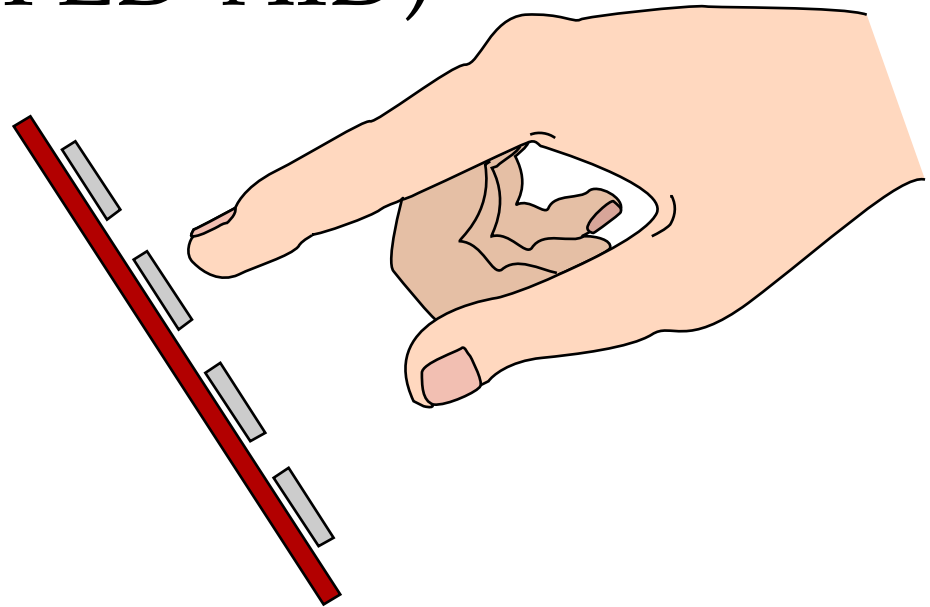




# *To Order The 1997-98 EFC Formula Book*

❖ Call 1-800-433-3243  
(1-800-4-FED-AID)





## *The EFC Worksheets*

- ❖ **Worksheet A—Dependent Student**
- ❖ **Worksheet B—Independent Student**
  - (with no dependents other than a spouse)
- ❖ **Worksheet C—Independent Student**
  - (with dependents other than a spouse)



## *Automatic Zero EFC*

- ❖ Student who qualifies for Simplified Needs Test (SNT) and:
  - Dependent student's parents earn \$12,000 or less **or**
  - Independent student with dependents other than a spouse earns \$12,000 or less



## *Parents' Total Income*

$$\begin{array}{r} \$22,261 \quad (\text{Taxable Income}) \\ - \quad \$ \underline{\hspace{1cm}} 0 \quad (\text{Exclusions}) \\ \hline \$22,261 \quad \text{Total Income} \end{array}$$



## *Parents' Total Allowances*

\$29,483

This amount will be  
protected



## *Parents' Available Income*

$$\begin{array}{rcl} \$22,261 & \text{(Taxable Income)} & \\ - & \underline{\$29,483} & \text{(Total Allowances)} \\ - & \$7,222 & \text{Available Income} \end{array}$$



## *Parents' Contribution*

$$\begin{aligned} & \$0 \text{ (Adjusted Available Income)} \\ & \div \underline{\quad 2 \quad} \text{ (Number in College)} \\ & \$0 \text{ Total Contribution} \end{aligned}$$



## *Chris's EFC*

$$\begin{array}{rcl} & 0 & \text{( Parents' Contribution)} \\ + & 0 & \text{(Student's Contribution from AI)} \\ + & 0 & \text{(Student's Contribution from assets)} \\ \hline = & 0 & \textbf{Expected Family Contribution} \end{array}$$





## *EFC Adjustment—Dependent Students*

- ❖ Specified by law
- ❖ See page 3 of Worksheet A
- ❖ CPS calculates, prints on SARs, SAR Information Acknowledgments, and ISIRs



## *EFC Adjustment—Independent Students*

- ❖ Not specified by law
- ❖ See Worksheets B and C
- ❖ CPS performs proration, prints on SARs and ISIRs



## *Types of EFCs*

### ❖ *Estimated EFC*

- by hand or EDEExpress
- prior to receiving SARs/ISIRs

### ❖ *Official EFC*

- CPS processes, puts on SARs/ISIRs

### ❖ *School-Recalculated EFC*

- corrections, updates, adjustments



# *Session 16*

## Federal Need Analysis