include any money that they have in tax-advantaged retirement accounts, including IRAs, 401(k)s, 403(b)s or other similar accounts.

**Untaxed Income:** Untaxed income refers to items like earned income credits, welfare benefits, Social Security benefits, child support, and other money that isn't taxed. It also includes contributions that your parents made to deductible IRAs or employer retirement plans such as 401(k)s or 403(b)s. If you are using the online form, you will be asked to fill in worksheets and the total amounts will appear on the confirmation page. Make sure you print out those worksheets and put them in your FAFSA file folder.

## Step 6: Colleges

In this section, you'll indicate which colleges should receive information from your FAFSA. If you're using the online form, you can list up to ten colleges. If you're using the paper one, you can list four. You can always add more colleges once you receive your SAR.

For each college, you need to include the federal school code. This can easily be found on the FAFSA website at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). For each school, you need to determine if you want to live on campus, off-campus, or at home. The schools will take your answer into account when determining your financial need. If you don't know where you would prefer to live right now, I recommend that you mark that you will live on campus. On-campus housing is the priciest option and you want to make sure your financial need reflects these costs in case you do wind up living on campus

## Step 7: Signature

Before you submit your form, make sure that you proofread it once. If you paid someone to fill out the form for you, include their information in the section that asks about preparers. Make sure that you print out a copy and file it in the FAFSA file folder.

You will be given a list of terms to read before signing the electronic version:

- You will only use financial aid to pay for college.
- You are not in default on a federal student loan.
- You do not owe money back on a federal student grant.
- You will notify the college if you default on a federal student loan.
- You will not receive a Pell grant from more than one college at a time.

By signing the form, you agree to the above conditions. You also swear that you have not included any “false or misleading information” or you will face a fine of up to \$20,000. This does not mean that you will be fined if you have to go back and correct some estimated figures once you or your parents file their tax returns. It is referring to intentional fraud.

At this point, you and your parents need to enter your PINs and sign the form electronically. I recommend that you avoid the “print signature page and mail.” If you mail the FAFSA in, it takes three to four times as long to be processed compared to electronic submission. Just put in your PINs and you are nearly done.

## Step 8: Confirmation

A confirmation page will pop up. Make sure you print it out.

### **Next Step: Student Aid Report**

After you have submitted your FAFSA, you will receive your student aid report (SAR). If you file the FAFSA electronically, you will receive it in less than a week. If you mailed it in, it may take three to four weeks for you to get your SAR. When you receive the SAR, make sure that you read it carefully. It will have a summary of the information that you gave on the FAFSA form. Check this over to make sure that it is correct. If there are any errors or mistakes, just go to [www.fafsa.ed.gov](http://www.fafsa.ed.gov), log into your account, and go to "make FAFSA corrections." This is also how you will add or remove colleges to the college list you provided on the FAFSA.

The SAR will also have your EFC. If you do not see an EFC, it means that they were unable to process your data due to incorrect or missing information. If that happens, you'll need to make the required corrections in order to get your EFC.