



School and Student Service
for Financial Aid

Family Guide to Financial Aid



NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS

The School and Student Service for Financial Aid
is a service of NAIS.



You've made the decision to invest in an independent education for your child.

Paying for an independent education can be expensive. But did you know that tens of thousands of students in independent schools across the country receive more than half a billion dollars to reduce tuition and other costs of schooling?

Thousands of schools provide financial assistance to ensure that the students they've admitted have a realistic chance to enroll, regardless of their financial circumstances. With the right planning and information, families can identify available financial aid options. And take the necessary steps to make an independent education for their children more affordable.

This guide will help you become familiar with the financial aid process. It defines terms you need to know and walks you through the process of applying for financial aid. It offers sample financial package calculations. And it provides you with questions to ask schools. All the information you need to ask the right questions and make informed decisions about your financial aid options.

Your first question

Is my family eligible for financial aid?

Financial aid is monetary assistance that schools provide to reduce educational costs to families. Most financial aid is provided directly from the schools and is most commonly provided on the basis of financial need. Need is defined as the difference between educational expenses and a family's ability to pay those expenses.

Many families mistakenly believe they do not qualify for financial aid. However, there is no specific income level at which a family is no longer eligible for aid. Eligibility is based on many factors, so you should always investigate the possibility of receiving financial aid if you feel you cannot pay all of the costs yourself.

Start with the schools. Find out if the schools you are interested in offer financial aid. Visit their websites or call their financial aid offices. Each school can send you forms and any other information you need to apply for financial aid. Then ask each school questions about:

- **Deadlines for admission and financial aid** (they may be different): Schools may not consider your child for financial aid or may provide reduced grants if you miss their deadlines. Each school sets its own deadlines.
- **Approach:** Most schools believe that families have the primary responsibility for financing their children's education to the extent they can. NAIS's *Principles of Good Practice for Financial Aid Administration* supports this approach. Some schools expect every family to pay a minimum amount even if the schools award financial aid.
- **Costs:** Knowing the true cost of a full year of education will help you plan your finances. Additional costs include uniforms, fees, books, supplies, trips, transportation, clubs, and sports.

More questions

Throughout the financial aid process, talk with the financial aid administrators at every school you are applying to. Ask questions, explain your situation, and discuss your concerns. Because schools differ in financial aid policies, answers will vary from school to school. The financial aid administrators can help you understand how the process works and the possible options for your family.

- What is the **application deadline** for financial aid consideration?
- Are the admission and financial aid processes at this school **combined or independent** of one another?
- What **types of financial assistance** does the school offer? Does the school offer tuition payment plans or loan programs?
- Do I need to submit an **income tax return** or other forms to the school?
- Are there additional forms that I need to fill out if **I own a business or farm**?
- How are my financial status and my ability to pay evaluated if I am **separated or divorced**?
- What is the school's policy regarding meeting **full financial need**?
- 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 **costs, beyond tuition**, might families expect?

The options

What types of financial assistance are available?

There are basically four ways to make it easier to meet independent school costs: need-based financial aid, merit awards, tuition payment plans, and tuition loans.

Need-based financial aid The vast majority of financial assistance given by schools comes in the form of need-based grants. Schools typically require families to complete an application to determine the family's ability to contribute to educational expenses. Schools that subscribe to the NAIS School and Student Service for Financial Aid (SSS) use the Parents' Financial Statement (PFS) to help make that determination. Families who demonstrate need may be provided with a grant to lower the amount they must pay to the school. These grants offset tuition and other expenses. They do not need to be repaid. The money comes directly from the school's financial aid budget. Grant amounts may vary considerably, based on the size of the school's financial aid budget, its tuition costs, and its philosophy for awarding aid.

Merit awards Some schools offer special scholarships based on criteria other than economic circumstances. The most familiar example of a non-need-based award is the merit award. Merit awards recognize outstanding talent in areas such as athletics, art, music, and academics. Terms for eligibility and renewal are different from those for need-based aid. Also, funding is more limited, making competition to receive merit awards more difficult. If the school offers merit programs, ask about the specifics. Don't be surprised if a school does not offer merit-based awards.

Many families require assistance beyond what a school can offer through need-based and merit grants. They might seek other financial planning options, such as tuition payment plans and tuition loan programs:

Tuition payment plans Payment plans are typically coordinated between a financial services company and the school. With a payment plan, you can establish a monthly payment schedule, which may be easier to manage than the standard one or two lump sum payments typically required by schools.

Tuition loan programs Loan programs are usually coordinated between the family and a lender. These programs can make tuition payments more affordable by spreading payments over a longer period of time than tuition payment plans allow.

