



Composition or Improvisation?

The Form and Analysis of Cost of Attendance Budgets

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COA

- EFC

= Financial Need



Agenda

- Allowable costs
- Methods for setting allowable costs
- Special considerations



Allowable Costs

(Section 472, HEA)

- Tuition and Fees
 - T/F normally assessed for a student carrying the same academic workload.
 - Cannot include overtime charges
 - Includes costs for rental or purchase of equipment, materials, or supplies required of all students enrolled in the same course of study.



Allowable Costs

(Section 472, HEA)

- Allowance for books, supplies, transportation, and miscellaneous personal expenses
 - Can include a reasonable amount for the documented rental/purchase of a personal computer
 - Transportation costs can include costs for operating and maintaining a vehicle, but not for the purchase of a vehicle.



Allowable Costs

(Section 472, HEA)

- Allowance for room and board
 - On-campus
 - Living at home with parents
 - Living off-campus
 - LTHT students – up to three semesters (optional); no more than two consecutive semesters at any one school
 - Military Housing – student, spouse or dependent who receives BAH or lives on military base – include allowance for board only.



Allowable Costs

(Section 472, HEA)

- Allowance for dependent care expenses
 - Only for those students with dependents
 - Covers care during periods that include but are not limited to class time, study time, field work, internships, and commute time.



Allowable Costs

(Section 472, HEA)

- Allowance for one-time direct costs of obtaining a first professional license or certificate
 - For programs that require licensure or certification
 - One time per eligible academic program
 - Fees for licensing exam
 - Costs for applying for and obtaining the license
 - Costs for travel to a residency interview for a medical student
 - Costs must be incurred during (not after) a period of enrollment, even if the exam is after the end of the period



Allowable Costs

(Section 472, HEA)

- Reasonable costs associated with study-abroad programs approved for credit by the student's home institution
- Allowance for expenses related to a student's disability that are not provided by other agencies
- Allowance for reasonable costs associated with employment in a cooperative education program
- Loan fees



Methods for setting allowable costs

- Actual vs. average expenses
 - Billable vs. non-billable expenses by the institution
 - Need to define categories
 - Full-time, Less-than-full time
 - In-State, Out-of-State
 - On-campus, off-campus



Methods for setting allowable costs

- Establishing “reasonable” costs, averages
 - Books/Supplies, Transportation, personal expenses, etc.
 - Student survey of expenses
 - College Board Living Expense Budgets
 - <http://professionals.collegeboard.com/higher-ed/financial-aid/living-expense/2014>
 - Federal and state per-diem and mileage reimbursement rates
 - Call local apartment complexes close to campus
 - Document the methodology you use!
 - Fine line for setting “reasonable” allowances and setting higher loan debt levels for students



Special Considerations

- Enrollment
 - LTHT – Cannot include miscellaneous expenses and personal expenses
 - Correspondence study – Tuition/fees, books/supplies
 - Incarcerated students – tuition/fees, books/supplies
 - Not eligible for loans, and incarceration in a federal or state penal institution is not eligible for Pell Grant



Special Considerations

- Tuition discounting
 - Title IV recipients cannot be charged a higher rate than a non-Title IV recipient
 - Cannot offer a tuition discount to students who pay their balance early
 - Finance charges for an institutionally-provided financing methods cannot be included in COA



Special Considerations

- Waivers
 - If tuition/fees or room/board are charged and a waiver is applied, then the waiver is considered Estimated Financial Assistance (EFA) and the charges are included in COA.
 - If tuition/fees or room/board are never charged, then they are not included in COA.
 - Out-of-state tuition waivers
 - Resident-Assistant room waivers
 - Waivers paid by other non-institutional sources
 - Workforce Investment Act (WIA)



Special Considerations

- Costs for Periods Other than 9 Months
 - Fall only; Spring Only; Fall/Spring/Summer; Spring/Summer
 - Use the rules for corresponding EFC type; EFC data from ISIR; Consult AVG.
- Pell Grant always uses 9 Month EFC
 - “Pell costs are always based on the costs for a full-time student for a full academic year.”
 - Proration to one full academic year is required for programs that are shorter or longer than one academic year for Pell



Special Considerations

- Athletics
 - Consult with your athletic department regarding conference requirements regarding COA components
 - I.e., books/supplies – you may not always agree, and that's OK, but be sure each other is aware of the COA components for athletes and Title IV recipients



Final thoughts . . .

- NASFAA Principles of Student Budget Construction:
 - Comprehensiveness
 - Reasonableness
 - Systematic Development
 - Documentation



Resources

- 2014-2015 Federal Student Aid Handbook, Volume 3, Chapter 2
- NASFAA CORE Training Materials – Module 5
- NASFAA Monograph #24 (December 2014)
- NASFAA University



Questions???

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