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These training materials are designed for individual use, as well as for in-person instruction during NASFAA U Authorized Events, such as workshops and institutes. The effectiveness of the learning experience depends on utilization of the quizzes, learning activities and reflective exercises provided.
Lesson 1: Student Budget Construction

Learning Objectives
After completing this lesson, you will:

- Understand the principles and processes of student budget construction.

Key Concepts
The key concepts you will learn in this lesson:

- Cost of attendance;
- Financial need;
- Realistic budgets;
- Accurate projections;
- Equity;
- Comprehensiveness;
- Reasonableness;
- Systematic development;
- Documentation;
- Institutional costs;
- Noninstitutional costs;
- Primary data sources;
- Secondary data sources; and
- Frequency of data collection.

Resources for This Lesson
- Data Sources chart
- Glossary

Student Budget Construction

In this self-study guide, you will learn about the cost of attendance. This lesson introduces you to the principles and processes of the cost of attendance, or student budget, construction process. The knowledge you gain from this lesson will serve as a foundation for the discussion of budget components and recalculations, which are covered in succeeding lessons. Let’s begin with a brief introduction to budgets.

Introduction to Budgets

Cost of attendance (COA) is a fundamental concept integral to calculating and awarding Title IV aid. The COA also is known as the student’s budget. It represents a school’s best estimate of the costs a student will incur during a specified period of enrollment, such as an academic year, a payment period or term, or a portion of a payment period or term. You will learn about the components which comprise the COA in Lesson 2.

COA and the expected family contribution (EFC) help to define the parameters of a student’s financial need. The amount of a student’s financial need impacts how much aid, as well as what type of aid, a student may receive. The basic equation for calculating financial need is:

\[ \text{COA} - \text{EFC} = \text{Financial Need} \]

A general principle for awarding Title IV aid is a student’s need-based aid and other forms of estimated financial assistance (EFA) cannot exceed the difference between his COA and EFC.

If you would like to learn more about the calculation of the EFC, consider completing the NASFAA Self-Study Guide, Need Analysis.

In addition to the basic formula for calculating need, there are two more comprehensive formulas used to calculate a student’s eligibility for need-based as well as non-need-based aid. The formula to calculate eligibility for need-based aid is:

\[ \text{COA} - \text{EFC} - \text{EFA} = \text{Remaining Need} \]
To calculate a student's eligibility for non-need-based aid such as Direct Unsubsidized Loans, PLUS, and Teacher Education Assistance for College and Higher Education (TEACH) Grants, the EFA is subtracted from the COA. EFA includes all forms of educational assistance already received in the academic year, even those amounts that were used to replace EFC.

\[
\text{COA – EFA = Remaining Eligibility}
\]

Now that you understand what the COA is and its importance to the determination of a student’s eligibility for financial aid, let’s look at the student budget construction process.

**Purposes of the Student Budget Construction Process**

Establishing the COA, whether for an individual student or for broad categories of students, begins with an understanding of fundamental concepts. The first concept is the purposes of the process.

**Develop Realistic Budgets**

The first purpose of the student budget construction process is to develop realistic budgets. Realistic budgets reflect the costs a student and family should reasonably expect to incur to attend a specific school for a given period of time. Realistic budgets also take into account the local cost of living, known as localization.

**Accurate Projection of Costs**

Another purpose of the budget construction process is the accurate projection of a student’s costs. An accurate projection of costs:

- Combines reasonable educational costs for the time period covered by the COA;
- Allows students to budget their resources effectively; and
- Should minimize requests for budget adjustments.

**Equity**

The third purpose of the budget construction process is equity. Equity allows you, as a financial aid administrator, to differentiate among students with varying degrees of educational costs and the resources used to pay those costs.

One way you can ensure equity in the budget construction process is through the creation of separate budgets for categories of students that experience substantially different costs. Typical categories of students include:
include undergraduate students, graduate students, residents, and nonresidents. Schools are not required to use separate budgets for categories of students; their use is at the institution’s discretion.

In concluding the discussion of the purposes of the student budget construction process, it is important to point out the process is not an enrollment management tool. Institutions should not manipulate the value of COA components to attract prospective students by suggesting low costs or to ration financial aid through understated costs.

**Principles of Student Budget Construction**

In addition to the purposes of the student budget construction process you just learned, you also need to be aware of several principles associated with the process.

**Comprehensiveness**

The budget(s) developed by a school should reflect any goods and services necessary to permit a student to concentrate on her educational pursuits, in addition to any direct institutional costs. For example, a comprehensive COA includes personal miscellaneous expenses because a student will need to purchase goods such as personal care items during the time she is enrolled.

**Reasonableness**

Schools should develop budgets that allow students to maintain a moderate standard of living. Title IV aid should not be used to support a student’s more costly lifestyle choices. Statute makes frequent reference to an institution’s determination of reasonable costs when determining the allowances to include in the COA. As will be discussed shortly, an institution often must document how it determined an allowance to be a “reasonable” estimate.

**Systematic Development**

Schools should develop and implement a policy which ensures the systematic development of student budgets. The policy should detail the institution’s approach for the regular review and updating of component values. The policy should include:

- The frequency of the review and update process;
- The offices or staff responsible for the review and updating process;
- How the institution will collect data to set component values; and
- How current and incoming students are notified of updated COAs.

**Documentation**

Documenting the process you use to construct student budgets is important because doing so:

- Provides a history of the budget construction process which may be used for future research and analysis;
- Allows new staff to reconstruct the process;
- Allows the financial aid office to explain the budget to students and their families;
- Demonstrates how costs are determined to be reasonable; and
- Justifies the validity of student budgets in audits and program reviews;

Documentation of the student budget construction process can take many forms. Possible documentation includes:

- Data indicating average living expenses for the state or area in which the institution is located;
- Survey instruments used to collect data from students and the results of such surveys;
- Reports of trends for the cost of books and supplies;
- Budget comparisons with peer institutions; and
- Notifications of tuition and fees increases.

Contextual documentation, such as costs for various types of on-campus housing (traditional residence halls versus suites or apartments) also is helpful.
**Quick Quiz 1**

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 13.

1. What should the COA represent?
   - 
   - 
   - 

2. The same formula is used to calculate a student’s eligibility for both need-based and non-need-based aid.
   - True
   - False

3. Which of the following are purposes of the student budget construction process? *(check all that apply)*
   - Develop realistic budgets
   - Enrollment management
   - Accurate projection of costs
   - Establish reasonable amounts
   - Student diversity and retention
   - Equity

4. Why is documenting the student budget construction process important?
   - 
   - 
   - 

5. What elements should a school’s student budget construction policy include?
   - 
   - 
   - 
   - 
   - 
   - 
Reflection Questions

Take a few moments to reflect on the following questions. There are no right or wrong answers. You can also discuss these questions with a coworker in your office.

1. Do you agree Title IV aid should not be used to support a student’s lifestyle choices? Why or why not?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

2. In your opinion, why is equity a principle of the student budget construction process?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

3. What documentation would you use for the student budget construction process? Why?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
Setting Costs

Now that you have reviewed the purposes and principles of the student budget construction process, it’s time to learn about setting costs. Before you learn about the data schools use to set costs, it’s important to understand what costs are included as well as the factors which can influence their value. In the student budget construction process, costs are generally divided into two broad categories: institutional and noninstitutional.

Institutional Costs

Institutional costs are items which are set by the institution and are usually directly assessed by the school to the student.

Examples of costs. Common examples of institutional costs include tuition, fees, and institutional room and board.

How costs are set. A school’s state, governing board, trustees, or owner(s) sets the value of institutional charges.

Noninstitutional Costs

Noninstitutional costs are not set by the school. Instead, they are driven by local market conditions, reflecting costs and availability of goods and services in the surrounding community. Noninstitutional costs vary based on a school’s location.

Examples of costs. Noninstitutional costs include books and supplies, transportation, personal expenses, off-campus housing and meals, utilities, dependent care, and health care.

How costs are set. A school sets noninstitutional costs by collecting and analyzing data from various sources as well as monitoring trends in cost fluctuations. You will learn more about using data to set costs later in this lesson.

Factors affecting housing and related costs. The following factors impact housing and related costs:

- The institution’s location;
- Availability of on-campus housing; and
- Availability of appropriate student housing in the surrounding community.

Factors affecting transportation costs. There also are a couple of factors which impact transportation costs. These factors include the:

- Distance between a student’s home and campus; and
- Availability of personal, public, or alternative means of transportation.

Use of Actual or Average Costs

For both institutional and noninstitutional costs, a school may use either actual or average amounts.

Collecting Data to Set Costs

Due to cost variations from one location to another, you should work with your school’s institutional research office (if you have one) to periodically make an assessment of current living costs in the local community. Institutions can use two types of data when setting costs: primary and secondary. Let’s discuss primary data sources first.
Primary Data Sources

Primary data sources are sensitive to specific student circumstances because they provide data on the amounts students actually spend on living and maintenance expenses. A common primary source is a student survey. Student surveys include personal interviews, budget questionnaires, and expenditure diaries. Use of a combination of methods provides balance between in-depth and broad-based information. The survey should draw the sample from the entire student body, not just from those who receive financial aid.

Personal interviews. A significant advantage of using personal interviews to collect data from students is the ability to ask follow-up questions. Follow-up questions can clarify expenditure patterns and identify expenses unique to a student’s circumstances or program.

A disadvantage of using personal interviews is the resources needed to collect the data. The office must have sufficient staff to conduct the interviews. Additionally, staff designated to assist with the process must have the time to not only conduct the interviews, but follow up with students as necessary.

Budget questionnaires. The financial aid office can use either paper or electronic budget questionnaires. An electronic survey tool is ideal because it:

- Allows students to enter responses directly into a database at a time and place that is convenient for them;
- Provides an optional setting for anonymity; and
- Expedites data collection and analysis.

There are a few things to keep in mind if you use budget questionnaires to collect data. First, you should sample a sufficient number of students in distinct budget groups to obtain a statistically significant estimate of student expenses. It takes fewer staff to administer questionnaires than to conduct interviews, but students may misinterpret questions, making the questionnaire less accurate. The accuracy of the results also depends on students’ ability to recall past expenditures. Finally, the extent of generalizability of the results depends on the overall sample size.

Expenditure diaries. Students keep these diaries in the form of a ledger and record expenditures as they occur. Keep in mind that students will record certain items only once (such as tuition and fees) while other items will be recorded more frequently. They should record expenditures by date for weekly or monthly totals. The school determines what categories of expenses students should record.

As with the personal interviews and budget questionnaires previously discussed, there are some issues to consider when using expenditure diaries to collect data. The best time to use these diaries is at the beginning of a school year. While students can keep expenditure diaries for any reasonable length of time, they are most useful if kept for two months or less. You should carefully select and supervise participants, offer an incentive to encourage participation, and have frequent contact with participating students.

Collecting data from primary sources. One member of the financial aid office staff should coordinate the collection of data.

Secondary Data Sources

Secondary sources help verify student data and increase validity of the budget figures finally established. These sources are usually third parties who have expertise in research or knowledge of a particular cost, and collect and share data on that cost. For example, publishers have specialized knowledge about book prices.

Published institutional sources. Both current and historical data from sources containing cost information (such as school catalogs) are useful for conducting trend analyses and predicting future costs.

Institutional faculty and staff. Your colleagues on campus also can be a great data source. Consider reaching out to:

- Economic and business administration faculty;
- Social science research faculty;
- Bursar or comptroller;
Housing services and residence hall administrators;
College bookstore managers; and
Food service staff.

_Institutional research office_. If your institution has an institutional research office, its staff may be able to help you access institutional, local, state, regional, and national cost data based on consumer price indices and other sources of information.

_Class research projects_. Working with the institutional faculty and staff mentioned earlier, another good secondary data source is class research projects.

"Every institution should annually review and update the value of student budget components to reflect national, state, local, and institutional costs."

_Community sources_. Another good secondary source of data to set costs is your community. Possible sources include:

- Off-campus bookstore managers;
- Representatives of local utilities;
- Realtors;
- Automotive clubs;
- Managers of local stores;
- Community health and welfare agencies;
- Day care centers;
- Banks or credit unions;
- State licensing agencies; and
- Food distributors.

_Local, state, regional, and national indices_. Various indices offer excellent secondary data sources. Relevant indices include:

- Classified ads in local newspapers for types and costs of available off-campus housing;
- Publisher’s Weekly for book costs;
- Consumer Expenditure Surveys and other tables published as often as quarterly by the Bureau of Labor Statistics;
- The College Board’s “Trends in College Pricing;” and
- The College Board’s “Living Expense Budget.”

You will find information about how to locate and use various indices to set costs in the _Data Sources_ chart on page 12.

_School budget comparisons_. Financial aid administrators from other local schools may be willing to share information about student budgets. You also may be able to compare budgets by reviewing the websites of comparable institutions. This data source is useful for comparing off-campus housing and food, transportation, child care, and other noninstitutional costs.

**Frequency of Data Collection**

Every institution should annually review and update the value of student budget components to reflect national, state, local, and institutional costs. You should conduct any research and surveys as close as possible to the time students will incur expenses. You also should research costs for both the entire academic year as well as for time periods within the academic year (such as a single term). Finally, your research also should consider seasonal variations in costs, such as the differences in the cost of living in the local community during the summer.
Quick Quiz 2

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 14.

1. In the student budget construction process, costs can be divided into what two broad categories?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

2. Schools must always use the actual cost of components in the student budget.
   ☐ True
   ☐ False

3. Which of the following are examples of primary data sources a school could use to collect data when developing student budgets? (check all that apply)
   ☐ Personal interviews
   ☐ Budget questionnaires
   ☐ Consumer Price Index
   ☐ Housing services staff
   ☐ Expenditure diaries

4. What are two indices schools could use to help set noninstitutional costs?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

5. How frequently should a school review and update the value of student budget components?
   ___________________________________________________________________________________
   ___________________________________________________________________________________
Learning Activity: Interview

Interview colleagues in your office to answer the following questions about your institution’s student budget construction policy.

1. How often does the school collect data from primary sources? What primary data source is used and why?
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________

2. How often does the school collect data from secondary sources? What secondary data sources are used and why?
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________

3. Which staff is responsible for reviewing and updating budget components? When does this review take place?
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________

4. How often is the budget construction policy reviewed and updated?
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________

5. How could the institution improve its budget construction process?
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________  
   ___________________________________________________
Reflection Questions

Take a few moments to reflect on the following questions. There are no right or wrong answers. You can also discuss these questions with a coworker in your office.

1. In your opinion, what are the best secondary data sources to use in the student budget construction process? Why?

__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________

2. What approach would you take to researching costs at your institution? Why would you take this approach?

__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________

3. What do you believe are the advantages and disadvantages to using school budget comparisons as a secondary data source?

__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
### Data Sources

The chart below describes various data sources you may use to help set the values of noninstitutional charges included as part of the cost of attendance.

