

# Key Financial Aid Terms

## **EFC – Expected Family Contribution**

Total amount of money a student/family is expected to pay toward college costs in a given academic year. This number is figured using the Federal Methodology (*see below*).

### **SAC – Student Asset Contribution**

Contribution from any assets (cash, checking, savings, investments, trust fund, etc.) in the student's name (and/or Social Security number).

### **SIC - Student Income Contribution**

Contribution expected from student income (if the student earns more money in a calendar year than the amount allowed under the federal formula).

### **PC - Parent Contribution**

Contribution expected from the income and assets of the parent(s) in the student's household.

## **FAFSA – Free Application for Federal Student Aid**

Federal form a student must file in order to qualify for federal funds, state grants and college need-based financial aid.

- ⇒ This form must be filed each year beginning in the spring of a student's senior year of high school.
- ⇒ The information provided on the FAFSA is used to calculate a student's EFC (*see above*).

## **SAR – Student Aid Report**

Special report that is processed and sent to a student after he/she files the FAFSA showing the student's EFC (*see above*).

- ⇒ Copies of the report also are sent to the student's state grant agency and the colleges the student lists on the FAFSA.

## **FM – Federal Methodology**

The federal formula that is used to determine a student's EFC (*see above*).

- ⇒ This formula is used to figure a student's eligibility for federal grants, loans and/or work-study grants.
- ⇒ Many states use the same formula to determine a student's eligibility for state grants, and many colleges use it to award their need-based scholarships.

## **IM - Institutional Methodology**

A modified version of the federal formula used by some colleges and universities that looks at additional assets and/or resources in a student's household. The way student and parent contributions are calculated also is different.

- ⇒ Use of an "institutional methodology" won't affect federal or state need-based grants but it may mean the college will expect more (or less) money overall from a family.
- ⇒ Colleges using an institutional methodology typically will require students to complete a second financial aid form, usually the CSS profile or an in-house form.

## **FICA – Federal Insurance Contributions Act**

The federal Social Security and Medicare taxes taken out of workers' wages.