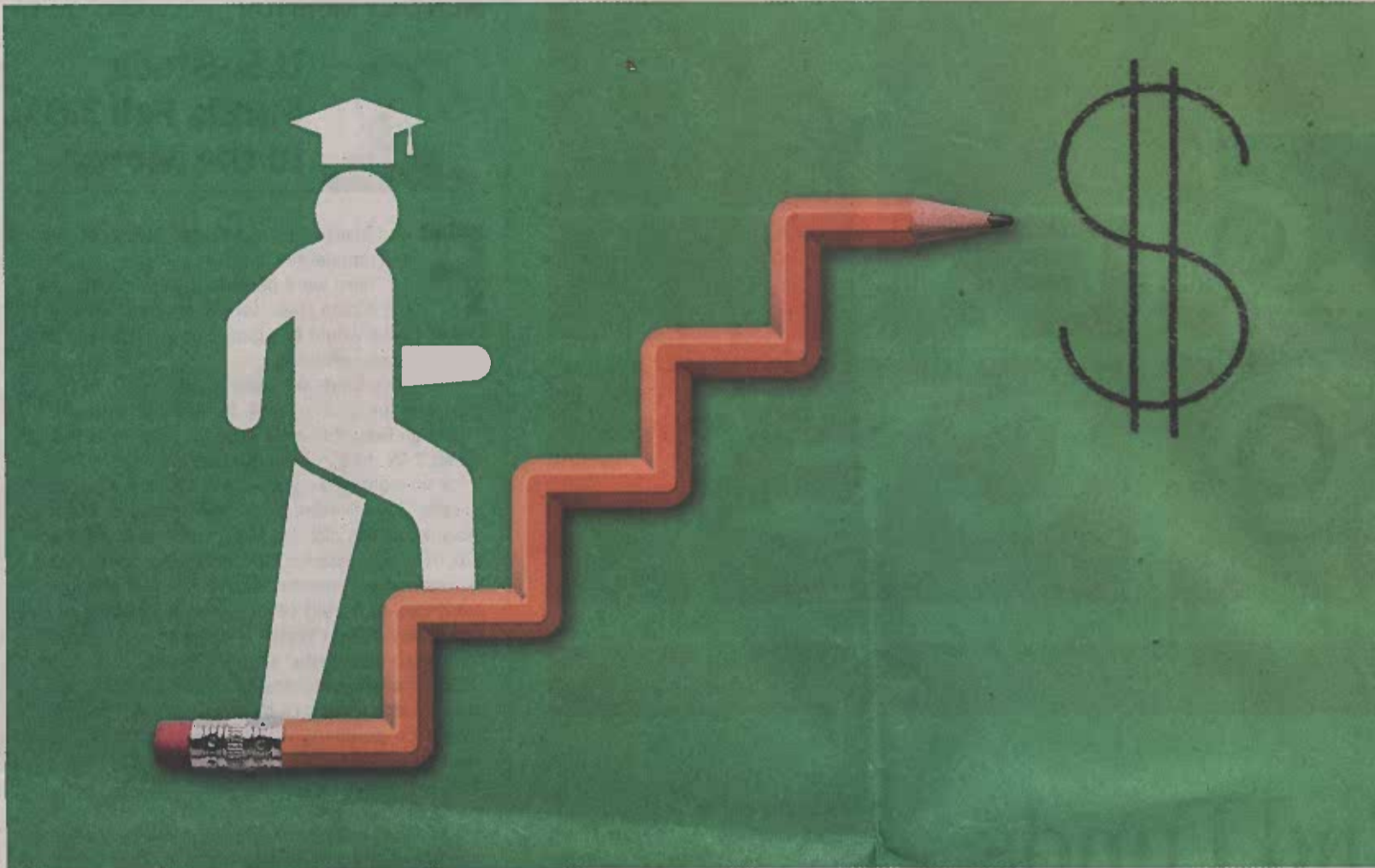


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The No. 1 error may be that many families don't apply at all, thinking they make too much money to qualify

# The 10 Biggest Financial-Aid Mistakes

By **CHERYL WINOKUR MUNK**

**F**or many families, the process of filing for financial aid is time-consuming and overwhelming. Not only that, it's also easy to make small mistakes that can cost a student in terms of time, hassle and, most crucially, financial-aid dollars.

Here, then, are the top 10 mistakes financial-aid officers repeatedly see. Avoiding these missteps can go a long way in making the process smoother for families.

### Mistake No. 1 Skipping the financial-aid process

OK, this is the most obvious—and probably the most common. Many families simply don't fill out the Free Application for Federal Student Aid (Fafsa), the government form for financial aid, often because they think they make too much money for their student to qualify. The form, however, is also a prerequisite for non-need-based aid such as scholarships and grants. Many schools also require students to fill out the College Board's CSS Profile to be eligible for any aid.

### Mistake No. 2 Not involving the student

The Fafsa has sections parents are meant to fill out and sections intended to be filled out by students. Aid officers often see well-meaning parents fill in the student portions on their child's behalf but accidentally enter their own income, Social Security number or birthday.

These types of mistakes can result in delays, and even lost aid if they aren't caught, says Brenda Hicks, director of financial aid at Southwest-

ern College in Winfield, Kan. To avoid trouble, she advises parents to complete their portions and students theirs—albeit with parental support.

### Mistake No. 3 Being unprepared

Before beginning to fill out financial-aid forms, families should make sure they have all the necessary information at hand. That includes the correct Social Security numbers for the student and parents, the student's driver's license number, if applicable, federal tax information, records of untaxed income such as child support, and current bank-account and investment information.

