

11 TIPS TO COMPLETING YOUR 2021-22 FAFSA

September 2020

Evan Wolk, CRPC
Managing Director

evan@wolkfinancial.net
www.wolkfinancial.net

954-937-0232

6343 NW 72nd Pl
Parkland, FL 33067

...while you do have the entire time period to submit your form (the form closes on June 30, 2022), in general sooner is better. A good rule of thumb is to aim for the end of November as a completion date.

As October approaches, parents of college-aged students across the country direct their attention to the Free Application for Federal Student Aid ([FAFSA](#)). The process of completing this form causes many anxieties and naturally, questions arise.

Last year, at this time, I shared two weeks of daily tips to consider during this process. They are still relevant today. As such, I am resharing them, in one location, with updated deadlines for you to reference.

1. FAFSA Window Opens October 1, 2020

October 1, 2020 is the first day you can complete the FAFSA for the 2021-22 academic year. It is important to submit this form in a timely fashion. You cannot "get a head start" and complete it earlier.

That said, while you do have the entire time period to submit your form (the form closes on June 30, 2022), in general sooner is better. A good rule of thumb is to aim for the end of November as a completion date. Be aware, some schools may have other deadlines.

2. Everyone Should Complete the FAFSA

While you may not qualify for Federal financial aid, many schools require a completed FAFSA for merit aid and scholarships.

3. FAFSA Login

FAFSA requires the creation of a login; be sure to save the information in a safe place so you can work on your form over time. It can be edited prior to submission.

If you completed FAFSA with your child last year, you will use the SAME login information this year. FAFSA must be done every year. That said, if you are working on FAFSA for a second or third child (a sibling of your oldest) you will need to create a NEW login. FAFSA is completed for the student, and each must have a unique login.

4. FAFSA Tax Reporting

This year's FAFSA (2020-2021) requires tax information from your 2019 tax return. This information can be electronically imported.

5. Proper Ownership of Assets for FAFSA

FAFSA instructions are directed toward the student. They assume he or she is the individual filling out the form. That said, often parents complete it on their child's behalf. A common mistake is mischaracterizing financial information, reporting parental assets as student assets. It is important to properly categorize the correct ownership of all account balances.

6. FAFSA Asset Reporting

FAFSA requires bank account information and investment accounts (balances). You DO NOT report IRAs, 401Ks, annuities, cash value within life insurance policies, or primary residence home equity. Also understand how the titling and ownership of assets affect financial aid awards. Student-owned assets are weighted more heavily than parent-owned assets when determining potential aid.

7. FAFSA Income vs. Assets

Income reporting on FAFSA is annual from your tax return. However, bank account balances and investments are reported as a snapshot in time (on the date that you submit).

8. FAFSA Adjustments

FAFSA has a mechanism to share extenuating circumstances regarding your financial position (for example, if you have lost your job). This year, in particular, this section may be important. If your employment and/or financial position has been negatively affected by Covid-19 you should use this space to share this information.

9. FAFSA the SAR and Your EFC

Once your FAFSA is completed and submitted, you will receive a Student Aid Report (SAR) which will share your estimated financial contribution (EFC). This should take approximately two weeks, but often comes more quickly.

It is critical to understand that your EFC is NOT the amount you will have to pay for college. Each school manages financial aid differently and awards are dependent upon a number of factors. People are often shocked that what an institution expects them to pay differs significantly from their EFC. Additionally, upon receipt, review your SAR. If you identify errors, notify FAFSA to amend your information. Mistakes can happen.

10. FAFSA for Single or Divorced Parents

If parents are divorced, only the custodial parent files FAFSA, though child support and/or alimony must be disclosed.

11. FAFSA for more than 10 schools

FAFSA will share your information with up to 10 schools of your choice at one time. You can resubmit the form to add additional institutions.

Completing the FAFSA is a necessary and critical component of college financial planning. If you have questions regarding the FAFSA specifically, or college financial planning in general, please reach out. I look forward to working with you.