



Composition or Improvisation?

The Form and Analysis of  
Cost of Attendance Budgets

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COA  
- EFC  
= Financial Need

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Agenda

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

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### 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.

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### 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.

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### Allowable Costs

(Section 472, HEA)

- Allowance for room and board
  - On-campus
  - Living at home with parents
  - Living off-campus
  - LTH 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.

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### 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.

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### 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

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### 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

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### 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-fulltime
    - In-State, Out-of-State
    - On-campus, off-campus

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### 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

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### 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

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### 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

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### 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)

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### 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

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### 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

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### Final thoughts . . .

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

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### Resources

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

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## Questions???

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