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Comments</th>
</tr>
</thead>
</table>
| The College Board’s “Living Expense Budget for 2017–18” | • Provides both nine- and twelve-month moderate (prevailing) and low budgets.  
• Developed using the Consumer Expenditure Survey and Indexes of Comparative Costs from the Bureau of Labor Statistics.  
• Reflects changes in the Consumer Price Index.  
• Includes a breakdown of costs by category. |
| The College Board’s “Trends in College Pricing”       | • Updated annually.  
• Use as a source to review undergraduate estimated expenses related to attending colleges and universities.  
• Available at [http://trends.collegeboard.org/college_pricing/](http://trends.collegeboard.org/college_pricing/).  
• Provides information about both national and state-level published prices by institution type. |
| Consumer Expenditure Survey                           | • Compiled annually by the Bureau of Labor Statistics.  
• Compiles expenditure categories (housing, transportation, food and beverages, medical, etc.) based on demographics and geographic regions.  
• Indicates inflationary increases within categories at a quarterly, semi-annual, and annual rates.  
• Available at [http://www.bls.gov/cex/](http://www.bls.gov/cex/). |
| Publisher’s Weekly                                    | • Published weekly.  
• Use as a source of book costs.  
• Find out about trends in student attitudes toward book formats, new editions of textbooks, etc.  
• Learn about trends in e-books and the use of technology in accessing textbooks. |
Lesson 1 Answer Keys

Quick Quiz 1

1. What should the COA represent?
   
   The COA should represent a school’s best estimate of the costs a student will incur during a specified period of enrollment based upon a standard of reasonableness.

2. The same formula is used to calculate a student’s eligibility for both need-based and non-need-based aid.
   
   ❑ True
   
   ❑ False

3. Which of the following are purposes of the student budget construction process? (check all that apply)
   
   ❑ Develop realistic budgets
   
   ❑ Enrollment management
   
   ❑ Accurate projection of costs
   
   ❑ Establish reasonable amounts
   
   ❑ Student diversity and retention
   
   ❑ Equity

4. Why is documenting the student budget construction process important?
   
   Documenting the student budget construction process is important because it provides a history of the process which may be used for future research and analysis, allows new staff to reconstruct the process, allows the financial aid office to explain the budget to students and their families, demonstrates how reasonable costs were determined, and justifies the validity of student budgets in audits and program reviews.

5. What elements should a school’s student budget construction policy include?
   
   A school’s student budget construction policy should include the frequency of the review and update process, the offices or staff responsible for the review and updating process, how the institution will collect data to set component values, and how current and incoming students are notified of updated COAs.
Quick Quiz 2

1. In the student budget construction process, costs can be divided into what two broad categories?
   Costs can be divided into institutional and noninstitutional costs.

2. Schools must always use the actual cost of components in the student budget.
   - False

3. Which of the following are examples of primary data sources a school could use to collect data when developing student budgets? (check all that apply)
   - Personal interviews
   - Budget questionnaires
   - Consumer Price Index
   - Housing services staff
   - Expenditure diaries

4. What are two indices schools could use to help set noninstitutional costs?
   Indices schools could use to help set noninstitutional costs include classified ads in local newspapers, Publishers’ Weekly, Consumer Expenditure Surveys and other tables published by the Bureau of Labor Statistics, The College Board’s “Trends in College Pricing,” and The College Board’s “Living Expense Budget.”

5. How frequently should a school review and update the value of student budget components?
   A school should review and update the value of student budget components every year.
Lesson 2: Cost of Attendance Components and Restrictions

Cost of Attendance Components and Restrictions

Cost of Attendance Components

In Lesson 1, you learned the basics of the cost of attendance (COA), or student budget, including its place in the need analysis formula. You also learned the overarching purposes and principles of student COA/budget construction, with guidelines for collecting data and setting costs. In this lesson, you will review the basic COA components allowed under statute, other COA allowances, and cost restrictions associated with budgets for certain categories of students.

General Concepts for Developing Budgets

Costs that may be included in the COA for Title IV purposes are prescribed by the Part F, Section 472 of the Higher Education Act of 1965 (HEA), as amended. Statute prohibits the Department of Education (ED) from issuing regulations on COA. ED offers subregulatory guidance, such as in the FSA Handbook, but HEA 472 is the best official reference for determining COA allowances. Allowable costs included in HEA 472 can be grouped into three basic cost components and six additional allowances.

Basic COA Components

For most students, the statutory COA includes three basic components:

- Tuition and fees;
- Books and supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for documented personal computer costs; and
- Room and board.

Additional Cost Allowances

Additional allowances are available to qualifying students who actually incur expenses for the following:

- Dependent care expenses;
- Disability-related expenses;
- Cooperative education program expenses;
First professional credential allowance;
- Educational loan fees allowance;
- Less-than-half-time enrollment restriction;
- Correspondence study restriction; and
- Incarcerated student restriction.

**Resources for This Lesson**

- Basic Cost of Attendance Components chart
- Additional Cost of Attendance Allowances chart
- Cost of Attendance Restrictions chart
- Glossary

**Icons**

You will see the following icons in Lesson 2:

- Key concept
- Quick quiz
- Reflection questions
- Learning activity
- Helpful hint

Study abroad expenses;
- The cost of a first professional credential, at the school’s option; and
- Educational loan fees.

Because ED is prohibited from regulating the COA, schools have a fair amount of discretion. Financial aid administrators have flexibility to establish institutional policies within allowable cost components when determining the COA for Title IV purposes. Actual or average costs may be used. Once an institutional policy and costs are established, they must be consistently applied when determining students’ eligibility for Title IV aid. Furthermore, if the school’s COA policies permit exceptions, the school must clearly document any exception made to its policies.

Except for dependent care, a student’s COA can include only those educational costs incurred for the enrollment period. The student’s COA cannot be expanded to include the costs of other family members, such as the living expenses or educational costs of a student’s spouse or children.

The living expenses of a student’s spouse or other dependents are accounted for in the formula used to calculate the student’s expected family contribution (EFC). This concept is explained in the NASFAA Self-Study Guide, *Need Analysis*.

**Federal Pell Grant and Iraq and Afghanistan Service Grant (IASG) programs.** For Federal Pell Grant and IASG program purposes, the COA used to determine the amount of the award for these programs is always based on full-time attendance for a full academic year of study, even if the student is attending less than full time or only a portion of the year. The adjustment for part-time enrollment (three-quarter-time, half-time, or less-than-half-time) is made by using the appropriate Disbursement Schedule. For clock-hour programs, the adjustment for part-time enrollment status is accomplished through the formula used to compute the expected Federal Pell Grant or IASG disbursement. Adjustments for less than full academic year attendance are accounted for in the appropriate calculation formula. However, only certain COA components can be included for students enrolled less than half time. Even those components included in the COA are still based on the allowance for full-time students.

**All other Title IV programs.** For the other Title IV programs, including the TEACH Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Perkins Loan, and Federal Direct Student Loan (Direct Loan) programs, COA calculations are often initially based on costs for a full-time student for a full academic year. For these programs, the COA takes into account any cost differences for summer sessions, if the student’s budget covers that period, and the COA is adjusted appropriately for students who are:

- Enrolled less than full time; or
- Attending or receiving financial aid for less than a full academic year.
For more on how enrollment status impacts the campus-based and Direct Loan programs, see NASFAA Self-Study Guides, Campus-Based Programs and Direct Loan Program.

Simultaneous enrollment. For students simultaneously enrolled at multiple schools under consortium agreements, including study abroad, the values of like budget items, such as room and board, and similar charges must be:

- Combined into single amounts for each COA component to prevent double counting of student expenses;
- Applied on a full-time, full academic year basis when awarding Federal Pell Grant and IASG funds; and
- Adjusted as appropriate for less-than-full-time enrollment for the other Title IV programs.

Title IV award amounts are adjusted accordingly for less-than-full-time enrollment.

Basic COA Components

Tuition and Fees Allowance

The COA may include “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, including costs for the rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.”

If the student is charged tuition and fees, even if the charge is eventually paid by someone other than the student (e.g., a scholarship agency or other source), that amount is included in the COA. If the student is never charged tuition and fees, the COA cannot include the tuition and fees component.

Tuition charges. Either average or actual tuition charges may be used to determine the amount to include in the COA, but the selected method must be applied consistently. If using average amounts, the school may use overall averages for each level of enrollment or establish separate averages for various categories of students. Tuition average categories may address such variations as academic programs, undergraduate versus graduate status, in-state versus out-of-state enrollment, etc.

If an average is used for a category, it must be a weighted average. The weighted average is calculated in three steps:

1. For each category, calculate the total amount of tuition charged by multiplying the tuition charge by the number of students in the category that are subject to that rate.
2. Add the results obtained from Step 1 to get the total amount of tuition charged and the total number of students charged.
3. Calculate the weighted average by dividing the total amount of tuition charged by the total number of students.

Example. A school that has different tuition charges for full-time in-state and out-of-state students chooses to use the weighted average of tuition charges. 9,000 students are charged the $2,000 in-state tuition rate, and 1,000 students are charged the $4,000 out-of-state tuition rate.

Step 1: Calculate the total amount of tuition charged for each category:

\[
\text{Total in-state tuition charges} = \frac{\text{Total in-state tuition charges}}{\text{Total number of students}}
\]

\[
\text{Total in-state tuition charges} = \frac{\text{\$2,000 in-state tuition rate} \times 9,000 \text{ students} }{9,000 \text{ students}} = \text{\$18,000,000 total in-state tuition charges}
\]

\[
\text{Total out-of-state tuition charges} = \frac{\text{Total out-of-state tuition charges}}{\text{Total number of students}}
\]

\[
\text{Total out-of-state tuition charges} = \frac{\text{\$4,000 out-of-state tuition rate} \times 1,000 \text{ students} }{1,000 \text{ students}} = \text{\$4,000,000 total out-of-state tuition charges}
\]
Step 2: Add the Step 1 results to get the total amount of tuition charged and the total number of students charged for each category:

\[
\begin{align*}
& \text{$18,000,000$ total in-state tuition charges} \\
& + \text{$4,000,000$ total out-of-state tuition charges} \\
& = \text{$22,000,000$ total tuition charges for the categories}
\end{align*}
\]

\[
\begin{align*}
& \text{9,000 students charged in-state tuition rate} \\
& + \text{1,000 students charged out-of-state tuition rate} \\
& = \text{10,000 total students charged tuition}
\end{align*}
\]

Step 3: Calculate the weighted average of the tuition charges for both categories combined:

\[
\begin{align*}
& \text{$22,000,000$ total tuition charges} \\
& ÷ \text{10,000 total students charged tuition} \\
& = \text{$2,200 tuition weighted average}
\end{align*}
\]

If the student is enrolled less than full time:

- For the campus-based, TEACH Grant, and Direct Loan programs, use less-than-full-time tuition charges actually incurred or a proration of the full-time average amount; and
- For the Federal Pell Grant and IASG programs, always use tuition costs based on full-time enrollment for a full academic year.

Different tuition rates and tuition discounts. A school is not allowed to charge students who are receiving Title IV aid a different tuition rate than those students who are not receiving Title IV aid. Schools also are prohibited from giving a tuition discount to students who pay in cash or who pay their tuition in full before the start of classes. This does not prevent a school from having different tuition categories for other categories of students, such as in-state and out-of-state students.

Fees. To be included in the COA, the fees must be necessary for all students, all students in a particular course of study, or all students in a broad category, such as undergraduate and graduate students. Optional fees also may be added to student budgets on a case-by-case basis under professional judgment (PJ).

Fees paid directly to third parties (e.g., insurance fees paid directly to the insurance company, cellular phone plan fees, etc.), or paid to the school and then passed on to the third party generally cannot be included in the COA. However, fees charged but then passed to a third party may be included if they are charged to broad categories of students.

Because statute defines this category as fees “normally assessed a student,” charges associated with penalties should not be included, such as late fees or library fines, nor should discretionary charges or fees be included, such as parking fines or the cost of athletic or concert tickets.

Equipment and supplies purchase/rental. Costs for the rental or purchase of equipment, materials, or supplies may be included under the tuition and fees component if required for all students in the same program of study, such as:

- Laboratory fees for health professions programs;
- Musical instruments for music majors;
- Tools for an automotive mechanics program;
- Cosmetology kits and supplies for cosmetology majors; and
- Equipment costs for distance education instruction.

Up-front tuition and fee charges. If the school charges the total tuition and fees up-front for an entire program that is longer than an academic year in length, the total tuition and fees amount applies only to the program’s very first period of enrollment when calculating campus-based and Direct Loan awards. It is prorated to reflect the full-time, full
academic year COA for awarding Federal Pell Grant, IASG, and TEACH Grant awards.

Cooperative education tuition and fees. If a student is away in a cooperative education job during the first term of the program’s academic year, the tuition and fees for that first term are prorated and applied on a full-time, full academic year cost basis when awarding Title IV funds.

Books and Supplies Allowance

The COA may include an allowance determined by the school for books and supplies. A school may use a single books and supplies allowance for all students or separate allowances for different categories of students.

If separate allowances are established, they should be sensitive to program-specific needs, such as art, medicine, nursing, law, engineering, automotive mechanics, or other programs for which the purchase of expensive books, tools, or supplies is recommended. The school’s written policies should specify the considerations and limitations for any books and supplies allowance variations.

Recent regulatory changes have set conditions by which books and supplies may be included as part of tuition and fees. Those conditions are:

- The institution has an arrangement with a third party by which the books or supplies are made available at a rate which is less than the competitive market rate for the item(s). The institution must provide the item(s) by the seventh day of the payment period. Under this condition, the institution must provide a method by which a student may opt out and purchase the item(s) from another source; or
- The institution documents the books or supplies are not available elsewhere and could not otherwise be accessed by students enrolled in the program; or
- The institution demonstrates a compelling health or safety reason for providing the supplies or equipment directly to students enrolled in the program.

For more information, please see Federal Register, 10/30/15, pp. 67136 to 67139.

Transportation Allowance

The COA may include an allowance determined by the school for student transportation costs. The transportation allowance must be reasonable and may include:

- Transportation between the student’s residence and the school; and
- Travel necessary to complete a course of study.

If public transportation is not available, the standard transportation allowance may include the costs of operating and maintaining an automobile (e.g., gas, oil, license, insurance, and repair). However, payments for the purchase or lease of an automobile may not be included in the COA. A school may use the prevailing mileage costs in the region where it is located when developing its COA.

Miscellaneous Personal Expense Allowance

The COA may include a reasonable allowance determined by the school for miscellaneous personal expenses incurred by its students.

Allowable personal expenses include, but are not limited to, items such as:

- Clothing;
- Personal maintenance;
- Grooming aids; and
- Recreation.

The allowance should permit the student a moderate standard of living while enrolled.

Personal Computer Allowance

The COA also may include an allowance determined by the school for the documented reasonable cost of purchasing a personal computer. This allowance only applies to students attending school on at least a half-time basis.

The computer does not have to be required by the student’s program. A school may include the cost of a computer in a student’s COA in multiple years if
the school considers it reasonable to do so. Additionally, it may be purchased outside of when the student is enrolled, such as in the summer for use during the following fall enrollment period. The school’s written policies and procedures should include the:

- Conditions under which the allowance is permitted;
- Amount permitted; and
- Documentation required from the student to substantiate the purchase and purchase amount.

