

University Prep

Family

Financial Aid

Guide

Table of Contents

INTRODUCTION	3
UNIVERSITY PREP'S PHILOSOPHY	3
DETERMINING FAMILY NEED	4
Nonworking Parents	5
Divorced and Separated Parents	5
TEXTBOOKS AND SUBSIDIZED LUNCHESES	6
CO-CURRICULAR ACTIVITIES	6
CONFIDENTIALITY	7
APPEALS PROCESS	7
PROCESS: APPLYING FOR FINANCIAL AID	8
Parents' Financial Aid Statement	8
SSS Business/Farm Statement	9
Completed Tax Return	9
IRS Form 4056-T	9
FINANCIAL AID COMMITTEE	10

Introduction

The purpose of University Prep’s financial aid guide is to help families become familiar with University Prep’s Financial Aid Program and to assist in carrying out the tasks associated with the financial aid process. This guide is to clearly state the principles, procedures and programs of University Prep’s Financial Aid Program.

It is the school’s responsibility to provide a consistent message to parents, students, faculty, staff, administration and board members regarding financial aid. As such, the school endorses the **Principles of Good Practice for Financial Aid Administration** recommended by the National Association of Independent Schools (NAIS), www.nais.org.

University Prep’s Philosophy

University Prep welcomes students of various religious, racial, economic and ethnic backgrounds, as well as students with varied learning styles, physical abilities and sexual orientations who are willing and able to benefit from and contribute to the school's program. We seek to create a diverse school community creating the optimal learning environment providing stimulus for learning, open-mindedness, and self-awareness. Financial aid is an essential element in promoting this goal. To this end, our Financial Aid Program assists qualifying families in meeting their financial obligations.

The school will make reasonable effort to meet the demonstrated need of all admitted or reenrolled financial aid applicants. Awards will not be granted in excess of the demonstrated need.

The **primary responsibility** for financing a student's independent school education rests with his or her family. Family members have the obligation to pay for the educational expenses of their children to the extent they are able, and that takes precedence over University Prep's responsibility to provide financial assistance. Therefore, there are no 100 percent grants.

Financial aid and admission decisions are considered separately. If accepted, a candidate applying for financial aid is referred to the Associate Director of Admission and Financial Aid to determine need.

University Prep will attempt to fund students through graduation, subject to availability of financial aid funds and the family's ability to demonstrate need annually. Additionally, grants are determined by the amount of aid available and the number of families applying for financial aid.

Determining Family Need

Individual grants are based on a family's need. The family includes, but is not limited to parents (natural or adoptive), stepparents, guardians and nonmarried domestic partners.

In determining a family's need, the Financial Aid Committee relies on information in the required documents including reports provided by School and Student Service for Financial Aid (SSS) and the family's 1040 tax return with all schedules and W-2 forms.

Prior to awarding grants, the Financial Aid Committee considers a family's (1) income and expenses, (2) assets and liabilities, and (3) discretionary income

for educational expenses. Please note, due to national trends of sky-rocketing home equity, home equity is capped at three times the family's income.

The Associate Director of Admission and Financial Aid will contact families for further information if there are discrepancies between the information on the Parents' Financial Statement (PFS) and the required tax documents or if the Report of Family Contribution (RFC) is insufficient. **Information contained in the RFC is not intended to be the sole factor in making financial aid decisions.**

Families have the right to know how amounts of financial aid and the family contribution for education are calculated. Discussion of this information takes place between the family and the Associate Director of Admission and Financial Aid.

Nonworking Parents

If a parent/guardian chooses not to work and all children in the household are in grade levels above kindergarten, an income based on full time employment at Washington State's current minimum wage is imputed in calculating the family's income. The Associate Director of Admission and Financial Aid, with the approval of the Financial Aid Committee, has the discretion to impute a higher income due to factors such as the parent's (1) prior employment; (2) training and/or (3) education degrees.

Divorced and Separated Parents

When considering financial aid, the matter of divorce or separation of parents is a difficult one. University Prep will consider the assets of both parents, natural or adoptive, if living, before making any award, and cannot be bound by the assertion that one parent has disclaimed responsibility for educational expenses. As a result, both natural/adoptive parents and their current

spouses, if any, complete a PFS form. No information will be given by the school to either parent regarding the other parent's finances.

