

Carleton

Understanding Your Financial Aid Award NEW STUDENTS 2020-2021

CARLETON'S FINANCIAL AID POLICY

Carleton assumes that parents have the primary responsibility for financing their student's education. Implied in that philosophy is an expectation that students will participate in financing their Carleton education. Student Financial Services will do what it can to enable a student to matriculate. Financial aid eligibility is for a maximum of 12 terms or until graduation requirements are met, whichever occurs first.

YOUR AID AWARD

Your initial financial aid award is enclosed. Please review it carefully to make sure you understand what you're being offered. You can watch a video with detailed information about how to navigate your aid award at go.carleton.edu/navigate.

This initial award is based on our analysis of the information you submitted during the aid application process. It includes a combination of grants/scholarships (which do not need to be repaid), loans, and student employment.

CARLETON GRANTS/SCHOLARSHIPS

These funds are provided by the college to support your Carleton education and do not need to be repaid. The only requirement for retaining this aid is that you maintain satisfactory academic progress (in other words, remain off academic suspension). We may notify

you later about whether a specific endowment or gift funded your grant/scholarship, and we may ask you to write a thank you note to the donor(s).

MINNESOTA STATE GRANT

All Minnesota residents who complete the FAFSA are considered for the Minnesota State Grant. You may receive a questionnaire to confirm your residency and eligibility. For the purposes of this grant, a full-time student is defined as a person carrying at least 15 credits per term. (Carleton students typically carry 18 credits per term.) If you take fewer than 15 credits in a term, your Minnesota State Grant will be reduced accordingly.

PELL GRANT

Your Student Aid Report (SAR), which you received after completing the FAFSA, confirms whether you are eligible for the federal Pell Grant.

SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS (SEOG)

Everyone who completes the FAFSA automatically applies for these limited federal grants, which are awarded to students with the greatest demonstrated need.

STUDENT LOANS

If your aid award includes student loans, we've enclosed a chart explaining their rates and terms. We do not automatically assume you will be accepting the loan(s) in your aid

award. Your finalized aid award will include instructions for applying for the relevant loan(s).

First-time federal Direct Stafford Loan borrowers are required by federal law to complete the applicable entrance counseling requirement(s) and promissory note(s) before funds are disbursed. You do not need a cosigner to secure a federal Direct Stafford Loan, and you may apply for this loan anytime during the year. Learn more at go.carleton.edu/loans.

STUDENT EMPLOYMENT

Receiving a student employment award means you will be given preference for campus jobs as they become available. (During the summer we'll ask you to complete a student employment interest form to help us place you in your first campus job.) If you have been awarded Minnesota or Federal Student Employment, you may choose to work either on campus or at a non-profit off-campus position. First-year students work an average of eight hours per week. Your aid award will list the maximum amount of your work award, and you will not be allowed to work beyond that amount. During New Student Week, you will complete an Employment Eligibility Verification (I-9) and a W-4 Withholding Allowance Certificate with our Human Resources office, in accordance with federal law. We will issue you a W-2 in January.

Next Steps

Your financial aid application process isn't quite finished.

Here's what's left to do:

1. Sign and return your initial award

Two copies of your initial aid award are enclosed. Keep one copy for your records. If you intend to accept the aid award, please sign and date the other copy and return it to Student Financial Services.

2. Report outside scholarships

We encourage you to apply for outside scholarships. You must submit a list of any outside awards you expect to receive to Student Financial Services. When you receive the funds, please forward them to Student Financial Services, along with a copy of your notification from the scholarship provider.

Our policy is to keep every aid award within the student's calculated need. That means we will adjust your final award to reflect your outside scholarships by reducing your self-help awards (loan and/or student employment) by the same amount. For example, if you receive a \$1,000 outside scholarship, we will reduce your loan by \$1,000; you will end up with the same amount of financial aid but lower debt. If your outside funding completely eliminates your loan(s), we will use any remaining amount to decrease your student employment award. You may request in writing that we use your outside scholarships to reduce your

student employment first to keep your loan at the maximum legal limit.

3. Submit requested information

Once you agree to enroll at Carleton, we will check the accuracy of your financial aid application data against federal tax documents. During this process, we may ask you to provide additional information. In most cases, we will contact you directly—not your parents. It's essential that you send us complete and accurate information as quickly as possible. We must ensure that all income—including untaxed income—was properly reported on your CSS Profile and FAFSA. We won't be able to finalize your award until we receive all the documentation we need.

All of the information you submit to us will be kept confidential; it is only used by appropriate Carleton offices and will not be released to other entities without your permission.

The federal government selects some aid recipients for a more complete verification process. If they select you, we'll send you separate instructions.

In selected cases, Carleton reserves the right to request copies of tax returns or tax transcripts directly from the IRS.

After we finish our review, we'll issue your final aid award. Unless we find discrepancies in your data

or you receive outside funding, your final aid award will be the same as your initial award.

4. Accept your finalized award this summer

As long as we did not find any errors in your application data, we anticipate that the finalized award we send you during the summer will be the same as your initial award. We will make any adjustments for outside scholarships you report to Student Financial Services (see Step 2).

After you receive your finalized award, you'll need to accept it electronically using The Hub (Carleton's personal records system) and complete any applicable counseling and promissory note requirements for your student loan(s).