**Room and Board Allowance**

The COA includes an allowance determined by the school for room and board incurred by a student for the following four distinct categories of students, as defined in the HEA:

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students without dependents living at home with parents</td>
<td>Allowance based on room and board expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>Students without dependents living in school-owned or operated housing</td>
<td>Standard allowance based on the amount normally assessed most of the school’s residents for room and board</td>
</tr>
<tr>
<td>Students living in on-base military housing or in housing for which the military provides a basic housing allowance</td>
<td>Allowance for board, but not for room, expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>All other students (including students with dependents living at home or in campus housing and all students living off campus, but not with a parent)</td>
<td>Allowance based on the expenses reasonably incurred by such students for room and board</td>
</tr>
</tbody>
</table>

The room and board allowance must include only the student’s room and board expenses and not those of other household members. There is a separate allowance solely for dependent care expenses; this will be addressed later in this lesson.

If room and board is supplied by the school at no charge, that component of the COA is zero. If the student is charged for the room and board and the charge is then waived, the value of the room and board is included in the student’s COA, but is offset by including the amount waived in the Estimated Financial Assistance (EFA).

"If public transportation is not available, the standard transportation allowance may include the costs of operating and maintaining an automobile. However, payments for the purchase or lease of an automobile may not be included in the COA."

**Post-911 GI Bill Monthly Housing Allowance.** The Basic Allowance for Housing (BAH) paid to active duty military personnel is distinct from the Monthly Housing Allowance (MHA) paid to students receiving veteran’s educational benefits under the Post-9/11 GI Bill. Students receiving a MHA as part of their veteran’s benefits should have a housing allowance included in their COA. This COA housing allowance is then partially or completely offset by the veteran’s benefits received by the student.

Although the law establishes specific categories, the school also may use subcategories to establish different cost expectations based on different circumstances and differences in living situations. For less-than-half-time students, however, the room and board allowance may be included for up to three semesters, of which not more than two semesters may be consecutive.
Quick Quiz 1

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 50.

1. The U.S. Department of Education is prohibited from regulating the cost of attendance.
   - [ ] True
   - [ ] False

2. List each of the basic COA components and additional COA allowances in the chart below:

<table>
<thead>
<tr>
<th>Basic COA Components</th>
<th>Additional COA Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

3. Except for dependent care, a student’s COA cannot be expanded to include the costs of other family members, such as the living expenses or educational costs of a student’s spouse or children.
   - [ ] True
   - [ ] False

4. The _________________________________ paid to active duty military personnel is distinct from the ________________________________ paid to students receiving veteran’s educational benefits under the Post-9/11 GI Bill. (*fill in the blanks*)

5. For the Federal Pell Grant and IASG programs, the COA is always based on ________________________________ for a ________________________________, even if the student is attending half time or only for a portion of the academic year. (*fill in the blanks*)
6. Draw an arrow to match the following statutory room and board categories with the allowance treatment which is most appropriate for each category:

<table>
<thead>
<tr>
<th>Room and Board Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students without dependents living in school-owned or operated housing</td>
<td>Allowance for board, but not for room, expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>Students without dependents living at home with parents</td>
<td>Standard allowance based on the amount normally assessed most of the school’s residents for room and board</td>
</tr>
<tr>
<td>Students living in on-base military housing or in housing for which the military provides a basic housing allowance</td>
<td>Allowance based on room and board expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>All other students (including students with dependents living at home or in campus housing and all students living off campus, but not with a parent)</td>
<td></td>
</tr>
</tbody>
</table>

7. For students who are simultaneously enrolled at multiple schools under consortium agreements, the school must do which of the following with like budget items and charges? (check all that apply)

- Combine like budget items into single amounts for each COA component to prevent double counting of student expenses
- Add like budget items from each school together to establish a single amount for each COA component
- Apply the resulting COAs on a full-time, full academic year basis for the Federal Pell Grant and IASG programs
- Adjust the resulting COAs for less-than-full-time enrollment for the TEACH Grant, FSEOG, FWS, Federal Perkins Loan, and Direct Loan programs

8. When there is no simultaneous enrollment, a school is still required to monitor the COA components used by other schools attended by a student.

- True
- False
Quick Quiz 1 (cont’d)

9. Fill in each blank in the following statement using the best of the presented options related to the COA:

If the student is charged tuition and fees, and if the charge is eventually paid by someone besides the student (e.g., a scholarship agency or other source), that amount is ________________ the COA. If the student is never charged tuition and fees, the COA ____________ include the tuition and fees component.

10. A school is allowed to charge students who are receiving Title IV aid a different tuition rate than those students who are not receiving Title IV aid.

- True
- False

11. The transportation allowance in the cost of attendance may include which of the following? (check all that apply)

- Transportation between the student’s residence and the school
- Costs of purchasing or renting an automobile or other motorized vehicle
- Costs of maintaining and operating an automobile, including gas, oil, license, insurance, and repair
- Travel necessary to complete the student’s course of study
- A reasonable allowance for winter and spring break travel to another state or country
- The prevailing mileage costs in the region where the school is located

12. To be included in the COA, fees must be which of the following? (check all that apply)

- Optional fees charged to students on a case-by-case basis, if professional judgment is used to include them in the COA
- Fees required for all students
- Fees charged to all students in a particular course of study
- Fees charged to all students in a broad category of students (e.g., graduate vs. undergraduate)
Quick Quiz 1 (cont’d)

13. Fill in each blank in the following statement using the best of the presented options related to the COA:

Fees paid directly to third parties (e.g., insurance fees paid directly to the insurance company, cellular phone plan fees, etc.), or paid to the school and then passed on to the third party generally ___________ be included in the COA. However, fees charged but then passed to a third party ___________ be included if they are charged to broad categories of students.

• can
• cannot

14. The miscellaneous personal expense allowance in the COA may include which of the following? (check all that apply)

- Clothing
- Parking tickets
- Personal maintenance
- Grooming aids
- Library fines
- Recreation

15. If the school charges the total tuition and fees up-front for an entire program that is longer than an academic year in length, the total tuition and fees amount applies only to the ___________. It is prorated to reflect the ___________ for awarding Federal Pell Grant and IASG awards. (fill in the blanks)

16. A student’s cost of attendance may include the cost of a personal computer which is purchased during the summer, two months prior to the start of school.

- True
- False
Reflection Questions

Take a few moments to reflect on the following questions. There are no right or wrong answers. You can also discuss these questions with a coworker in your office.

1. Would you establish different room and board costs for different student categories and situations?
   - [ ] Yes  [ ] No
   Why or why not?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

2. To what extent do you expect a student to have a roommate or roommates in order to reduce costs?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

3. Would you have the same expectations for an older, single student as you would for a traditional-age student, or do you think an older student may have different costs? Why or why not?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

4. Would a student who is a single parent have less opportunity to share lodging, and therefore costs, with another adult?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
Reflection Questions (cont’d)

5. If the student is married and part of a family unit, how are his or her costs separated from the rest of the family’s costs?
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________

6. If a student were living with a nonstudent companion whose income is not considered in calculating the EFC, would you decrease allowable living costs for that student?
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________

7. For how many of these decisions would you establish a specific treatment policy, and how much room would you leave for exceptions on an individual, case-by-case basis? Would the need to document any deviation from policy have an influence?
___________________________________________________________________________________
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Additional COA Allowances

As noted earlier, there are other COA components which may be added to the basic COA components depending on whether a student experiences one or more of the following costs. These are allowances for:

- Dependent care expenses;
- Disability-related expenses;
- Cooperative education program expenses;
- Study abroad expenses;
- The cost of a first professional credential; and
- Educational loan fees.

Dependent Care Allowance

For a student with one or more dependents, the COA can include an allowance based on the estimated actual expenses incurred for such dependent care if that care is necessary in order to allow the student to attend school.

For example, dependent care would likely be necessary for an enrolled single parent who requires daycare services during the time he is taking classes. On the other hand, a dependent care allowance would not be necessary for an older child who does not require supervision. Moreover, a dependent care allowance might not be necessary for a younger child if supervision is provided by a spouse or other relative, such as a grandparent, who is not compensated by the student.

A “dependent” may include persons other than children, such as elderly dependent parents. The dependent care allowance is based on the number and age of the dependents being covered, except that the:

- Allowance shall not exceed the reasonable cost in the community in which the student resides for the kind of care provided; and
- Period for which dependent care is required includes, but is not limited to, class time, study time, field work, internships, and commuting time.

The allowance is based on typical costs for care in the student’s community. In other words, the school may not use state or other standards when determining the amount of the allowance. An average allowance may be used if it does not exceed the costs for dependent care in the student’s community, or costs actually incurred by the student. However, if the student’s actual costs are lower than the average cost, actual costs must be used.

To include the allowance, the school must determine and document that the student has:

- A dependent who is included in the household size, for whom care is required for the student to attend school; and
- Incurred or will incur dependent care expenses.

Documentation. The law does not specify what documentation must be collected. The school determines what documentation is required as long as it is collected in a reasonable way, such as a student’s written and signed statement or dependent care invoices.

Dependent basic maintenance expenses. Aside from outright dependent care expenses, the dependent care allowance also may include the maintenance expenses of dependents when the family’s income is insufficient to cover basic subsistence costs, such as costs for food and shelter.

The costs of maintaining and supporting the family are accounted for in the formula used to calculate the EFC. The EFC formula applies an income protection allowance (IPA) as an offset against income. Income less than the IPA in the EFC formula is an indicator the family’s income is insufficient to cover basic subsistence costs.

The need analysis formulas are described in the NASFAA Self-Study Guidy, Federal Methodology.

ED interprets the statutory COA provisions to permit financial aid administrators to decide what costs may be included in the dependent care allowance. If the school chooses to include maintenance expenses of dependents in the dependent care allowance when the family’s
income is insufficient, it may do so either on a case-by-case basis using PJ or as a standard approach to budget construction.

The financial aid administrator may exercise PJ to increase the dependent care allowance based on documented unusual circumstances in which the student’s expenses are higher than the school’s standard allowance per school policy.

A school’s COA policies and procedures should state whether it automatically provides a dependent care allowance when family income is insufficient to cover basic maintenance costs. If the school has such a policy:

- It is not necessary to document the decision to include unmet basic maintenance costs, although it would be a good practice to do so; and

- The allowed amount should be determined on an individual basis (i.e., negative difference between income and the IPA).

Disability-Related Allowance

For a student with a disability the COA can include an allowance determined by the school for those expenses related to the student’s disability, including but not limited to special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided by other assisting agencies. Disability-related expenses paid by another organization may not be included in the COA.

An individual is considered to have a disability under the Americans with Disabilities Act (ADA) if she has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment.

Dear Colleague Letter GEN-06-19 encourages state vocational rehabilitation (VR) agencies and public institutions of higher education (IHEs) to establish interagency agreements that guide their collaboration and cooperation in providing services to students with disabilities receiving VR services. Section 101(a)(8)(B) of the Rehabilitation Act of 1973, as amended, requires a governor of a state to ensure an “interagency agreement or other mechanism for interagency coordination takes effect” between the VR agency and public IHEs. Regardless of the approach taken, the agreement, statute, regulation, or other appropriate mechanism must address: the financial responsibilities of the state VR agency and public IHEs; conditions, terms, and procedures of reimbursement; procedures for resolving interagency disputes; and procedures for coordination of services [section 101(a)(8)(B) of the Act].

Documentation. The school must document any disability-related expenses included in the student’s COA on a case-by-case basis. It is the school’s discretion to determine what it accepts as appropriate and reasonable documentation of the student’s disability-related expenses.

Cooperative Education Allowance

For a student placed in a work experience under a cooperative education program, the COA can include an allowance determined by the school for reasonable costs associated with such employment.

A cooperative education program is a credit-bearing academic program that combines professional work experience in a student’s field of study with academic research and coursework.

Examples of costs associated with cooperative education may include but are not limited to an allowance for:

- Additional travel to and from work; and
- Work clothes or uniforms.

Documentation. The school must document any cooperative education expenses included in the student’s COA on a case-by-case basis. It is the school’s discretion to determine what it accepts as appropriate and reasonable documentation of the student’s cooperative education expenses.
Study Abroad Allowance

For a student enrolled in a study abroad program approved for credit by his home school, the COA can include reasonable costs associated with such study, as determined by the institution providing the study abroad experience.

An example of such a cost may include an allowance for travel to and from the study abroad location. Just remember the home school must be sure not to double count any student expenses which the student incurs simultaneously at both the home school and the study abroad institution.

If the study abroad is conducted under a consortium or contractual agreement, the student’s home institution must accept for credit the coursework the student completes while enrolled in the study abroad program. The study abroad program does not need to be a requirement of the student’s home school degree program, but the home school must approve the study abroad program for academic credit.

First Professional Credential Allowance

For a student in a field requiring professional licensure or certification, the COA can include the one-time cost of obtaining the first professional credential in that field. Examples may include but are not limited to:

- The cost of obtaining the teacher certification required for teaching in the state;
- The license required for a health sciences major to begin practice in the field as a physical therapist;
- The examination fee for taking the bar exam necessary to practice law in a given state; and
- Travel expenses related to interviews for a medical residency required for licensure in the medical profession.

Inclusion of the fee is at the option of the school and may only be provided one time per student per eligible academic program. The credential cost must be incurred while the student is still enrolled even if the credentialing activity occurs after the student’s enrollment period ends.

Documentation. The school must document any professional credential expenses included in the student’s COA on a case-by-case basis. It is the school’s discretion to determine what it accepts as appropriate and reasonable documentation of the student’s first professional credential costs.

Educational Loan Fees Allowance

The COA also can include an allowance for the actual cost of any educational loan fee, origination fee, or default fee charged to the student or parent, or the average cost of any such fee charged by ED or the lender.

The school must include a loan fee allowance for all federal educational loans—that is, for any Direct Loans actually borrowed by the student or the dependent student’s parent. The school has the option to include loan fees for nonfederal, conventional educational loans borrowed by the student (but not the student’s parent).
**Direct Loan fees.** For federal educational loans, the school may use the actual loan fee amount or an average based on the same type of loan borrowed by the student or dependent student’s parent for attendance at the school.

The school’s method(s) for including loan fees should be:

- Documented in the school’s policies and procedures; and
- Applied consistently.

There are three methods for calculating an average loan fee allowance:

1. **Calculate a single average by multiplying the average loan amount borrowed by the school’s students by the fee percentage.**

2. **Calculate separate loan fee averages for undergraduate and graduate students. Recommended method.**

3. **Calculate an average loan fee amount for each annual loan limit (e.g., freshman, sophomore, graduate, etc.).**

If an estimated average or actual fee allowance is used and the loan is declined, the school must ensure the allowance does not mask an overaward. If an estimated actual fee allowance is used and a lower loan amount is requested, the school is not required to recalculate fees but must ensure the allowance does not mask an overaward.

If a parent chooses to borrow a parent PLUS rather than having the student borrow, the COA should only include PLUS fees. Even though the additional PLUS fees may increase the student’s Direct Loan eligibility, this increase may be met with PLUS funds. This applies to both parent PLUS and graduate PLUS.