Go to www.nais.org to find a list of companies that offer tuition payment plans and tuition loan programs. Contact them for additional information, including current fees and rates. Talk to the schools. They may recommend certain plans or providers.





The process

Applying for financial aid through SSS.

The School and Student Service for Financial Aid (SSS) is a service provided by the National Association of Independent Schools. For more than 2,400 schools, SSS provides an objective and consistent method of determining a family's ability to contribute to educational expenses.

For families, SSS services and resources can help ease the process of financial aid.

The Parents' Financial Statement (PFS) is the cornerstone of the financial aid application. It is offered in print or online and is designed to be clear and user friendly. The common application can eliminate duplicate efforts; complete one PFS to apply for aid at multiple schools for all of your children.

Here's how it works:

1. The schools to which you are applying send you a printed Parents' Financial Statement (PFS). Or you can go to www.nais.org to begin completing your PFS Online.
2. On the PFS, you indicate which schools should receive your information. This way, you only have to fill out one form to apply to several schools.
3. The PFS collects information such as family size, total income, savings, investments, indebtedness, medical and dental expenses, any unusual expenses, and other assets such as home equity.
4. Mail in the completed PFS or submit your PFS online. Be sure you submit it in time to meet all the schools' deadlines!
5. Step-by-step instructions are offered along the way, as well as a toll-free helpline (866) 387-2601. A PFS worksheet is available in English and Spanish at www.nais.org.
6. SSS analyzes the information on the PFS to estimate your family's ability to contribute to educational expenses.
7. The schools will receive the Report of Family Contribution within two weeks when the printed PFS is submitted by mail, and as little as 48 hours when the PFS is completed online. You may also request that SSS send you its evaluation of your PFS.
8. The school uses the results, and any other information it requires, to make its final financial aid award decision.

Additional Information Schools may request additional documents, for example, a copy of your most recent income tax return to verify the information on the PFS. Ask what documents the school requires and by when. Send such documents directly to the school.

Completing Your PFS

Whether you are completing your PFS in print or online, clear instructions are available to help you complete it quickly and accurately. Find out how the school wishes you to complete your PFS—in print or online—and by what date!

PFS In Print

With the printed PFS, you'll receive easy-to-understand instructions that align specifically with the corresponding section of the PFS. These instructions help you navigate your tax forms as well.

Instruction booklet



Application form



PFS Online

If you complete your PFS online, you'll benefit from:

- Password protection, ensuring the confidentiality of your information and allowing you to return any time to keep working on your application
- Real-time credit-card processing of application fees
- On-screen help and an error checking process, which warns you of potential mistakes
- Adaptive approach that presents only those questions you need to answer
- Easy-to-use worksheets to help you calculate amounts

The screenshot shows the 'SSS ONLINE' interface with a navigation menu at the top: Personal/Qualification, Family Assets, Education Expenses, Family, Personal/Qualification, and System Application. The main content area is titled 'PARENTS' INCOME INFORMATION - OTHER TAXABLE INFORMATION' and is labeled as 'Page 2 of 4'. It contains a table for reporting income for 2004 and an estimated 2005. The table has columns for '2004' and 'Estimated 2005'. Below the table are buttons for 'Back', 'Reset', 'Save', and 'Save and Continue'. At the bottom, there is a phone number '(800) 387-2440' and a note: 'To print this page in A4, please change your printer settings to Landscape.'

Total taxable income before deductions		2004	Estimated 2005
9A.	Salaries and wages for parent, stepparent, or guardian in 9A	\$	\$
9B.	Salaries and wages for parent, stepparent, or guardian in 9B	\$	\$
9C.	Taxable dividends and/or interest income from 1099 statements <small>If you enter any figures in 9C you need a response other than (0) in questions 20 or 21 (on the Family Assets and Debts tab) OR an explanation on the "Notes" tab. Click here to add your explanation.</small>	\$	\$
9D.	Alimony received or estimated (do not include child support)	\$	\$
9F.	Other taxable income <small>All taxable income not reported elsewhere. Include income from pensions, annuities, rent, royalties, estates or trusts, household expenses paid by separated or divorced spouse in lieu of alimony, unemployment compensation, capital gains, etc. Include 2004 (previous year's) taxable IRA distributions.</small>	\$	\$
10A.	Unfaxed portion of payments to IRA <small>Enter only the amount of the unfaxed portion paid into your 2004 IRA. Refer to your 1042-DA or 1045A.</small>	\$	\$
11.	Other IRS allowable adjustments to taxable income <small>Enter the total of all other IRS allowable adjustments to taxable income: deduction for self-employment tax, self-employed health insurance deduction, penalty on early withdrawal of savings, and alimony paid to spouse. Remove adjustments on the "Notes" tab. Do not include itemized deductions. Click here to add your explanation.</small>	\$	\$

The big picture

How SSS fits into the school's financial aid operation.

