Creating an Effective Award Letter

A guide for financial aid offices to create award letters that meet the needs of students and families

Sample Organization of Recommended Award Letter Information

This chart represents an organizational framework for the concept that the award letter should not be viewed as only a single piece of paper, but instead a document that contains the award letter itself, accompanying materials, and cross references to other institutional information. Shading designates highly recommended elements.

| On Award Letter | With Award Letter | By Cross-Reference | |
|---|--|--|--|
| Period covered by award offer | | | |
| COA Category (in/out of state, enrollment status, on/off campus, meal plan, etc.); direct (set) vs. indirect (variable) costs | Book disbursement information for Pell eligible students and opt-out Explanation of COA elements; institutional vs. non-institutional charges | General information re. COA, such as institutional method for determining allowances (e.g., books by annually surveying bookstore; off-campus room by biennially surveying students) | |
| EFCDependency status (i.e., whether EFC includes a parent contribution) | Allowable replacements for EFC or portion of unmet need represented by EFC if EFC is not presented separately on the award letter | Information about derivation of EFC | |
| Gift aid (grants & scholarships) | Any relevant terms and conditions (renewability; major, GPA, etc.) | Student consumer info about availability of non-federal grants and scholarships | |
| Remaining need after gift aid | | | |
| Self-help aid: Work | Wage rate; hours per week; how to obtain job placement | Rights & responsibilities; policy regarding hiring/firing; off-campus and community service opportunities; other student consumer information | |
| Self-help aid: Loans Standard terminology Present as deferred cost rather than met cost (total cost of loan in repayment) | Procedures for applying or accepting; prom note information; counseling requirements Right to cancel How to determine cumulative amounts using NSLDS | Repayment terms and conditions Rights & responsibilities Student consumer information | |
| Unmet need (family responsibility for financing) | Allowable replacements; cautions re. fee-based scholarship searches Requirement to inform school of additional outside aid | School services regarding non- need employment, other loans, scholarship searches, etc. | |



Sample Organization of Recommended Award Letter Information

| On Award Letter | With Award Letter | By Cross-Reference | |
|---|---|---|--|
| Reply date if acceptance required | | | |
| Contact for further information | | | |
| Contingencies (factors that may affect the award offer) • Enrollment status | Contingencies • Verification • Availability of anticipated aid • Final acceptance as regular student | General student eligibility criteria General conditions for continued receipt of aid (e.g., SAP) | |
| | Consequences of additional outside aid and effect on package | Institution's packaging policies and procedures (e.g., deadlines, packaging philosophy or model) | |
| | Consequences of enrollment status changes and effect on package | | |
| | Statement authorizing release of financial info to parents | | |
| | Specific disbursement information for awarded aid | General disbursement information, including student consumer info and required cash management notices | |
| | Institutional account information; due dates for institutional charges not covered by aid | | |
| | Authorizations for offered cash management services | | |
| | Correction or update process Appeal procedures | | |
| | Requests for professional judgment adjustments of COA and/or EFC | | |
| | Revised award letter procedures | | |
| | Reasons for revision and consequences | | |
| | | General bill payment information, payment plans | |
| | | Institutional selection criteria for aid under institutional control and other general student consumer info re. available aid programs | |



Elements Encompassed by Award Letter Materials

The chart below is designed to assist schools in assessing where information is included on their financial aid award materials. The format and content of financial aid award letters vary widely among institutions. Although schools structure the award letter to best meet the needs of students, certain information should be included in or referenced in any award letter. This tool is meant to be an example, but not a standard of how and where information may be presented on a financial aid award letter or in supplemental materials. Use the following table to track how your school provides information to applicants. Shading designates highly recommended elements.