**Nonfederal educational loan fees.** A school has the option to include in the COA loan fees for nonfederal, conventional alternative, or private student loans borrowed by the student. Only nonfederal educational loan fees assessed students for the enrollment period may be included in the COA (i.e., fees assessed parents cannot be included). If the school opts to include a nonfederal educational loan, the school may choose to include either the actual loan fees or an average of the loan fees.
Quick Quiz 2

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 54.

1. Aside from the basic COA components, what are the additional COA allowances which depend on an individual student’s circumstances? (check all that apply)
   - Personal miscellaneous expenses
   - Dependent care expenses
   - Tuition and fees
   - Educational loan fees
   - First professional credential fee
   - Room and board
   - Disability-related expenses
   - Transportation
   - Study abroad expenses
   - Books and supplies
   - Cooperative education expenses

2. What are the conditions under which a school is allowed to include dependent care expenses in a student’s COA? (check all that apply)
   - The expenses are the estimated actual expenses incurred for the dependent care
   - The expenses are an average allowance if that average does not exceed the costs for dependent care in the student’s community
   - The expenses are an average allowance if that average does not exceed the actual dependent care expenses incurred by the student
   - The dependents are children whose care is provided by a parent who is not compensated by the student
   - The dependents are the student’s children if dependent care is necessary for the student to attend school
   - The dependents are persons other than the student’s children, such as elderly parents, if dependent care is necessary for the student to attend school
   - The dependents are children who do not require supervision
   - The dependent care allowance is based on the number and age of the student’s dependents
   - The dependent is included in the student’s household size
   - The average dependent care cost can be used if it is higher than the actual costs incurred by the student
Quick Quiz 2 (cont’d)

3. A cooperative education program is a credit-bearing academic program which combines _________________ with _________________ and ____________. (fill in the blanks)

4. What is the recommended method for calculating an average educational loan fee allowance?
   - [ ] Calculate separate loan fee averages for undergraduate and graduate students
   - [ ] Calculate an average loan fee amount for each annual loan limit (e.g., freshman, sophomore, graduate, etc.)
   - [ ] Calculate a single average by multiplying the average loan amount borrowed by the school’s students by the fee percentage

5. If a school chooses to include maintenance expenses of dependents in the dependent care allowance when the family’s income is insufficient to cover basic subsistence costs (e.g., food and shelter), it may do so either ________________________________ or as ________________________________. (fill in the blanks)

6. If a school has a policy to include maintenance expenses of dependents in the dependent care allowance when the family’s income is insufficient to cover basic subsistence costs, it is not necessary to document the decision to include the unmet basic maintenance costs.
   - [ ] True
   - [ ] False

7. A school can include which of the following reasonable incurred disability-related expenses in a student’s COA? (check all that apply)
   - [ ] Special services not provided by other assisting agencies
   - [ ] Special equipment and supplies not provided by other assisting agencies
   - [ ] Transportation services, whether or not they are provided by other assisting agencies
   - [ ] Personal assistance not provided by other assisting agencies

8. With regards to including the study abroad allowance in the student’s COA, which of the following statements is true if the study abroad is conducted under a consortium or contractual agreement?
   - [ ] The student’s home institution must accept for credit the coursework the student completes while enrolled in the study abroad program
   - [ ] The study abroad program needs to be a requirement of the student’s home school degree program and the home school must approve the study abroad program for academic credit
   - [ ] Neither of the above
Quick Quiz 2 (cont’d)

9. A school is required to include in the COA loan fees for nonfederal, conventional alternative, or private student loans borrowed by the student.
   - True
   - False

10. Even though additional parent and graduate PLUS fees may increase a student’s Direct Loan eligibility, this increase may be paid with parent or graduate PLUS funds, respectively.
    - True
    - False

11. What are the conditions associated with including the cost of a student’s first professional credential in the student’s COA? (check all that apply)
    - The fee may be included one time per student per eligible academic program
    - The fee may be included one time per student per eligible academic program per academic year
    - The credential cost must be incurred while the student is still enrolled even if the credentialing activity occurs after the student’s enrollment period ends
    - The credential cost must be incurred and the credentialing activity must occur while the student is still enrolled
    - Inclusion of the fee is at the option of the school

12. What are the conditions associated with including nonfederal educational loan fees in the student’s COA? (check all that apply)
    - It is the school’s option to include in the COA loan fees for nonfederal, conventional alternative, or private student loans borrowed by the student
    - Only nonfederal educational loan fees assessed students (not parents) for the enrollment period may be included in the COA
    - If the school opts to include a nonfederal educational loan, the school may choose to include either the actual loan fees or an average of the loan fees
Learning Activity 1: Derrick Washington—Basic and Additional Costs

Using the information below about Derrick and Capital College (pages 35 to 36), and the rules for establishing the basic and additional COA components starting on page 43, complete the learning activity exercises that follow (page 37). Check your responses using the Answer Key on page 57.

Derrick Washington (independent, single parent):

Derrick Washington is recently widowed with two dependent children, ages 11 and 8. He has lived in Washington, DC, since August 1998, and has decided to return to Capital College in the District of Columbia. Derrick is a junior and plans to obtain his baccalaureate degree in psychology. He enrolls as a full-time student for both the Fall 2017 and Spring 2018 semesters. Derrick will live in a family apartment on campus with his children. He cooks for his family, so he will not need a meal plan. Fall classes begin August 28, 2017.

Since Derrick has two small children, he will enroll them in the Capital College after-school tutoring program, during which time he will be attending classes or studying. He will pay $400 for each child for the Fall 2017 semester. The 8-year-old will not return for the Spring 2018 semester. Instead, she will spend time with her grandmother while Derrick attends late afternoon classes. The 11-year-old will continue in the tutoring program at a cost of $500 for the Spring 2018 semester.

Derrick applies for a Federal Direct Student Loan (Direct Loan) in the amount of $5,500 with a first disbursement date of August 18, 2017.

Derrick recently had major back surgery. All of his doctor and hospital costs were covered by insurance. While he is undergoing physical therapy for the next 12 months while attending classes, Derrick’s doctor ordered a motorized wheelchair for him because he has difficulty walking. The chair is delivered to him on August 1, 2017. Derrick’s insurance covers half the cost of the wheelchair; however, he must pay the balance. He owes $2,000 for the wheelchair and full payment must be made by October 31, 2017.

On July 15, 2017, Derrick buys a $1,000 laptop computer.

Derrick submits the additional costs he will incur to the Capital College financial aid office.
Learning Activity 1: Derrick Washington—Basic and Additional Costs (cont’d)

Capital College Cost of Attendance Figures 2017–18
Undergraduate, Full-Time, Fall/Spring Semesters (9-Month) Costs

<table>
<thead>
<tr>
<th>Cost Components</th>
<th>Living at Home</th>
<th>Living in Campus Housing</th>
<th>Living Off Campus, No Roommate</th>
<th>Living Off Campus, with Roommate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate: Tuition and Fees</td>
<td>$23,000</td>
<td>$23,000</td>
<td>$23,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
</tr>
<tr>
<td>Transportation (public transportation)</td>
<td>$1,100</td>
<td>$1,100</td>
<td>$1,100</td>
<td>$1,100</td>
</tr>
<tr>
<td>Miscellaneous Personal Expenses</td>
<td>$1,900</td>
<td>$1,900</td>
<td>$1,900</td>
<td>$1,900</td>
</tr>
<tr>
<td>Personal Computer (maximum)</td>
<td>$800</td>
<td>$800</td>
<td>$800</td>
<td>$800</td>
</tr>
<tr>
<td>Room and Board</td>
<td>$3,500</td>
<td>$10,000 with meals $8,500 without meals</td>
<td>$9,500</td>
<td>$8,000</td>
</tr>
<tr>
<td>Undergraduate: Totals</td>
<td>$31,200</td>
<td>$37,700 with meals $36,200 without meals</td>
<td>$37,200</td>
<td>$35,700</td>
</tr>
</tbody>
</table>

Capital College Additional Allowable Cost Components

<table>
<thead>
<tr>
<th>Components</th>
<th>Single Semester Costs</th>
<th>Fall/Spring (9-Month) Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Care: Age 0 through 6 Per Child</td>
<td>Actual costs up to $1,500 maximum per child</td>
<td>Actual costs up to $3,000 maximum per child</td>
</tr>
<tr>
<td>Dependent Care: Age 7 through 13 Per Child</td>
<td>Actual costs up to $1,000 maximum per child</td>
<td>Actual costs up to $2,000 maximum per child</td>
</tr>
<tr>
<td>Dependent Care: Age 14 and Up Per Person</td>
<td>Documented costs</td>
<td>Documented costs</td>
</tr>
<tr>
<td>Subsidized and Unsubsidized Direct Loan Fees actual costs:</td>
<td>Documented costs (rounded to the nearest dollar)</td>
<td>Documented costs (rounded to the nearest dollar)</td>
</tr>
<tr>
<td>• 1.069% – first disbursement on or after 10/1/16 and before 10/1/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLUS Fees actual costs:</td>
<td>Documented costs (rounded to the nearest dollar)</td>
<td>Documented costs (rounded to the nearest dollar)</td>
</tr>
<tr>
<td>• 4.276% – first disbursement on or after 10/1/16 and before 10/1/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability-Related Costs</td>
<td>Documented costs</td>
<td>Documented costs</td>
</tr>
<tr>
<td>Room and Board for Less-Than-Half-Time Enrollment (inclusion determined by institution on case-by-case basis)</td>
<td>Allowance determined for part-time attendance</td>
<td></td>
</tr>
</tbody>
</table>
Learning Activity 1: Derrick Washington—Basic and Additional Costs (cont’d)

Capital College Cost of Attendance Figures 2016–17
Undergraduate, Less-Than-Half-Time, Fall/Spring Semesters (9-Month) Costs

<table>
<thead>
<tr>
<th>Cost Components</th>
<th>Undergraduate Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Tuition and Fees</td>
<td>$6,000</td>
</tr>
</tbody>
</table>
| Room and Board (for up to 3 semesters of which not more than 2 semesters may be consecutive) | Living at home: $3,000  
Living on campus:  
$10,000 with meals  
$8,500 without meals  
Living off campus, no roommate: $9,500  
Living off campus, with roommate: $8,000 |
| Books and Supplies                                                             | $300                  |
| Transportation (public transportation)                                        | $800                  |
| Totals                                                                         | Living at home: $10,100  
Living on campus:  
$17,100 with meals  
$15,600 without meals  
Living off campus, no roommate: $16,600  
Living off campus, with roommate: $15,100 |
Learning Activity 1: Derrick Washington—Basic and Additional Costs (cont’d)

Derrick Washington’s Full-Time, Full-Year Cost of Attendance at Capital College

Exercise 1: Using the Capital College Cost of Attendance Figures chart for full-time, 9-month costs, list the basic COA components and the related cost amounts for Derrick:

<table>
<thead>
<tr>
<th>Basic COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>TOTAL:</td>
<td>$</td>
</tr>
</tbody>
</table>

Exercise 2: Using the Capital College Additional Allowance Cost Components chart, list the additional allowable cost components and the related cost amounts for Derrick:

<table>
<thead>
<tr>
<th>Additional COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>$</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$</td>
</tr>
</tbody>
</table>

The total cost of attendance for Derrick is: $
COA Restrictions

Certain cost components are excluded from the COA for students who are:

- Enrolled less than half time;
- Enrolled in correspondence programs; or
- Incarcerated.

Less-Than-Half-Time Enrollment Restriction

For less-than-half-time students, the COA components are restricted to:

- Tuition and fees;
- Books, supplies, and transportation;
- Room and board; and
- Dependent care.

The definition of half-time status is determined by the school within regulatory parameters.

*Half-time student* is defined in Section 668.2(b) of the General Provisions regulations, as well as in the Glossary.

The allowance for room and board is at the school’s option and is included for not more than three semesters or the equivalent, of which not more than two semesters may be consecutive.

Personal and miscellaneous expenses may not be included. Disability-related expenses may be included as a professional judgment adjustment, if warranted, and properly documented.

Correspondence Study Restriction

For students enrolled in correspondence study, the COA components are restricted to:

- Tuition and fees;
- Required books and supplies; and
- Transportation, room, and board costs only if incurred during required periods of on-site residential training.

Correspondence course and distance education are defined in Section 600.2 of the Institutional Eligibility regulations, as well as in the Glossary. A student is not eligible for Title IV funds for correspondence courses unless he is enrolled in an associate, a baccalaureate, or a graduate degree program.

The tuition, fees, books, and supplies cost components must be calculated on an individual case-by-case basis to reflect the program’s actual contract prices paid by each student. The cost of a personal computer must be a part of the contractual costs for required books and supplies to be included in the COA for students enrolled in correspondence study programs.

Distance education. A distance education (formerly “telecommunications”) course is one offered principally through television, audio, or computer transmission, and is not considered a correspondence course for Title IV purposes. Distance education courses do not have COA restrictions for Title IV purposes, however, a student’s COA may be adjusted using professional judgment, if the financial aid administrator determines distance education study results in substantially reduced educational costs for that student. For example, you may exclude transportation costs if you determine that such costs will not be incurred by a student. Such adjustments must be documented in the student’s file. The proper use of professional judgment is explained in the NASFAA Self-Study Guide, *Professional Judgment*.

Incarcerated Student Restriction

For incarcerated students, the COA components are restricted to:

- Tuition and fees; and
- Required books and supplies.
Quick Quiz 3

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 58.

1. For students enrolled in correspondence study programs, the COA is restricted to include only which of the following components? (check all that apply)
   - ❑ Tuition and fees, actual or average
   - ❑ Tuition and fees calculated on an individual case-by-case basis to reflect the student’s academic program’s actual contract prices paid by the student
   - ❑ Room and board for periods of on-site residential training
   - ❑ Room and board for both on-site residential and nonresidential training
   - ❑ Books and supplies only if required and only when calculated on an individual case-by-case basis to reflect the program’s actual contract prices paid by the student
   - ❑ Personal computer if it is part of the contractual costs for required books and supplies
   - ❑ Transportation for both on-site residential and nonresidential training
   - ❑ Transportation only if incurred during required periods of on-site residential training
   - ❑ Miscellaneous personal expenses
   - ❑ Personal computer if it is part of the miscellaneous personal expenses component
   - ❑ Dependent care expenses
   - ❑ Disability-related expenses
   - ❑ Cooperative education program expenses
   - ❑ Study abroad expenses
   - ❑ Cost of a first professional credential
   - ❑ Educational loan fees

2. While distance education courses do not have COA restrictions for Title IV purposes, a student’s COA must be adjusted using professional judgment, if the financial aid administrator determines distance education study results in substantially reduced educational costs for that student.
   - ❑ True
   - ❑ False
Quick Quiz 3 (cont’d)

3. For students enrolled less than half time, the COA is restricted to include only which of the following components? *(check all that apply)*
   - [ ] Tuition and fees
   - [ ] Room and board only for on-site residential training
   - [ ] Room and board for not more than three semesters or the equivalent, of which not more than two semesters may be consecutive
   - [ ] Room and board regardless of the number of semesters (or equivalent) the student is enrolled
   - [ ] Books and supplies
   - [ ] Transportation
   - [ ] Miscellaneous personal expenses
   - [ ] Dependent care expenses
   - [ ] Disability-related expenses as a professional judgment adjustment, if warranted and properly documented
   - [ ] Cooperative education program expenses
   - [ ] Study abroad expenses
   - [ ] Cost of a first professional credential
   - [ ] Educational loan fees

4. For incarcerated students, the COA is restricted to include only which the following components? *(check all that apply)*
   - [ ] Tuition and fees
   - [ ] Room and board
   - [ ] Books and supplies, if required
   - [ ] Transportation
   - [ ] Miscellaneous personal expenses
   - [ ] Dependent care expenses
   - [ ] Disability-related expenses
   - [ ] Cooperative education program expenses
   - [ ] Study abroad expenses
   - [ ] Cost of a first professional credential
   - [ ] Educational loan fees
**Learning Activity 2: Derrick Washington—Less-Than-Half-Time-Enrollment**

Using the Capital College Less-Than-Half-Time Cost of Attendance Figures chart on page 36 and the Additional Allowable Cost Components chart on page 35, list Derrick’s basic and additional allowable cost components as a less-than-half-time student. Also, determine his related cost amounts for each component and calculate his total cost of attendance. Check your responses using the Answer Key on page 60.