In August, after you have accepted your aid award and submitted all applicable loan application materials, we will credit your fall term aid to your account. Your scholarship/grant aid and loans will be split among the three terms with 33 percent going to fall term, 33 percent to winter, and 34 percent to spring. You may elect to credit your student employment portion to your student account as you earn it, or you may choose to have your earnings deposited into your bank account. If at any point you have a credit on your account, you may request a refund from the Business Office.

Carleton

CHANGING CIRCUMSTANCES

We understand that your family's finances might change unexpectedly during the year. If this causes a problem in paying for college, you may submit a written request to Student Financial Services to review your aid award. You'll need to explain as specifically as possible the changes or unusual circumstances taking place. Visit go.carleton.edu/fareview to learn more. You have the right to speak with a financial aid officer at any time throughout the year. Contact Student Financial Services to make an appointment.

You must report any significant changes in your family's financial situation as soon as they occur. This includes increases of \$1,000 or more in assets or annual income.

FINANCIAL AID IN SUBSEQUENT YEARS

As long as you continue to make satisfactory progress toward your degree and still demonstrate financial need, you can expect to receive aid throughout your four years at Carleton. However, your aid award will not renew automatically. You must re-apply each year and submit any materials Student Financial Services requests to verify your application materials. You are eligible for aid for a maximum of 12 terms or until you complete your graduation requirements, whichever comes first.

If you marry while attending Carleton, your financial aid will continue to be based on your parents' resources.

Understanding Need Analysis

We use a standard formula that factors in as much information as possible to determine the expected family contribution toward college costs (including contributions from both parents and the student). Although the expected family contribution is intended to be reasonable, it is not something most families can realistically take out of a single year's income. Most families use a combination of current income, savings, and borrowing to cover their share of college costs. You can find more detailed information about how we determine your financial need at go.carleton.edu/needanalysis.

YOUR PARENTS' CONTRIBUTION

Our formula factors in your parents' income from all sources and makes allowances for essential expenses such as reasonable living costs, taxes, any unusually high medical costs, and educational expenses for other children. We base your parents' contribution on a graduated rate similar to the federal income tax structure. That means we apply a lower rate (23 percent) to the first portion of available income and progressively higher rates to additional discretionary income.

We also take your parents' assets into account, because a family with assets is in a stronger financial situation than a family with similar income but fewer or no assets. We consider savings,

investments, home equity, real estate, and business or farm assets. We subtract allowances for emergency expenses and anticipated education costs for other members of your family. We don't intend to totally deplete your parents' assets; we expect them to contribute between three and five percent of their assets to your education, based on a graduated scale like the one we use for income.

If you have two living biological or adoptive parents, we expect both of them to help support you through college, even if they are no longer married or together. If your parents live separately, we collected information from both of them to calculate an expected family contribution that takes both households into account. We keep financial information from each household confidential and do not share it with anyone—including the other parent—without permission.

YOUR CONTRIBUTION

We believe education should be your top priority, so we expect you to contribute a greater percentage of your income and assets than your parents do. We assume that you will work during breaks and save the majority of your earnings for college expenses. We expect you to apply 25 percent of the value of your assets toward your education and to contribute a minimum of \$2,000 toward your first year at Carleton.

Making Decisions About Your Financial Aid

You might feel overwhelmed or confused by the large amount of information we're giving you about your financial aid award. Here's how to break that information down and compare it to financial aid awards from other colleges:

Step 1: Set aside some time

You and your family will need a considerable amount of time, discussion, and planning to come to a decision about the best way to pay for college expenses.

Step 2: Gather data

Financial aid awards from different colleges won't necessarily be formatted the same way. Look for some common figures that will help you compare them:

- Cost of attendance, including direct costs (the comprehensive fee, or what the college will bill you) and indirect costs (other expenses related to attendance)
- Gift aid (grants or scholarships that do not need to be repaid)
- Student loans (aid you'll repay to the federal government, a bank, or the college)
- Student employment or work-study (aid you can earn while you're enrolled)

Step 3: Calculate the balance

Figure out how much your parents will be contributing and how much student loan debt you are willing to take on.

Step 4: Compare

Create a chart (or download one at go.carleton.edu/decoding) to compare the cost and financial aid figures from Step 2 for each of the colleges you're considering.

Additional Online Resources

College Board:
www.collegeboard.org

Scholarship Search:
www.fastweb.com

Federal Student Aid:
www.studentaid.ed.gov

Minnesota Office of Higher Education:
www.ohe.state.mn.us

Financial Aid Terms

comprehensive fee

what it costs to attend Carleton (tuition, room and board, activity fee), not including personal costs like transportation, clothing, and books

cost of attendance

total cost to attend Carleton, including the comprehensive fee plus estimates of variable personal costs

CSS Profile

a financial aid application for all students regardless of citizenship

demonstrated financial need

the difference between the cost of attendance and your family contribution

expected family contribution (EFC)

what your family should expect to pay for college

FAFSA

The Free Application for Federal Student Aid (for U.S. citizens and Permanent Residents)

grant

a scholarship based on financial need

need-based aid

based on financial need, rather than on merit or skills

net cost or net price

the amount of money your family can expect to pay after all financial aid has been applied

student employment

a paid position of up to 10 hours per week during the academic term

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