| Element | On Award Letter | Award Letter Materials | By Cross-Reference |
|--|-----------------|-------------------------------|---------------------------|
| Period covered by award offer | | | |
| Cost of Attendance (COA) Categories Direct v. indirect costs Books and supplies funds for Pell-eligible students | | | |
| Expected Family Contribution (EFC) • Use of institutional methodology • Allowable replacement | | | |
| Grants and Scholarships • Conditions • Selection criteria | | | |
| Remaining Need • Calculation | | | |
| Loans • Clear identification • Present as deferred cost • Processing • Rights and responsibilities • Total cost of borrowing | | | |
| Work • Program • Wages and hours • Placement | | | |
| Unmet Need (or Family Responsibility) • Calculation • Allowable replacements | | | |



Elements Encompassed by Award Letter Materials

| Element | On Award Letter | Award Letter Materials | By Cross-Reference |
|--|-----------------|-------------------------------|---------------------------|
| Contingencies • Enrollment Status • Additional Aid • Withdrawals | | | |
| Logistics • Contact for additional information • Response date | | | |
| Releases and authorizations • Sharing information with other parties • Authorizations for offered services | | | |
| Packaging and selection criteria Campus-based aid Institutional aid Application procedures and deadlines Packaging philosophy | | | |
| Student account information General disbursement information Aid-specific disbursement information Refunds | | | |



Elements Encompassed by Award Letter Materials, Example

The chart below is designed to assist schools in assessing where information is included on their financial aid award materials. The format and content of financial aid award letters vary widely among institutions. Although schools structure the award letter to best meet the needs of students, certain information should be included in or referenced in any award letter. This tool is meant to be an example, but not a standard of how and where information may be presented on a financial aid award letter or in supplemental materials. Use the following table to track how your school provides information to applicants.

The following is how one school, Friendly Community College, shares information with its students. Shading illustrates use of highly recommended elements.

| Element | On Award Letter | Award Letter Materials | By Cross-Reference |
|---|--|--|--|
| Period covered by award offer | Academic year | | |
| Cost of Attendance (COA) Categories Direct v. indirect costs Books and supplies funds for Pell-eligible students | Separate direct and indirect costs | Additional costs (e.g., dependent care, disability-related costs) Books and supplies funds for Pell-eligible students Categories | On-line consumer information |
| Expected Family Contribution (EFC) • Use of institutional methodology • Allowable replacement | Aid that can replace EFC noted with asterisk | Calculation of financial need | On-line consumer information |
| Grants and Scholarships • Conditions • Selection criteria | | Conditions and selection criteria for institutional grants | Conditions and selection criteria for departmental awards on department websites |
| Remaining Need • Calculation | Costs minus EFC and gift aid | Calculation and explanation of remaining need Allowable replacements | On-line consumer information |
| Loans Clear identification Present as deferred cost Processing Rights and responsibilities Total cost of borrowing | Full program names MPN requirement Link to repayment calculators | Loan process with flowchart Borrower rights and responsibilities | Information on costs of loans over repayment period |
| Work • Program • Wages and hours • Placement | Full program names | Discussion of general work conditions Contact information for student employment office | |
| Unmet Need (or Family Responsibility) • Calculation • Allowable replacements | Costs minus all expected and offered resources (including EFC) | Calculation and explanation of unmet need Allowable replacements | On-line consumer information |



Elements Encompassed by Award Letter Materials, Example

| Element | On Award Letter | Award Letter Materials | By Cross-Reference |
|--|---------------------------------------|---|------------------------------|
| Contingencies • Enrollment Status • Additional Aid • Withdrawals | Reminder to report outside aid | Minimum enrollment requirements for aid programs Impact of additional aid Impact of withdrawal | On-line consumer information |
| Logistics • Contact for additional information • Response date | Contact information and response date | List of deadlines Appeal and adjustment policy and procedures | Business office |
| Releases and authorizations • Sharing information with other parties • Authorizations for offered services | | Sharing information and authorization options Link to use of funds authorization | FASFA on the Web |
| Packaging and selection criteria Campus-based aid Institutional aid Application procedures and deadlines Packaging philosophy | | Discussion of selection criteria for various programs Application procedures and deadlines | Business office |
| • Aid-specific disbursement information • Refunds | | Discussion of general and aid specific disbursement information | On-line consumer information |