Derrick Washington’s Less-Than-Half-Time, Full-Year Cost of Attendance at Capital College

Note: Derrick has never been enrolled less than half time before. He is still living in on-campus family housing with his two children.

The less-than-half-time basic and additional allowable cost components and related cost figures for Derrick are:

<table>
<thead>
<tr>
<th>Basic and Additional COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>TOTAl COST OF ATTENDANCE:</td>
<td>$</td>
</tr>
</tbody>
</table>
Reflection Questions

Take a few moments to reflect on the following questions. There are no right or wrong answers. You can also discuss these questions with a coworker in your office.

1. Does your school offer any cooperative education programs, and if so, what types of expenses are typically included for this allowance?

___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________

2. Does your school offer distance education courses or programs? If so, does your school have a mechanism in place to check for educational costs which are substantially reduced when compared to the standard COA for residential programs within the same COA category of students?

___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________
___________________________________________________________________________________

3. If your school offers distance education courses or programs, identify those with substantially reduced educational costs and detail any professional judgment adjustments you would make to the COA for students enrolled in each of those courses or programs.

___________________________________________________________________________________
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## Basic Cost of Attendance Components

<table>
<thead>
<tr>
<th>Tuition and Fees</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Tuition and fees normally assessed a student carrying the same academic workload, as determined by the school, and including the costs for the rental or purchase of any equipment, materials, or supplies required of all students in the same program of study. | - If the student is charged tuition and fees, even if the charge is eventually paid by someone besides the student (e.g., a scholarship agency or other source), that amount is included in the COA.  
- If the student is never charged tuition and fees, the COA cannot include the tuition and fees component.  
- Average or actual tuition charges may be used, but must be applied consistently.  
  > If using average amounts, the school may use overall averages for each level of enrollment or establish separate averages for various categories of students.  
  > Tuition average categories may address such variations as academic programs, undergraduate versus graduate, in-state versus out-of-state, etc.  
  > If an average is used for a category, it must be a weighted average. The weighted average is calculated in three steps:  
    **Step 1:** Calculate the total amount of tuition charged by multiplying the tuition charge by the number of students subject to that rate.  
    **Step 2:** Add the results from Step 1 to get the total amount of tuition charged and the total number of students charged for the category.  
    **Step 3:** Calculate the weighted average by dividing the total amount of tuition charged by the total number of students in the category.  
- If the student is enrolled less than full time:  
  > For the campus-based, Teacher Education Assistance for College and Higher Education (TEACH) Grant, and Federal Direct Student Loan (Direct Loan) programs, use less-than-full-time tuition charges actually incurred or a proration of the full-time average amount; and  
  > For Federal Pell Grants, always use tuition costs based on full-time enrollment for a full academic year.  
- Fees may only be included in the COA if required for:  
  > All students;  
  > All students in a particular program of study; or  
  > A broad category of students (e.g., undergraduates, graduates).  
- Fees paid directly to third parties (e.g., insurance fees paid directly to the insurance company), or paid to the school and then passed on to the insurance company generally cannot be included in the COA.  
  > However, fees charged but then passed to a third party may be included if charged to broad categories of students. |
### Basic Cost of Attendance Components

<table>
<thead>
<tr>
<th>Tuition and Fees</th>
<th>Comments</th>
</tr>
</thead>
</table>
| *(continued)*    | - Costs for the rental or purchase of equipment, materials, or supplies may be included under the tuition and fees component if required for all students in the same program of study, such as:  
  - Laboratory fees for health professions programs;  
  - Musical instruments for music majors;  
  - Tools for an automotive mechanics program;  
  - Cosmetology kits and supplies for cosmetology majors; and  
  - Equipment costs for distance education instruction.  
- If the school charges the total tuition and fees up-front for an entire program that is longer than an academic year in length, the total tuition and fees amount:  
  - Applies only to the program’s very first period of enrollment when calculating campus-based and Direct Loan awards; and  
  - Is prorated to reflect the full-time, full academic year COA for awarding Federal Pell Grants.  
- If away in a cooperative education job during the first term of the program’s academic year, the student’s tuition and fees for that first term are prorated and applied on a full-time, full academic year cost basis when awarding Title IV funds. |

<table>
<thead>
<tr>
<th>Books and Supplies</th>
<th>Comments</th>
</tr>
</thead>
</table>
| An allowance determined by the school for books and supplies. | - A school may use a single books and supplies allowance for all students or separate allowances for different categories of students.  
- If separate allowances are established:  
  - They should be sensitive to program-specific needs (e.g., art, medicine, nursing, law, engineering, automotive mechanics, or other programs for which the purchase of expensive books, tools, or supplies is recommended); and  
  - The school’s written policy should specify the considerations and limitations for any allowance variations. |

<table>
<thead>
<tr>
<th>Transportation</th>
<th>Comments</th>
</tr>
</thead>
</table>
| An allowance determined by the school for transportation. | - The transportation allowance must be reasonable and may include:  
  - Transportation between the student’s residence and the school; and  
  - Travel necessary to complete a course of study.  
- If public transportation is not available, the standard transportation allowance may include the costs of operating and maintaining a car (e.g., gas, oil, license, insurance, and repair).  
  - A school may use the prevailing mileage costs in the region where it is located.  
  - Payments for the purchase or lease of a car may not be included. |
### Basic Cost of Attendance Components

<table>
<thead>
<tr>
<th>Miscellaneous Personal Expenses</th>
<th>Comments</th>
</tr>
</thead>
</table>
| An allowance determined by the school for miscellaneous personal expenses. | • Allowable personal expenses include items such as clothing, personal up-keep, grooming aids, and recreation.  
• The allowance should permit the student a moderate standard of living. |

<table>
<thead>
<tr>
<th>Personal Computer</th>
<th>Comments</th>
</tr>
</thead>
</table>
| An allowance determined by the school for the documented reasonable cost of a personal computer for a student attending on at least a half-time basis. | • The computer does not have to be required by the student’s program.  
• The computer may be purchased in the summer for use during the following fall enrollment period.  
• The school’s policies and procedures should include the conditions under which the allowance is permitted, the amount permitted, and the documentation required. |

<table>
<thead>
<tr>
<th>Room and Board</th>
<th>Comments</th>
</tr>
</thead>
</table>
| An allowance determined by the school for room and board incurred by a student for the following categories of students:  
• Students without dependents living at home with parents—an allowance based on room and board expenses reasonably incurred by such students;  
• Students without dependents living in school-owned or operated housing—a standard allowance based on the amount normally assessed most of the school’s residents for room and board;  
• Students living in on-base military housing or in housing for which the military provides a basic housing allowance—an allowance for board, but not for room, expenses reasonably incurred by such students; and  
• All other students—an allowance based on the expenses reasonably incurred by such students for room and board. | • The “all other students” category includes:  
➢ Students with dependents living at home or in campus housing; and  
➢ All students living off campus, but not with parent(s).  
• The allowance must include only the student’s room and board expenses and not those of other household members.  
• Although the law establishes specific categories, the school also may establish COA subcategories.  
• If room and board is supplied by the school at no charge, that component of the COA is zero.  
• If the student is charged for the room and board and the charge is then waived, the value of the room and board is included in the COA.  
• Schools are not required to monitor the COA components used by other institutions attended by the student.  
• For less-than-half-time students, room and board allowance may be included for up to 3 semesters, of which not more than 2 semesters may be consecutive. |
### Additional Cost of Attendance Allowances

<table>
<thead>
<tr>
<th>Dependent Care</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>For a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that the:</td>
<td>• A “dependent” may include persons other than children (such as elderly dependent parents).</td>
</tr>
<tr>
<td>• Allowance shall not exceed the reasonable cost in the community in which the student resides for the kind of care provided; and</td>
<td>• The allowance is based on typical costs for care in the student’s community.</td>
</tr>
<tr>
<td>• Period for which dependent care is required includes, but is not limited to, class time, study time, field work, internships, and commuting time.</td>
<td>• The school may not use state or other standards in determining the amount of the allowance.</td>
</tr>
<tr>
<td></td>
<td>• An average allowance may be used if it does not exceed the costs for dependent care in the student’s community, or costs actually incurred by the student.</td>
</tr>
<tr>
<td></td>
<td>• If the student’s actual costs are lower than the average cost, actual costs must be used.</td>
</tr>
<tr>
<td></td>
<td>• To include the allowance, the school must determine and document the student:</td>
</tr>
<tr>
<td></td>
<td>➢ Has a dependent who is included in the household size, for whom care is required for the student to attend school; and</td>
</tr>
<tr>
<td></td>
<td>➢ Incurred or will incur dependent care expenses.</td>
</tr>
<tr>
<td></td>
<td>• The school determines what documentation is required as long as it is collected in a reasonable way (e.g., a student’s written statement or dependent care invoices).</td>
</tr>
<tr>
<td></td>
<td>• The allowance may include the maintenance expenses of dependents when the family’s income is insufficient to cover basic subsistence costs (e.g., food and shelter).</td>
</tr>
<tr>
<td></td>
<td>➢ Income less than the income protection allowance (IPA) in the formula used to calculate the expected family contribution (EFC) is an indicator the family’s income is insufficient to cover basic subsistence costs.</td>
</tr>
<tr>
<td></td>
<td>➢ If the school chooses to include maintenance expenses of dependents in the dependent care allowance when the family’s income is insufficient, it may do so either on a case-by-case basis using professional judgment or as a standard approach to budget construction.</td>
</tr>
<tr>
<td></td>
<td>• A school’s COA policies and procedures should state whether it automatically provides a dependent care allowance when family income is insufficient to cover basic maintenance costs. If the school has such a policy:</td>
</tr>
<tr>
<td></td>
<td>➢ It is not necessary to document the decision to include unmet basic maintenance costs; and</td>
</tr>
<tr>
<td></td>
<td>➢ The allowed amount should be determined on an individual basis (i.e., negative difference between income and the IPA).</td>
</tr>
</tbody>
</table>
## Additional Cost of Attendance Allowances

<table>
<thead>
<tr>
<th>Disability-Related Costs</th>
<th>Comments</th>
</tr>
</thead>
</table>
| For a student with a disability, an allowance determined by the school for those expenses related to the student’s disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided by other assisting agencies. | • Disability-related expenses paid by another organization may not be included in the COA.  
• The school must document any disability-related expenses included in the student’s COA on a case-by-case basis. |

<table>
<thead>
<tr>
<th>Cooperative Education</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>For a student placed in a work experience under a cooperative education program, an allowance determined by the school for reasonable costs associated with such employment.</td>
<td>• Examples of such costs may include an allowance for additional travel to and from work, an allowance for work clothes or uniforms, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study Abroad</th>
<th>Comments</th>
</tr>
</thead>
</table>
| For a student enrolled in a study abroad program approved for credit by his or her home school, reasonable costs associated with such study, as determined by the study abroad school. | • An example of such a cost may include an allowance for travel to and from the study abroad location.  
• If under a consortium or contractual agreement, the student’s home institution must accept the coursework the student completes while enrolled in the study abroad program for credit.  
• The study abroad program need not be a requirement of the student’s home school degree program, but the home school must approve the study abroad program for academic credit. |

<table>
<thead>
<tr>
<th>First Professional Credential</th>
<th>Comments</th>
</tr>
</thead>
</table>
| For a student in a field requiring professional licensure or certification, the one-time cost of obtaining the first professional credential in that field, at the option of the school. | • The credential cost must be incurred while the student is still enrolled even if the credentialing activity occurs after the enrollment period ends.  
• This allowance may only be provided one time per student per eligible academic program.  
• Examples may include:  
➤ The cost of obtaining the teacher certification required for teaching in the state;  
➤ The license required for a health sciences major to begin practice in the field as a physical therapist;  
➤ The examination fee for taking the bar exam necessary to practice law in a given state; and  
➤ Travel expenses related to interviews for a medical residency required for licensure in the medical profession. |
## Additional Cost of Attendance Allowances

<table>
<thead>
<tr>
<th>Educational Loan Fees</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>An allowance for the actual cost of any loan fee, origination fee, or default fee charged to the student or parent, or the average cost of any such fee charged by ED or the lender.</td>
<td>• This allowance is required for all federal educational loans; it is optional for nonfederal educational loans.</td>
</tr>
<tr>
<td></td>
<td>• For federal educational loans, the school may use the actual loan fee amount or an average based on the same type of loan borrowed for attendance at the school.</td>
</tr>
<tr>
<td></td>
<td>• Methods to calculate the average loan fee:</td>
</tr>
<tr>
<td></td>
<td>➢ <strong>Method One</strong>: Calculate a single average by multiplying the average loan amount borrowed by the school’s students by the loan fee percentage.</td>
</tr>
<tr>
<td></td>
<td>➢ <strong>Method Two</strong>: Calculate separate loan fee averages for undergraduate and graduate students. This is the recommended method.</td>
</tr>
<tr>
<td></td>
<td>➢ <strong>Method Three</strong>: Calculate an average loan fee amount for each annual loan limit (e.g., freshman, sophomore, graduate, etc.).</td>
</tr>
<tr>
<td></td>
<td>• If an estimated average or actual fee allowance is used and the loan is declined, the school must ensure the allowance does not mask an overaward.</td>
</tr>
<tr>
<td></td>
<td>• If an estimated actual fee allowance is used and a lower loan amount is requested, the school is not required to recalculate fees but must ensure the allowance does not mask an overaward.</td>
</tr>
<tr>
<td></td>
<td>• If a parent chooses to borrow PLUS rather than having the student borrow, the COA should only include PLUS fees.</td>
</tr>
<tr>
<td></td>
<td>• Only nonfederal educational loan fees assessed students for the enrollment period may be included in the COA (i.e., fees assessed parents cannot be included).</td>
</tr>
<tr>
<td></td>
<td>➢ If the school opts to include a nonfederal educational loan, the school may choose to include either the actual loan fees or an average.</td>
</tr>
</tbody>
</table>
# Cost of Attendance Restrictions