The student and parents should each create their own FSA ID, a username and password combination that is necessary to log in to certain Education Department online systems. Parents and students can apply online for an FSA ID at any point; they don't have to wait until they are ready to fill out the Fafsa. In fact, it's better to do it ahead of time. Sometimes it can take up to three days for an ID to be approved, so it's best to apply early in case there are issues, says Charles P. Kelley, executive director of the Rhode Island Student Loan Authority, a nonprofit agency that provides loans and education on college planning and aid.

### Mistake No. 4 Not using the IRS tool

Most students and parents who file a tax return with the Internal Revenue Service are eligible to use its data-retrieval tool, which electronically transfers federal tax-return information into the Fafsa. This helps reduce errors in filling out the application; all it takes is one digit entered incorrectly to cause problems, says Arthur Young, director of financial aid at Utah State University in Logan.

Families who aren't eligible to use the tool must enter their tax information manually. They should take extra care to ensure the figures are accurate and based on actual income as opposed to estimates. If there are discrepancies, the government will flag the Fafsa and the family will be required to provide additional documentation, delaying the process, Mr. Young says.

### Mistake No. 5 Missing important deadlines

Students should go to the financial-aid website for each school they are applying to in order to determine the date by which they need to file the Fafsa, so they don't miss out on state and institutional aid, says Brad Barnett, financial-aid director at James Madison University in Harrisonburg, Va. (Students can still be considered for federal aid after the school-set deadline.) Students also should be aware of school deadlines for merit-based aid if offered, Mr. Barnett says.

It can help, he says, to keep a

spreadsheet for each school the student is applying to in order to track Fafsa dates, deadlines for merit-based applications, if applicable, and scholarship deadlines. "It takes some intentional organization," Mr. Barnett says.

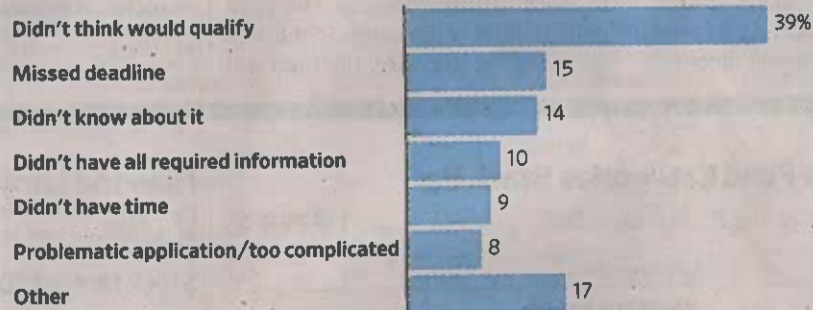
### Mistake No. 6 Not filing the right documents or filling out the wrong year's Fafsa

Every school has different financial-aid policies, so it's important to understand the nuances before applying for aid, says Andrea Leithner Stauffer, director of financial aid at Bucknell University in Lewisburg, Pa. Some schools require just the Fafsa, but nearly 400 colleges and scholarship programs also require the CSS Profile. Students should also be prepared to provide additional documentation such as tax returns and W-2 forms in case the school requests them, Ms. Leithner Stauffer says.

Families should also make sure they are filling out the correct Fafsa; which year's form to use is based on the academic year for which they are

### Reasons

While 77% of parents and students complete the Free Application for Federal Student Aid (Fafsa) for financial aid, here are some reasons others skipped applying:



Note: Parents and students surveyed were able to select more than one option. Source: Sallie Mae 'How America Pays for College 2019' Ipsos poll, most recent of 346 parents and students who didn't submit a Fafsa conducted April 5-May 6.

seeking aid. This can be confusing, since Fafsa forms for two different academic years are often available at the same time. For example, in October 2019, forms are available for the 2019-20 academic year as well as the 2020-21 academic year. To complicate matters more, schools have the option of deciding which year's Fafsa will be used for summer-school financial-aid processing.

A school's financial-aid website should make clear which form to use.

### Mistake No. 7 Not leaving enough time to do the forms

The Fafsa becomes available Oct. 1 for the school year starting the following September. It's a good idea for families to start filling out the forms well ahead of any deadlines so they aren't rushed, since this is when more mistakes can happen, says Julie Shields-Rutyna, director of college planning at MEFA, which offers education programs, tax-advantaged savings plans, low-cost loans and free college financial-planning guidance.

### Mistake No. 8 Making careless mistakes or failing to follow instructions

Aid officers often see careless errors such as the use of a nickname instead of a legal name, entering too many or too few digits, or forgetting to sign or submit the application. It's a good idea to have a fresh set of eyes review the forms for mistakes before submitting them, says Ms. Leithner Stauffer of Bucknell.

Aid officers also see many mistakes that stem from not following instructions. A common one is families who leave fields blank instead of typing in a zero; this can hold up the application while the aid office ensures no information is missing, says Ms. Shields-Rutyna of MEFA. Students also often exclude themselves from the household size count, despite instructions to the contrary, she says.

### Mistake No. 9 Not seeking help if needed

There are many free resources available to help families with the aid process. The Education Department offers information about the Fafsa at studentaid.ed.gov. Families can also find information at the College Board's bigfuture.org site. Many states and communities have organizations and events to help with Fafsa.

Families who are stuck can call a school's financial-aid office, or stop by in person if they are local. "It can be confusing; we know that. We want to make sure everybody gets these forms correct," says Ms. Leithner Stauffer.

### Mistake No. 10 Not paying attention to financial-aid office communications

Sometimes the financial-aid office needs more information from a family or the student will be selected for verification. Often students don't read aid-related emails promptly—or at all. This can result in financial-aid delays or the loss of aid.

Parents should encourage their student to check email frequently, and parents, too, should check their email accounts and postal mail, since different schools communicate in different ways, says Mr. Barnett of James Madison University.

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