Waiving the requirement of the noncustodial parent will be considered **ONLY** under the following circumstance:

- a. Documentation is provided that states the location of the noncustodial parent is unknown; or
- b. Documentation stating that the noncustodial parent has provided no support **AND** has had no contact with the family for at least two years. Documentation may be accepted from a lawyer, doctor, religious leader or any person outside the immediate family with knowledge of the family's circumstances.

Textbooks and Subsidized Lunches

Students who receive financial aid in the amount of 90 percent or above will receive a \$400 textbook grant. Any remaining textbook balance is the family's responsibility.

Students who receive financial aid in the amount of 80 percent or above have the option of participating in University Prep's subsidized lunch card program. The maximum allowance is \$6.00 per school day. University Prep will only cover up to the percentage of the student's financial aid. Any remaining lunch balance is the family's responsibility.

Co-Curricular Activities

Those students who receive financial aid may need additional funds for sponsored University Prep co-curricular activities. Students may receive funds

for a co-curricular activity subject to availability of funds up to the percentage of their grant amount. Any remaining balance must be covered by the student's family. Co-curricular activities that are not sponsored by University Prep are supported at the discretion of the Associate Director of Admission and Financial Aid and/or the Financial Aid Committee.

Families are asked to pay upfront for activities, events or equipment (i.e. team sweatshirts) to protect their confidentiality. They should then contact the Associate Director of Admission and Financial Aid for reimbursement up to the student's grant amount.

Confidentiality

University Prep safeguards the confidentiality of all financial aid information supplied by families that might identify them and discourages making any public announcement of the amount of financial aid awarded to individual families.

Appeals Process

Once financial aid is awarded to families, parents may appeal their awards by contacting the Associate Director of Admission and Financial Aid. The appeal must be written and received by the Admission Office within ten calendar days of receiving the award notification.

The Financial Aid committee will assess the appeal and make a decision. The committee is not obligated to increase any financial aid award. Changes to a financial aid award are considered only if the family provides the school with additional financial information.

Process: Applying for Financial Aid

To serve all financial aid applicants equally, the school requires everyone to submit the following forms/documents.

1. Parent Financial Aid Statement
2. SSS Business /Farm Statement (if applicable)
3. Complete Tax Return, including all schedules
4. W-2(s)
5. IRS Form 4506

Electronic FA packets with steps and instructions are typically emailed to you in December.

Parents' Financial Aid Statement

The PFS is an application issued by SSS that asks general questions regarding a family's income and expenses. You may access the PFS application and submit your application online at www.sss.nais.org. The school encourages families to submit online – allowing the school to process files sooner and determine eligibility. Questions collected and aggregated are:

- a. size;
- b. total income;
- c. savings;
- d. investments;
- e. indebtedness;
- f. medical and dental expenses;
- g. any unusual expenses; and
- h. other assets such as home equity.

SSS has step-by-step instructions online at www.sss.nais.org or you may call 800.344.8328. For questions regarding University Prep's FA process, please contact the Financial Aid Office.

SSS will send the school the family's Report of Family Contribution (RFC). Families have the option to receive their RFC from SSS. RFC does not determine financial aid awards.

SSS is a methodology that helps independent schools to maintain a standardized practice/process. It is a system that determine family's discretionary income and what percentage to allocate towards tuition. Ultimately, financial aid awards are at the Financial Aid Committee's discretion. SSS does not see a family's "whole" picture; therefore, it provides computations so the school can spend more one-on-one time with families.

SSS Business/Farm Statement

The Business/Farm Statement form is provided by University Prep and is only to be used by families who own any type of business or farm.

Completed Tax Return

Financial aid forms are generally due in February. The family's previous-year completed tax return form with all schedules and W-2(s) must be submitted to SSS at www.sss.nais.org prior to the deadline. As you may not have yet received your W-2, an estimated tax return is acceptable. Also, you may find your total gross income on your end-of-the year pay statement.

IRS Form 4056-T

The IRS Form 4506-T is provided by University Prep for all families to complete and is used by the school to request final tax returns. This document is sent to University Prep only.

Financial Aid Committee

The Financial Aid Committee is a group of individuals invested in governing a financial aid program that is equitable. The committee's goal is to enable students to participate in an "optimal" learning environment.

The Financial Aid Committee consists of the Associate Director of Admission and Financial Aid, Director of Admission, Head of School, Director of Finance, Upper and Middle School Division Directors and Director of Intercultural Affairs. The Associate Director of Admission and Financial Aid and the Director of Admission are the only individuals with access to families' financial aid documents.

The granting of financial aid is subject to the financial capacity of University Prep and the availability of funds.