<table>
<thead>
<tr>
<th>Less-Than-Half-Time Students</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>COA components are restricted to:</td>
<td>• The definition of half-time status is determined by the school within regulatory parameters.</td>
</tr>
<tr>
<td>• Tuition and fees;</td>
<td>• The allowance for room and board is at the school’s option and is included for not more than 3 semesters or the equivalent, of which not more than 2 semesters may be consecutive.</td>
</tr>
<tr>
<td>• Books, supplies, and transportation;</td>
<td>• Disability-related expenses may be included as a professional judgment adjustment, if warranted, and properly documented.</td>
</tr>
<tr>
<td>• Room and board; and</td>
<td></td>
</tr>
<tr>
<td>• Dependent care.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correspondence Program Students</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>COA components are restricted to:</td>
<td>• The tuition, fees, books, and supplies cost components must be calculated on an individual case-by-case basis to reflect the program’s actual contract prices paid by each student.</td>
</tr>
<tr>
<td>• Tuition and fees;</td>
<td>• A distance education (formerly “telecommunications”) course is one offered principally through television, audio, or computer transmission, and is not considered a correspondence course for Title IV purposes.</td>
</tr>
<tr>
<td>• Required books and supplies; and</td>
<td>➢ While distance education courses do not have COA restrictions, a student’s COA must be adjusted using professional judgment, if the financial aid administrator determines distance education study results in substantially reduced educational costs for that student.</td>
</tr>
<tr>
<td>• Transportation, room, and board costs only if incurred during required periods of on-site residential training.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incarcerated Students</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>COA components are restricted to:</td>
<td>• A student incarcerated in a federal or state penal institution cannot receive a Federal Pell Grant.</td>
</tr>
<tr>
<td>• Tuition and fees; and</td>
<td>• A student incarcerated in any type of institution is not eligible to receive loans under the Direct Loan or Federal Perkins Loan programs.</td>
</tr>
<tr>
<td>• Required books and supplies.</td>
<td></td>
</tr>
</tbody>
</table>
Lesson 2 Answer Keys

Quick Quiz 1

1. The U.S. Department of Education is prohibited from regulating the cost of attendance.
   ✔ True
   ☐ False

2. List each of the basic COA components and additional COA allowances in the chart below:

<table>
<thead>
<tr>
<th>Basic COA Components</th>
<th>Additional COA Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>Dependent care</td>
</tr>
<tr>
<td>Room and board</td>
<td>Disability-related expenses</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>Cooperative education program expenses</td>
</tr>
<tr>
<td>Transportation</td>
<td>Study abroad expenses</td>
</tr>
<tr>
<td>Miscellaneous personal expenses, including a personal computer</td>
<td>Cost of first professional credential</td>
</tr>
<tr>
<td></td>
<td>Educational loan fees</td>
</tr>
</tbody>
</table>

3. Except for dependent care, a student’s COA cannot be expanded to include the costs of other family members, such as the living expenses or educational costs of a student’s spouse or children.
   ✔ True
   ☐ False

4. The **Basic Allowance for Housing (BAH)** paid to active duty military personnel is distinct from the **Military Housing Allowance (MHA)** paid to students receiving veteran’s educational benefits under the Post-9/11 GI Bill.

5. For the Federal Pell Grant and IASG programs, the COA is always based on **full-time attendance** for a **full academic year of study**, even if the student is attending half time or only for a portion of the academic year.
Quick Quiz 1 (cont’d)

6. Draw an arrow to match the following statutory room and board categories with the allowance treatment which is most appropriate for each category:

<table>
<thead>
<tr>
<th>Room and Board Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students without dependents living in school-owned or operated housing</td>
<td>Allowance for board, but not for room, expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>Students without dependents living at home with parents</td>
<td>Standard allowance based on the amount normally assessed most of the school’s residents for room and board</td>
</tr>
<tr>
<td>Students living in on-base military housing or in housing for which the military provides a basic housing allowance</td>
<td>Allowance based on room and board expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>All other students (including students with dependents living at home or in campus housing and all students living off campus, but not with a parent)</td>
<td></td>
</tr>
</tbody>
</table>

7. For students who are simultaneously enrolled at multiple schools under consortium agreements, the school must do which of the following with like budget items and charges? (check all that apply)

☑ Combine like budget items into single amounts for each COA component to prevent double counting of student expenses

☒ Add like budget items from each school together to establish a single amount for each COA component

☑ Apply the resulting COAs on a full-time, full academic year basis for the Federal Pell Grant and IASG programs

☑ Adjust the resulting COAs for less-than-full-time enrollment for the TEACH Grant, FSEOG, FWS, Federal Perkins Loan, and Direct Loan programs

8. When there is no simultaneous enrollment, a school is still required to monitor the COA components used by other schools attended by a student.

☒ True

☑ False
### Quick Quiz 1 (cont’d)

9. Fill in each blank in the following statement using the best of the presented options related to the COA:

If the student is charged tuition and fees, and if the charge is eventually paid by someone besides the student (e.g., a scholarship agency or other source), that amount is **included in** the COA. If the student is never charged tuition and fees, the COA **cannot** include the tuition and fees component.

10. A school is allowed to charge students who are receiving Title IV aid a different tuition rate than those students who are not receiving Title IV aid.

- [ ] True
- [x] False

11. The transportation allowance in the cost of attendance may include which of the following? (check all that apply)

- [x] Transportation between the student’s residence and the school
- [ ] Costs of purchasing or renting an automobile or other motorized vehicle
- [x] Costs of maintaining and operating an automobile, including gas, oil, license, insurance, and repair
- [x] Travel necessary to complete the student’s course of study
- [ ] A reasonable allowance for winter and spring break travel to another state or country
- [x] The prevailing mileage costs in the region where the school is located

12. To be included in the COA, fees must be which of the following? (check all that apply)

- [x] Optional fees charged to students on a case-by-case basis, if professional judgment is used to include them in the COA
- [x] Fees required for all students
- [x] Fees charged to all students in a particular course of study
- [x] Fees charged to all students in a broad category of students (e.g., graduate vs. undergraduate)
Quick Quiz 1 (cont’d)

13. Fill in each blank in the following statement using the best of the presented options related to the COA:

Fees paid directly to third parties (e.g., insurance fees paid directly to the insurance company, cellular phone plan fees, etc.), or paid to the school and then passed on to the third party generally cannot be included in the COA. However, fees charged but then passed to a third party can be included if they are charged to broad categories of students.

• can
• cannot

14. The miscellaneous personal expense allowance in the COA may include which of the following? (check all that apply)

- Clothing
- Parking tickets
- Personal maintenance
- Grooming aids
- Library fines
- Recreation

15. If the school charges the total tuition and fees up-front for an entire program that is longer than an academic year in length, the total tuition and fees amount applies only to the program’s very first period of enrollment when calculating campus-based and Direct Loan awards. It is prorated to reflect the full-time, full academic year cost of attendance for awarding Federal Pell Grant and IASG awards.

16. A student’s cost of attendance may include the cost of a personal computer which is purchased during the summer, two months prior to the start of school.

- True
- False
Quick Quiz 2

1. Aside from the basic COA components, what are the additional COA allowances which depend on an individual student’s circumstances? *(check all that apply)*
   - Personal miscellaneous expenses
   - **Dependent care expenses**
   - Tuition and fees
   - **Educational loan fees**
   - **First professional credential fee**
   - Room and board
   - **Disability-related expenses**
   - Transportation
   - **Study abroad expenses**
   - Books and supplies
   - **Cooperative education expenses**

2. What are the conditions under which a school is allowed to include dependent care expenses in a student’s COA? *(check all that apply)*
   - **The expenses are the estimated actual expenses incurred for the dependent care**
   - **The expenses are an average allowance if that average does not exceed the costs for dependent care in the student’s community**
   - **The expenses are an average allowance if that average does not exceed the actual dependent care expenses incurred by the student**
   - The dependents are children whose care is provided by a parent who is not compensated by the student
   - **The dependents are the student’s children if dependent care is necessary for the student to attend school**
   - **The dependents are persons other than the student’s children, such as elderly parents, if dependent care is necessary for the student to attend school**
   - The dependents are children who do not require supervision
   - **The dependent care allowance is based on the number and age of the student’s dependents**
   - **The dependent is included in the student’s household size**
   - The average dependent care cost can be used if it is higher than the actual costs incurred by the student
Quick Quiz 2 (cont’d)

3. A cooperative education program is a credit-bearing academic program which combines __professional work experience in the student’s field of study__ with __academic research__ and __coursework__.

4. What is the recommended method for calculating an average educational loan fee allowance?
   - [✓] Calculate separate loan fee averages for undergraduate and graduate students
   - [☐] Calculate an average loan fee amount for each annual loan limit (e.g., freshman, sophomore, graduate, etc.)
   - [☐] Calculate a single average by multiplying the average loan amount borrowed by the school’s students by the fee percentage

5. If a school chooses to include maintenance expenses of dependents in the dependent care allowance when the family’s income is insufficient to cover basic subsistence costs (e.g., food and shelter), it may do so either __on a case-by-case basis using professional judgment__ or as __a standard approach to student budget construction__.

6. If a school has a policy to include maintenance expenses of dependents in the dependent care allowance when the family’s income is insufficient to cover basic subsistence costs, it is not necessary to document the decision to include the unmet basic maintenance costs.
   - [✓] True
   - [☐] False

7. A school can include which of the following reasonable incurred disability-related expenses in a student’s COA? (check all that apply)
   - [✓] Special services not provided by other assisting agencies
   - [✓] Special equipment and supplies not provided by other assisting agencies
   - [☐] Transportation services, whether or not they are provided by other assisting agencies
   - [✓] Personal assistance not provided by other assisting agencies

8. With regards to including the study abroad allowance in the student’s COA, which of the following statements is true if the study abroad is conducted under a consortium or contractual agreement?
   - [✓] The student’s home institution must accept for credit the coursework the student completes while enrolled in the study abroad program
   - [☐] The study abroad program needs to be a requirement of the student’s home school degree program and the home school must approve the study abroad program for academic credit
   - [☐] Neither of the above
Quick Quiz 2 (cont’d)

9. A school is required to include in the COA loan fees for nonfederal, conventional alternative, or private student loans borrowed by the student.
   - True
   - False

10. Even though additional parent and graduate PLUS fees may increase a student’s Direct Loan eligibility, this increase may be paid with parent or graduate PLUS funds, respectively.
   - True
   - False

11. What are the conditions associated with including the cost of a student’s first professional credential in the student’s COA? (check all that apply)
   - The fee may be included one time per student per eligible academic program
   - The fee may be included one time per student per eligible academic program per academic year
   - The credential cost must be incurred while the student is still enrolled even if the credentialing activity occurs after the student’s enrollment period ends
   - The credential cost must be incurred and the credentialing activity must occur while the student is still enrolled
   - Inclusion of the fee is at the option of the school

12. What are the conditions associated with including nonfederal educational loan fees in the student’s COA? (check all that apply)
   - It is the school’s option to include in the COA loan fees for nonfederal, conventional alternative, or private student loans borrowed by the student
   - Only nonfederal educational loan fees assessed students (not parents) for the enrollment period may be included in the COA
   - If the school opts to include a nonfederal educational loan, the school may choose to include either the actual loan fees or an average of the loan fees
Learning Activity 1: Derrick Washington—Basic and Additional Costs

Derrick Washington’s Full-Time, Full-Year Cost of Attendance at Capital College

Exercise 1: The full-time basic COA components and related cost amounts for Derrick are:

<table>
<thead>
<tr>
<th>Basic COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Tuition and Fees</td>
<td>$23,000</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$900</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,100</td>
</tr>
<tr>
<td>Miscellaneous Personal Expenses</td>
<td>$1,900</td>
</tr>
<tr>
<td>Personal Computer</td>
<td>$800</td>
</tr>
<tr>
<td>Room and Board</td>
<td>$8,500</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$36,200</strong></td>
</tr>
</tbody>
</table>

Exercise 2: The additional allowable cost components and related cost figures for Derrick are:

<table>
<thead>
<tr>
<th>Additional COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Care: 8-Year-Old Child</td>
<td>$400</td>
</tr>
<tr>
<td>Dependent Care: 11-Year-Old Child</td>
<td>$900</td>
</tr>
<tr>
<td>Disability-Related Costs</td>
<td>$2,000</td>
</tr>
<tr>
<td>Direct Loan Fees</td>
<td>$59</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$3,359</strong></td>
</tr>
</tbody>
</table>

The total cost of attendance for Derrick is: $39,559 ($36,200 + $3,359)
### Quick Quiz 3

1. For students enrolled in correspondence study programs, the COA is restricted to include only which of the following components? (check all that apply)

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Tuition and fees, actual or average</td>
<td></td>
</tr>
<tr>
<td>☑ Tuition and fees calculated on an individual case-by-case basis to reflect the student’s academic program’s actual contract prices paid by the student</td>
<td></td>
</tr>
<tr>
<td>☑ Room and board for periods of on-site residential training</td>
<td></td>
</tr>
<tr>
<td>☐ Room and board for both on-site residential and nonresidential training</td>
<td></td>
</tr>
<tr>
<td>☑ Books and supplies only if required and only when calculated on an individual case-by-case basis to reflect the program’s actual contract prices paid by the student</td>
<td></td>
</tr>
<tr>
<td>☑ Personal computer if it is part of the contractual costs for required books and supplies</td>
<td></td>
</tr>
<tr>
<td>☐ Transportation for both on-site residential and nonresidential training</td>
<td></td>
</tr>
<tr>
<td>☑ Transportation only if incurred during required periods of on-site residential training</td>
<td></td>
</tr>
<tr>
<td>☐ Miscellaneous personal expenses</td>
<td></td>
</tr>
<tr>
<td>☐ Personal computer if it is part of the miscellaneous personal expenses component</td>
<td></td>
</tr>
<tr>
<td>☐ Dependent care expenses</td>
<td></td>
</tr>
<tr>
<td>☐ Disability-related expenses</td>
<td></td>
</tr>
<tr>
<td>☐ Cooperative education program expenses</td>
<td></td>
</tr>
<tr>
<td>☐ Study abroad expenses</td>
<td></td>
</tr>
<tr>
<td>☐ Cost of a first professional credential</td>
<td></td>
</tr>
<tr>
<td>☐ Educational loan fees</td>
<td></td>
</tr>
</tbody>
</table>

2. While distance education courses do not have COA restrictions for Title IV purposes, a student’s COA must be adjusted using professional judgment, if the financial aid administrator determines distance education study results in substantially reduced educational costs for that student.

