



FINANCIAL AID TERMS

Academic Year An academic year is one complete school year, usually Fall and Spring semester creating one year.
e.g.: 2022-2023 Aid Year Aid year runs from Fall 2022-Spring 2023. Tax data will be from 2020. FAFSA 2022-2023.

Budget or Cost of Attendance (COA) The combined estimated budget for educational expenses. This will include Tuition and Fees, Books + Supplies, Transportation, Room + Board, and Miscellaneous Expenses. Consider your budget carefully!

CalGrant A grant for students who have graduated from a California High School or have resided in California for at least one year prior to completing the FAFSA. Further information on requirements and limits can be found at [CSAC.ca.gov](https://csac.ca.gov).

Entrance Counseling A document on [Studentaid.gov](https://studentaid.gov) which is required to be completed. This and the Student Loan Master Promissory Note must be completed prior to funding being disbursed to the College.

Expected Family Contribution (EFC) The amount that a family is expected to pay toward a student's educational costs determined by Federal formula using FAFSA data. EFC is based on family earnings, assets, students in college and family size.

Federal Work-Study (FWS) EARNED MONEY Federally sponsored Work-Study (FWS) Program provides students with school-year part-time employment. Eligibility is based on financial need.

FERPA FAMILY RIGHTS AND PRIVACY ACT Protects the privacy of student education records such as grades, transcripts, class schedules etc. Under FERPA law, institutions may not disclose education records or any information to anyone other than the student. Student may complete a form designating access through the Registrar's office.

Financial Aid Package Total amount of financial aid a student receives, including grants, loans, and federal work-study.

Financial Need Cost of Attendance (COA) budget minus Expected Family Contribution (EFC) is Financial Need.

Free Application for Federal Student Aid (FAFSA) The application students must complete to apply for virtually all forms of financial aid. Available by calling 1-800-4-FED-AID, and on the web by following the links on studentaid.gov.

FSA ID A username and password that students must use for FAFSA completion and allows access to certain U.S. Department of Education websites. Students and parents will each need this throughout the financial aid process, including subsequent school years. Only the owner should create and use the FSA ID.

Interest-Free Payment Program (IPP) Pay 4 times per semester, no interest charges or credit requirements, no enrollment fee, this is a great option to minimize borrowing. Contact the Bursar@lcad.edu for more information.

IRS Data Retrieval Tool (DRT) A tool for students and parents who filed a U.S. tax return with the Internal Revenue Service (IRS) to access the IRS tax return information needed to populate the FAFSA and transfer data directly into the FAFSA.

Loans BORROWED MONEY Borrowed money which must be paid back to the lender. (Government or Private institutions) The Government loans must be paid back over a period of 10 years. Alternative loans determine terms upon agreement. Repayment begins six months after a student graduates or drops below half time (6 units at LCAD) Government Interest rates are determined by Congress Annually. If using private lenders, it is recommended loans be certified by the school.

Master Promissory Note (MPN) A document on [Studentaid.gov](https://studentaid.gov) which is required to be completed. This and Student Loan Entrance Counseling must be completed prior to funding being disbursed to the College.

Merit Scholarship **INSTITUTIONAL DISCOUNT** Upon acceptance to the College, the Admissions committee awards Merit Scholarships based factors within the application and portfolio for the major. Student must maintain a 2.0 GPA and be enrolled in 9 units or more to keep this important reduction on your tuition. These requirements also apply to other institutional scholarships or grants.

Net Price Cost of Attendance (COA) minus Institutional Aid, Grants, Awards, and Scholarships equals Net Price.

Non-Filing Letter A formal letter from the Internal Revenue Service stating that an individual did not file a tax return with the IRS. The Financial Aid Office has instructions if needed.

Offer Letter (or **FINANCIAL AID PACKAGE**) A document compiled by the financial aid office showing types of aid (grants, loans, scholarship and employment) student is eligible for aiming to meet the student's financial need.

Pell Grant **FREE MONEY** Federal grant program for undergraduate students who demonstrate financial need and have not yet completed a baccalaureate degree.

PLUS Loan (Parent Loan for Undergraduate Students) + **PLUS Master Promissory Note (PLUS MPN)** A credit-based loan for Parents of Undergraduate students. Must be applied for on studentaid.gov using the parent FSA ID and Password. Both documents must be approved and completed before funds will disburse.

Prior-Prior Year (PPY) Refers to the year before the prior tax year. This is applied to what year tax returns are applicable for the academic year and financial aid. e.g.: 2020 taxes are applied to the 2022-2023 aid year; 2021 taxes for the 2023-2024 year.

Scholarships + Grants **FREE MONEY** Financial assistance that does not require repayment or employment. Examples include CalGrant, Supplemental Education Opportunity Grant (SEOG), and Access Scholarships.

Satisfactory Academic Progress (SAP) SAP is a measure of student progress in the academic program. There is a qualitative component and a quantitative component. Qualitative component requires student to maintain a 2.0 cumulative GPA. The Quantitative component states that a student must complete 67% of their units attempted as well as sets a maximum time limit for receiving financial aid at 1.5 times the programs published length.

Student Aid Report (SAR) Official report sent to students after submitting the FAFSA. The Department of Education also transmits this to college financial aid offices indicated by the student on the FAFSA. [LCAD's school ID is 0165517](#).

Tax Transcript A summary of an individual's tax return provided by the IRS. If no tax was filed, they will send a Statement of Non-filing. Can be obtained at <https://www.irs.gov/individuals/get-transcript>

Unmet Need Difference between the cost of attendance and student's total available resources, including financial aid.

Verification A review process in which the US Department of Education selects FAFSA's for verification of data. The financial aid office must request documentation to verify accuracy on selected files. Requested information may include, but is not limited to, IRS tax transcripts, financial documents, Identification documents or a Statement of Educational Purpose. *No aid can be disbursed until verification is complete.*