Keep in mind that SSS does not award financial aid. Rather, SSS is a service for schools that calculates an amount of money a family can contribute toward education based on the methodology it uses and the information you provide. Schools make the final decision about the actual financial aid award, and these awards come directly from the school's budget.

Applying for financial aid does not guarantee that you will be eligible for financial aid. Nor does being eligible guarantee that there will be financial aid available. The amount of aid offered by the school depends on your family's financial circumstances, the school's available financial aid funds, and its policies.

Making an independent education a reality.

A high price tag doesn't mean a high quality education is out of your reach. If you **ask the right questions**, **know your options**, and **apply on time**, you very well may get the help you need to make an independent education possible.



A few scenarios

Financial aid packages.

To offset the difference between the educational costs and your family’s ability to contribute (as determined by the PFS), a school may offer you a financial aid package. This package may contain one or more elements to meet all or a portion of your demonstrated financial need. Consider this example:

Summary of need

\$15,000	Tuition and other costs
– \$5,000	Amount the family can contribute (as determined by the PFS)
\$10,000	Financial need/aid eligibility

Scenario A The school determined that your family can afford \$5,000 of its \$15,000 tuition. An aid package may represent a single source of financial assistance (one \$10,000 grant), or it may be assembled from a number of sources. For example:

\$7,000	Grant from school
+ \$3,000	Merit scholarship
\$10,000	

Scenario B Sometimes an aid package still does not meet the full need you’ve demonstrated. Using the same example in which a family has demonstrated it can pay \$5,000 of the total \$15,000 due, a family applying to a school that has limited financial aid funding may see a package that looks like this:

\$6,000	Grant from school
+ \$1,000	Scholarship
\$7,000	Total aid (\$3,000 in unmet need)

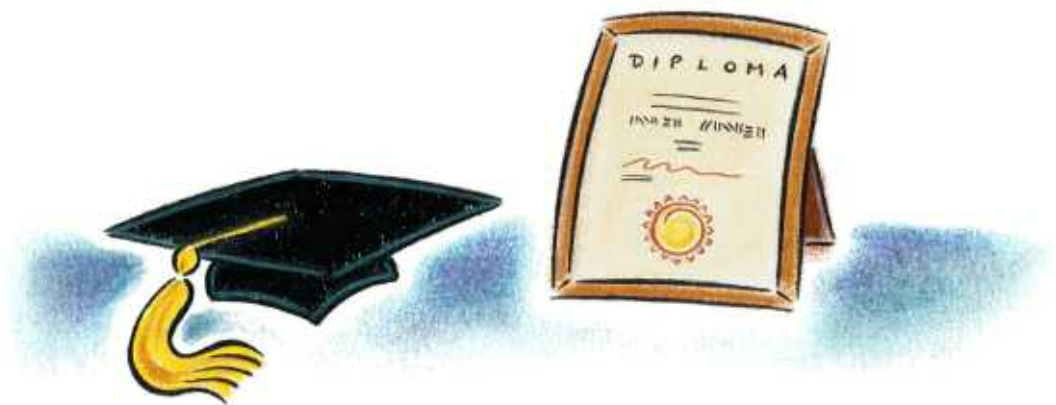
The family must find \$3,000 in addition to the \$5,000 the school determines that the family can pay. And, remembering that the family bears primary responsibility to pay for private school, it must plan its resources accordingly. Many families find options such as tuition loan programs helpful in meeting gaps the school cannot fill.

Resources

Find these financial aid resources and more at www.nais.org:

- Lists of K–12 scholarship/grant providers, tuition loan programs, and tuition payment plans
- Spanish-language PFS worksheet
- Business/Farm Statement

If you have questions as you complete the Parents' Financial Statement, please call the SSS toll-free helpline at (866) 387-2601.



The National Association of Independent Schools (NAIS) represents more than 1,200 independent (private) schools and associations in the United States and abroad. NAIS’s mission includes a commitment to affordability and access to education. As part of this commitment, NAIS created the School and Student Service for Financial Aid (SSS). More than 2,400 schools—NAIS members and nonmembers alike—subscribe to SSS for objective, third-party financial aid needs assessment. SSS schools also receive training, resources, and guidance to help them develop and manage equitable and professional financial aid programs.



**School and Student Service
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