<table>
<thead>
<tr>
<th>Statement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ True</td>
<td></td>
</tr>
<tr>
<td>☐ False</td>
<td></td>
</tr>
</tbody>
</table>
Quick Quiz 3 (cont’d)

3. For students enrolled less than half time, the COA is restricted to include only which of the following components? (check all that apply)
   - [x] Tuition and fees
   - [ ] Room and board only for on-site residential training
   - [x] Room and board for not more than three semesters or the equivalent, of which not more than two semesters may be consecutive
   - [ ] Room and board regardless of the number of semesters (or equivalent) the student is enrolled
   - [x] Books and supplies
   - [x] Transportation
   - [ ] Miscellaneous personal expenses
   - [x] Dependent care expenses
   - [x] Disability-related expenses as a professional judgment adjustment, if warranted and properly documented
   - [ ] Cooperative education program expenses
   - [ ] Study abroad expenses
   - [ ] Cost of a first professional credential
   - [ ] Educational loan fees

4. For incarcerated students, the COA is restricted to include only which the following components? (check all that apply)
   - [x] Tuition and fees
   - [ ] Room and board
   - [x] Books and supplies, if required
   - [ ] Transportation
   - [ ] Miscellaneous personal expenses
   - [ ] Dependent care expenses
   - [ ] Disability-related expenses
   - [ ] Cooperative education program expenses
   - [ ] Study abroad expenses
   - [ ] Cost of a first professional credential
   - [ ] Educational loan fees
## Learning Activity 2: Derrick Washington—Less-Than-Half-Time Enrollment

**Derrick Washington’s Less-Than-Half-Time, Full-Year Cost of Attendance at Capital College**

The less-than-half-time basic and additional allowable cost components and related cost figures for Derrick are:

<table>
<thead>
<tr>
<th>Basic and Additional COA Components</th>
<th>Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees</td>
<td>$ 6,000</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$ 300</td>
</tr>
<tr>
<td>Transportation</td>
<td>$ 800</td>
</tr>
<tr>
<td>Dependent Care: 8-Year-Old Child</td>
<td>$ 400</td>
</tr>
<tr>
<td>Dependent Care: 11-Year-Old Child</td>
<td>$ 900</td>
</tr>
<tr>
<td>Room and Board</td>
<td>$ 8,500</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL COST OF ATTENDANCE:</strong></td>
<td>$ 16,900</td>
</tr>
</tbody>
</table>

**Explanation:** Although Derrick is enrolled less than half time, his dependent care costs are the same. Derrick has never been enrolled less than half time before; thus, a room and board allowance is included in his COA under the institution’s policy.

Because Derrick is enrolled less than half time, his COA does not include:
- Loan fees (since he is ineligible for the Direct Loan);
- Miscellaneous personal expenses;
- The allowance for disability-related expenses; or
- The allowance for the laptop computer.
Lesson 3: Recalculations and Non-Title IV Aid

Introduction

In Lesson 1, the concept of cost of attendance (COA) or budget was introduced along with the purposes and principles of student budget construction. You also learned about setting institutional and noninstitutional costs, as well as how data may be collected to set those costs. In Lesson 2, you learned about the general concepts for developing budgets, allowable costs, and COA restrictions. All of this information is helpful in understanding the next concepts this lesson: COA recalculations and the effect of non-Title IV aid on COA. Let’s start with COA recalculations.

COA Recalculations

COA recalculations may be required or optional. Rules differ among Title IV programs as well. We'll explore required and optional COA recalculations by program.

Required COA Recalculations

COA recalculations may be required based upon regulation or institutional policy.

Federal Pell Grant, Iraq and Afghanistan Service Grant (IASG) and Teacher Education Assistance for College and Higher Education (TEACH) Grant programs. The Federal Pell Grant, IASG, and TEACH Grant programs follow the same rules concerning recalculation; for the purposes of our discussion, the programs are grouped together. When recalculation of the award amount is required by regulation, any changes in the COA must be taken into account. Awards must be recalculated and eligibility re-determined if a change in enrollment status takes place:

- Between terms within the same academic year; or
- During the payment period before the student begins attendance in all classes originally scheduled for the payment period.

Beyond changes in enrollment status, COA recalculations are only required if the school has a policy to recalculate the Federal Pell Grant, IASG, or TEACH Grant award solely for a change in costs.

The Federal Pell Grant Program recalculation policies applicable to all of the Title IV grant programs, except the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, are described in Volume 3, Chapter 3, of the 2016–17 FSA Handbook.
Campus-Based programs. As a reminder, the programs that fall under the umbrella of the campus-based programs include the Federal Perkins Loan, Federal Work-Study (FWS), and FSEOG programs. COA recalculations are required to resolve overaward situations, and the school may be required to resolve an overaward if the student receives additional estimated financial assistance (EFA) not already included in the calculation of the student’s campus-based awards.

The determination of whether or not the receipt of unanticipated additional EFA has created an overaward, discussed in Section 673.5(d) of the General Provisions for the Federal Perkins Loan, FWS, and FSEOG programs, requires the school first determine whether a student has increased need. Overawards are covered in Volume 4, Chapter 3 of the 2016–17 FSA Handbook.

Federal Direct Student Loan (Direct Loan) Program. If the student temporarily ceases at least half-time enrollment before the loan proceeds have been disbursed, recalculation of the student’s COA is required to determine whether the student continues to qualify for the entire amount of a Direct Loan. If this is the case, the school must determine and document the:

- Student resumed enrollment on at least a half-time basis;
- Student’s revised COA; and
- Student continues to qualify for the entire amount of the loan notwithstanding any reduction in his COA caused by temporarily ceasing half-time enrollment.

Schools also must be aware of overawards or overpayments for the Direct Loan Program. If a school is aware of the student being over her COA, it is the school’s responsibility to adjust the student’s aid. Please see 685.303(g).

Optional COA Recalculations

Some recalculation of COA are optional. Let’s discuss the instances in which a school can choose whether it recalculates the COA.

Federal Pell Grant, IASG, and TEACH Grant programs. A change in a student’s costs, but not in the student’s enrollment status, does not require recalculation of the student’s COA unless otherwise dictated by institutional policy. An example of a change in costs, but not in enrollment, would be if a student decided to live at home with her parents instead of on-campus as reported on her Free Application for Federal Student Aid (FAFSA).

Campus-Based programs. COA recalculation are optional, except when required to resolve overaward situations.

Direct Loan Program. A school may, but is not required to, adjust a student’s costs based on a change in the student’s enrollment status.

You may find the handout on page 67, COA Recalculations: Required or Optional? is a helpful desk reference.

Non-Title IV Aid Impact on COA

Non-Title IV aid can have significant effect on a student’s COA. Non-Title IV aid that may impact the COA includes prepaid tuition plans, state-provided aid, and tuition discounts and waivers. Let’s explore these impacts in more detail.

Prepaid Tuition Plans

Both the Higher Education Reconciliation Act of 2005 (HERA) and the College Cost Reduction and Access Act of 2007 (CCRAA) changed the treatment of prepaid tuition and savings plans. Prior to the enactment of HERA, proceeds from 529 prepaid tuition plans were a dollar-for-dollar offset against the tuition component of the COA. HERA changed the treatment of prepaid tuition plans. 529 prepaid tuition and savings plan funds are reported on the FAFSA as an asset of the owner, except that such funds are never the asset of a dependent student. CCRAA further refined the treatment of funds by requiring that prepaid tuition plans owned by a dependent student are reported as an asset of the parent.

If the student is independent, the value of a prepaid tuition plan owned by the student or the student’s spouse is reported as an asset of the student or
spouse, as appropriate. Prepaid tuition and savings plans do not have any effect on the COA.

Per Dear Colleague Letter GEN-08-01, distributions (that are not includable in gross income) from 529 plans, other state prepaid tuition plans, or Coverdell education savings accounts are not considered to be EFA.

**State-Provided Non-Title IV Aid**

State-provided non-Title IV aid that is designated to cover a specific COA component may be excluded from EFA if it also is excluded from the COA, and vice versa.

**Tuition Discounts and Waivers**

Several types of assistance fit under this umbrella and we’ll discuss just a few examples.

*Tuition discounts and waivers.* Tuition discounts or waivers are generally included as EFA. EFA is the estimated amount of assistance for a period of enrollment that a student (or a parent on behalf of a student) will receive from federal, state, institutional, or other sources, including but not limited to:

- Any educational benefits paid because of enrollment in a postsecondary education institution, or to cover postsecondary education expenses;
- Fellowships or assistantships, except non-need-based employment portions of such awards; and
- Insurance programs for the student’s education.

The full definition of EFA may be found in the Glossary.

A student may receive a tuition discount or waiver as a benefit of employment at the institution or even his parent’s employment at the institution. A tuition discount also may come as part of a student’s enrollment in a graduate or professional program or employment as a graduate assistant, as an example.

If the tuition and fees are never charged to the student’s account, tuition and fees are removed as a component of the student’s COA.

If tuition and fees are charged and a corresponding credit is made to the student’s account, it offsets all or a portion of the tuition and fees component of a student’s COA. This can be handled in one of two ways, the school can:

- Exclude the amount of the tuition and fees discount or waiver from the tuition and fees component of the student’s COA; or
- Make no adjustment to the tuition and fees component of the COA and then treat the amount of the tuition and fees discount or waiver as EFA when packaging the student’s Title IV aid.

**Waivers for room and board.** This same principle applies for waivers received for room and board, as is often the case for resident assistants (RAs). For students that receive the RA position as a result of financial need, the corresponding waiver is treated as EFA.
## Quick Quiz

Now it’s time to check what you have learned so far. Answer the following questions and check your responses using the Answer Key on page 69.

<table>
<thead>
<tr>
<th>Question</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. When recalculation of a Federal Pell Grant is required by regulation, any changes in the COA must be taken into account as well.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>False</td>
<td></td>
</tr>
<tr>
<td>2. For which of the following programs are COA recalculations required only if the school has a policy to recalculate the award solely for a change in costs? (check all that apply)</td>
<td></td>
<td></td>
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<tr>
<td>Federal Direct Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEACH Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Perkins Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IASG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. When is recalculation of COA optional for the Federal Pell Grant Program?</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>4. What are two examples of how a tuition discount or waiver may be handled on the student’s account?</td>
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</tbody>
</table>
Reflection Questions

Take a few moments to reflect on the following questions. There are no right or wrong answers. You can also discuss these questions with a coworker in your office.

1. Does your school provide tuition discounts or waivers, either as a resident assistant benefit or otherwise?
   _____________________________________________________________________________________
   _____________________________________________________________________________________
   _____________________________________________________________________________________
   _____________________________________________________________________________________

2. Does your school reduce the COA or package the tuition discount or waiver as estimated financial assistance (EFA)? Why is it handled this way?
   _____________________________________________________________________________________
   _____________________________________________________________________________________
   _____________________________________________________________________________________
   _____________________________________________________________________________________
**Learning Activity: COA Recalculation Case Studies**

For each scenario, indicate if recalculation of the COA is required or optional and explain why. Check your responses using the Answer Key on page 70.

1. Miriam indicated on her FAFSA that she would be living at home with her parents during her final year at Uptown College. Once school began, Miriam went to the Office of Financial Aid to request additional loan funds. Miriam is only eligible for Direct Loans. When Miriam’s counselor looked at her file, it appeared that Miriam was awarded up to the amount of her COA and not eligible for additional aid. Miriam explained that she decided to get an apartment off-campus and her parents are willing to take a Direct PLUS Loan to help her cover the cost of her housing and food. Uptown College has a separate, higher budget for students who are living off-campus versus those living on-campus or at home with parents.

   Is recalculation of the COA required or optional? Why?

   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

2. Brandon was a full-time student in a credit-hour program during the fall semester at Uptown College. Brandon saw a drop in his grades at the end of the fall semester, so before the spring semester began, he decided to drop to half-time enrollment. He was awarded a Federal Pell Grant, FSEOG, and Federal Perkins Loan. Brandon declined his Direct Subsidized Loan and Direct Unsubsidized Loan.

   Is recalculation of the COA required or optional? Why?

   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
## COA Recalculations: Required or Optional?

<table>
<thead>
<tr>
<th>Programs</th>
<th>Change in Circumstance</th>
<th>COA Recalculation Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Pell Grant, IASG, and TEACH Grant Programs</td>
<td>When failure to recalculate award would result in the student exceeding his or her eligibility for the award year</td>
<td>Recalculation required</td>
</tr>
<tr>
<td>Campus-Based Programs</td>
<td>Enrollment status changes between terms within the same award year*</td>
<td>Recalculation optional, except when required to resolve an overaward</td>
</tr>
<tr>
<td>Direct Loan Program</td>
<td></td>
<td>Recalculation required</td>
</tr>
<tr>
<td>Federal Pell Grant, IASG, and TEACH Grant Programs</td>
<td>Recalculation required for affected terms; applicable only to term-based credit-hour programs</td>
<td></td>
</tr>
<tr>
<td>Campus-Based Programs</td>
<td>Recalculation optional, except when required to resolve an overaward</td>
<td></td>
</tr>
<tr>
<td>Direct Loan Program</td>
<td>Recalculation optional, except when a student drops below half-time enrollment before funds disburse; if student becomes half time again, COA must be evaluated to ensure student is still eligible for award amount</td>
<td></td>
</tr>
<tr>
<td>Federal Pell Grant, IASG, and TEACH Grant Programs</td>
<td>Recalculation required; applicable only to term-based credit-hour programs</td>
<td></td>
</tr>
<tr>
<td>Campus-Based Programs</td>
<td>Recalculation optional, except when required to resolve an overaward</td>
<td></td>
</tr>
<tr>
<td>Direct Loan Program</td>
<td>Recalculation optional, except when a student drops below half-time enrollment before funds disburse; if student becomes half time again, COA must be evaluated to ensure student is still eligible for award amount</td>
<td></td>
</tr>
<tr>
<td>Federal Pell Grant, IASG, and TEACH Grant Programs</td>
<td>Recalculation optional, not required; applicable only to term-based credit-hour programs (School must apply its policy consistently for enrollment status increases and decreases for all students)</td>
<td></td>
</tr>
<tr>
<td>Campus-Based Programs</td>
<td>Recalculation optional, not required; (School must apply its policy consistently for enrollment status increases and decreases for all students)</td>
<td></td>
</tr>
<tr>
<td>Direct Loan Program</td>
<td>Recalculation optional, not required; (School must apply its policy consistently for enrollment status increases and decreases for all students)</td>
<td></td>
</tr>
<tr>
<td>Programs</td>
<td>Change in Circumstance</td>
<td>COA Recalculation Rule</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Federal Pell Grant, IASG, and TEACH Grant Programs</td>
<td>Cost of attendance changes but enrollment status does not change</td>
<td>Recalculation optional, not required (School must apply its policy consistently for all students)</td>
</tr>
<tr>
<td>Campus-Based Programs</td>
<td></td>
<td>Recalculation optional, except when required to resolve an overaward</td>
</tr>
<tr>
<td>Direct Loan Program</td>
<td></td>
<td>(School must apply its policy consistently for all students)</td>
</tr>
</tbody>
</table>

*Whenever recalculation is performed due to enrollment status changes, changes in the COA also must be taken into account.*
Lesson 3 Answer Keys

Quick Quiz

1. When recalculation of a Federal Pell Grant is required by regulation, any changes in the COA must be taken into account as well.

   - True
   - False

2. For which of the following programs are COA recalculations required only if the school has a policy to recalculate the award solely for a change in costs? (check all that apply)

   - Federal Direct Loans
   - TEACH Grant
   - Federal Perkins Loan
   - IASG

3. When is recalculation of COA optional for the Federal Pell Grant Program?

   It is optional when there is a change in costs, but not in enrollment status.

4. What are two examples of how a tuition discount or waiver may be handled on the student’s account?

   Tuition and fees may never be charged to the student’s account, thus being removed as a component of the COA; or tuition and fees may be charged and a corresponding credit made to the student’s account.
Learning Activity: COA Recalculation Case Studies

1. Miriam indicated on her FAFSA that she would be living at home with her parents during her final year at Uptown College. Once school began, Miriam went to the Office of Financial Aid to request additional loan funds. Miriam is only eligible for Direct Loans. When Miriam's counselor looked at her file, it appeared that Miriam was awarded up to the amount of her COA. Miriam explained that she decided to get an apartment off-campus and her parents are willing to take a Direct PLUS Loan to help her cover the cost of her housing and food. Uptown College has a separate, higher budget for students who are living off-campus versus those living on-campus or at home with parents.

   Is recalculation of the COA required or optional? Why?

   *The school is required to recalculate for changes in enrollment, but not for changes to the COA components such as room and board. The institution may have a policy to consider these types of changes.*

2. Brandon was a full-time student in a credit-hour program during the fall semester at Uptown College. Brandon saw a drop in his grades at the end of the fall semester, so before the spring semester began, he decided to drop to half-time enrollment. He was awarded a Federal Pell Grant, FSEOG, and Federal Perkins Loan. Brandon declined his Direct Subsidized Loan and Direct Unsubsidized Loan.

   Is recalculation of the COA required or optional? Why?

   *Recalculation is required for the Federal Pell Grant because there was a change in enrollment status between the terms of the credit-hour program. For the campus-based programs, the recalculation is optional, but the school should check for possible overawards.*
Glossary for Cost of Attendance

Award year: The period from July 1 of one year to June 30 of the following year.

Campus-based programs: The term commonly applied to federal student aid programs administered directly by eligible participating institutions. The programs include Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and Federal Perkins Loan programs.

Cooperative education program: A credit-bearing academic program that combines professional work experience in a student’s field of study with academic research and coursework.

Correspondence course: A course provided by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. Interaction between the instructor and student is limited, is not regular and substantive, and is primarily initiated by the student. Correspondence courses are typically self-paced. If a course is part correspondence and part residential training, the course is a correspondence course. A correspondence course is not distance education.

COA recalculation: Adjustment to COA components that may be required or optional. Required COA recalculation may be due to a failure to begin enrollment in all courses, change in enrollment before the start of a term, a change in the expected family contribution (EFC), or an overaward. Optional COA recalculation may be due to institutional policy, e.g., a change of enrollment during the term, or a change to a COA component such as room and board.

Cost of attendance (COA): Costs the student is expected to incur during the period of enrollment, including tuition, fees, room, board, books, supplies, transportation, miscellaneous personal expenses, and other items allowed under Section 472 of the HEA. The COA usually is calculated for a full academic year.

Distance education: Education that uses one or more technologies to deliver instruction to students who are separated from the instructor, and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. Technology that may be used in the delivery of instruction includes: the internet; one-way or two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications; audio conferencing, and multimedia such as video, DVD, and CD-ROMs used in conjunction with the other methods listed.

Documentation: The collection and analysis of materials for future reference. The material should be sufficient to allow another individual to recreate a process or procedure.

Enrollment status: A measure of the amount of coursework in which a student is enrolled or will enroll, usually expressed in credit or clock hours. Common enrollment statuses include full time, three-quarter time, half time, and less than half time.

Equity: The quality of being just, impartial, and fair.

Estimated financial assistance (EFA): The estimated amount of assistance for a period of enrollment that a student (or a parent on behalf of a student) will receive from federal, state, institutional, or other sources, such as scholarships, grants, net earnings from need-based employment, or loans, including—but not limited to—
- The estimated amount of other federal student financial aid, including but not limited to a Federal Pell Grant, TEACH Grant, and campus-based aid, and the gross amount (including fees) of subsidized and unsubsidized Direct Loans and Direct PLUS; and
- Except for Direct Subsidized Loans, national service education awards or post-service benefits under Title I of the National and Community Service Act of 1990 (AmeriCorps);
• Any educational benefits paid because of enrollment in a postsecondary education institution, or to cover
postsecondary education expenses;
• Fellowships or assistantships, except non-need-based employment portions of such awards; and
• Insurance programs for the student’s education.

EFA does not include—
• Those amounts used to replace the expected family contribution (EFC), including the amounts of any
  TEACH Grant, Direct Unsubsidized Loans, Direct PLUS, and nonfederal non-need-based loans, including
  private, state-sponsored, and institutional loans. However, if the sum of the amounts received that are
  being used to replace the student’s EFC exceed the EFC, the excess amount must be treated as EFA;
• Federal Perkins Loan and Federal Work-Study funds that the student has declined;
• Non-need-based employment earnings;
• Assistance not received under this part if that assistance is designated to offset all or a portion of a specific
  amount of the COA and that component is excluded from the COA as well. If that assistance is excluded
  from either EFA or COA, it must be excluded from both;
• Federal veterans’ education benefits paid under:
  ➢ Chapter 103 of Title 10, United States Code (U.S.C.) (Senior Reserve Officers’ Training Corps),
  ➢ Chapter 106A of Title 10, U.S.C. (Educational Assistance for Persons Enlisting for Active Duty),
  ➢ Chapter 1606 of Title 10, U.S.C. (Selected Reserve Educational Assistance Program),
  ➢ Chapter 1607 of Title 10, U.S.C. (Educational Assistance Program for Reserve Component Members
    Supporting Contingency Operations and Certain Other Operations),
  ➢ Chapter 30 of Title 38, U.S.C. (All-Volunteer Force Educational Assistance Program, also known as the
    “Montgomery GI Bill—active duty”),
  ➢ Chapter 31 of Title 38, U.S.C. (Training and Rehabilitation for Veterans with Service-Connected
    Disabilities),
  ➢ Chapter 32 of Title 38, U.S.C. (Post-Vietnam Era Veterans’ Educational Assistance Program),
  ➢ Chapter 33 of Title 38, U.S.C. (Post 9/11 Educational Assistance),
  ➢ Chapter 35 of Title 38, U.S.C. (Survivors’ and Dependents’ Educational Assistance Program),
    Assistance Pilot Program),
  ➢ Section 156(b) of the “Joint Resolution making further continuing appropriations and providing for
    productive employment for the fiscal year 1983, and for other purposes” (42 U.S.C. 402 note) (Restored
    Entitlement Program for Survivors, also known as “Quayle benefits”),
  ➢ The provisions of chapter 3 of Title 37, U.S.C., related to subsistence allowances for members of the
    Reserve Officers Training Corps (ROTC), and
  ➢ Any program determined by ED to be covered by section 480(c)(2) of the HEA;
• Iraq and Afghanistan Service Grants; and
• For Direct Subsidized Loans, national service education awards or post service benefits paid under
  AmeriCorps.

**Expected family contribution (EFC):** Estimate of a family’s ability to contribute toward postsecondary
educational costs, derived by a formula known as “Federal Methodology.”

**Federal Direct Student Loan (Direct Loan) Program:** The collective name for the Direct Subsidized Loan,
Direct Unsubsidized Loan, Direct PLUS, and Direct Consolidation Loan programs. These federal funds are
administered by ED and participating schools.

**Federal Pell Grant Program:** A Title IV program for needy postsecondary students who have not yet received
a baccalaureate, or for postbaccalaureate students who are enrolled in a teaching certificate or licensing
program at an eligible institution.

**Federal Perkins Loan Program:** A Title IV campus-based program that provides low-interest loans to
students with financial need.
Federal Student Aid (FSA): The office within the U.S. Department of Education with administrative oversight for Title IV aid.

Federal Supplemental Educational Opportunity Grant (FSEOG) Program: One of the Title IV campus-based programs, providing grants to undergraduate students with exceptional financial need and who have not completed their first baccalaureate or professional degree.

Federal Work-Study (FWS) Program: One of the campus-based programs, providing part-time employment for undergraduate and graduate students who are in need of such earnings to meet a portion of their educational expenses.

Financial need: The difference between the institution’s cost of attendance and the family’s ability to pay (i.e., EFC). Ability to pay is represented by the EFC for federal need-based aid and for many state and institutional programs.

Free Application for Federal Student Aid (FAFSA®): The application used to apply for all Title IV aid. The FAFSA collects financial and other information used to calculate the EFC and to confirm a student’s eligibility via various database matches with other federal agencies.

Half-time student: An enrolled student who is carrying a half-time academic workload, as determined by the institution, that amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student in Section 668.2(b) of the General Provisions regulations. Also a student enrolled solely in a program of study by correspondence who is carrying a workload of at least 12 hours of work per week, or is earning at least six credit hours per semester, trimester, or quarter; however, a student enrolled solely in correspondence study is not considered more than a half-time student regardless of the coursework being completed.

Higher Education Act of 1965, as amended (HEA): The authorizing legislation for most of the federal student financial assistance programs. Established in 1965 by Congress, Title IV of the HEA authorizes the following programs: Federal Pell Grant, Iraq and Afghanistan Service Grant (IASG), Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Perkins Loan, and Federal Direct Student Loan (Direct Loan). Collectively, these programs are known as the Title IV programs and are administered by ED.

Incarcerated student: A student who is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution (whether it is operated by the government or a third-party contractor). A student is not considered to be incarcerated if he or she is in a halfway house or home detention, or is sentenced to serve only weekends.

Income protection allowance (IPA): An allowance within the Federal Methodology need analysis calculation which serves as a benchmark based on an income level below which a household is assumed to have no discretionary income. It covers essential family expenses and recognizes that such expenses must be met before calculating a contribution for educational expenses. The IPA varies based on the number of people in the household and the number of household members in college.

Indices: Publications and reports which track and analyze trends in the costs of various goods and services.

Individual with a disability: Under the Americans with Disabilities Act (ADA), an individual who has a physical or mental impairment that substantially limits one or more major life activities, who has a record of such an impairment, or who is regarded as having such an impairment.

Institutional costs: Items usually charged by the institution and assessed directly to the student. Examples include tuition, fees, and on-campus residences.
Iraq and Afghanistan Service Grant (IASG) Program: A non-need-based Title IV grant program from which awards are made to qualifying students with a parent or guardian who died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001. At the time of the parent's or guardian's death, the student must have been either less than 24 years of age or enrolled at an institution of higher education. If a student is eligible for a Federal Pell Grant, he or she cannot receive an IASG.

Need-based aid: Student financial assistance awarded based on analysis of a student’s financial circumstances (for example, an EFC calculated using FAFSA data) to help the student afford the cost of a postsecondary education.

Noninstitutional costs: Costs not set by the school, but which are driven by local market conditions, reflecting costs and availability of goods and services in the surrounding community.

Non-need-based aid: Student financial assistance awarded based on criteria other than need, such as academic, musical, or athletic ability. Also refers to federal student aid programs where the EFC is not part of the financial need equation.

Non-Title IV aid: Any financial aid a student receives that is not covered under Title IV of the HEA. This can include prepaid tuition plans, state-sponsored aid, and tuition discounts and waivers.

Prepaid tuition plans: Distributions/payments from Qualified Tuition Program (529 prepaid tuition plans) and Coverdell Education Savings Accounts.

Primary data source: Data provided directly by students for the purpose of determining costs reasonably incurred because of enrollment in a postsecondary institution. Surveys, expenditure diaries, and personal interviews are methods of collecting data from a primary source.

Professional judgment (PJ): The authority provided under the HEA for financial aid administrators to exercise discretion and deal with unique circumstances affecting individual students on a case-by-case basis in a number of specific areas of federal student aid administration.

Secondary data source: Sources other than students that are referenced for determining enrollment-related costs.

Teacher Education Assistance for College and Higher Education (TEACH) Grant Program: Non-need-based grants for undergraduate and graduate students, awarded in exchange for specific future teaching service in designated high-need fields and low-income elementary and secondary schools. If a student does not complete the required teaching service, the grant becomes a Direct Unsubsidized Loan that must be repaid.

Title IV: The section of the HEA pertaining to administration of the federal student financial assistance programs.

U.S. Department of Education (ED): The Cabinet-level department of the United States government with oversight of the programs and funds authorized under the HEA that provide financial assistance to eligible students enrolled in postsecondary educational programs. Also referred to as “the Department.”

Waiver: A charge that is normally assessed the student and is covered by another source, such as the institution, agency, or employer.
NASFAA U Self-Study Guide: Cost of Attendance Feedback Form

We appreciate your interest in our training materials and would like your feedback about their effectiveness. Please complete the following evaluation form and email to kellyd@nasfaa.org. You may also mail or FAX it to NASFAA, 1801 Pennsylvania Ave., NW, Suite 850, Washington, DC 20006, attention: Dana Kelly, Chief Training Officer. FAX: (202) 785-1487.

Your Name:  

( Optional )

I. Please check the type of institution you represent: ( check all that apply )

- [ ] Public
- [ ] Private
- [ ] Proprietary
- [ ] Two year
- [ ] Four year
- [ ] Graduate/Professional

II. How many years of experience do you have as a financial aid administrator? ( check one )

- [ ] Less than 1
- [ ] 1 to 2
- [ ] 2 to 3
- [ ] 3 to 5
- [ ] More than 5

III. Using the following scale, please rate the content and effectiveness of the following aspects of the self-study guide: ( circle your response )

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization/structure of self-study guide</td>
<td>5 4 3 2 1 N</td>
</tr>
<tr>
<td>Self-study guide content</td>
<td>5 4 3 2 1 N</td>
</tr>
<tr>
<td>Quick Quizzes</td>
<td>5 4 3 2 1 N</td>
</tr>
<tr>
<td>Reflection Questions</td>
<td>5 4 3 2 1 N</td>
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<tr>
<td>Learning Activities</td>
<td>5 4 3 2 1 N</td>
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<td>Resources</td>
<td>5 4 3 2 1 N</td>
</tr>
<tr>
<td>Visual Appeal</td>
<td>5 4 3 2 1 N</td>
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IV. Please indicate any training or conferences you have attended in the last two years: ( check all that apply )

- [ ] NASFAA Conference
- [ ] NASFAA Webinar
- [ ] Regional Conference
- [ ] State/Regional Webinar
- [ ] State Conference
- [ ] ED Webinar
- [ ] FSA Conference
- [ ] ED Workshop/In-person training
- [ ] State/Regional Neophyte training
- [ ] State Workshop
- [ ] Other Conference (please specify): ________________________________
- [ ] Other Training (please specify): ________________________________
V. What features of the self-study guide did you find the most helpful?

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VI. What additional features would have made the self-study guide more useful to you?

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VII. Please use the space below for any other comments or suggestions you would like to make (feel free to attach additional comments):

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Congratulations on completing this Self-Study Guide! What’s next?


Benefits to Learners:
• Expand your financial aid knowledge.
• Improve your job performance and service to students.
• Provide tangible evidence of your knowledge to employers.
• Differentiate yourself from less qualified personnel.
• Give you and your organization a competitive edge.

Benefits to Employers:
• Feel confident that your staff is trained to the highest industry standards.
• Provide your staff with the opportunity to grow professionally, and ensure that employee training is consistent and measureable.

**DIFFICULTY LEVEL**

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For more information, visit nasfaa.org/NASFAA_U
The National Association of Student Financial Aid Administrators (NASFAA) provides professional development for financial aid administrators; advocates for public policies that increase student access and success; serves as a forum on student financial aid issues; and is committed to diversity throughout all activities.

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