Dear Valued Student of OLOLC:

February is Financial Aid Awareness month and is celebrated nationally on campuses. Our Financial Aid Office hosted two Financial Literacy events and an OLOLC financial aid info session. This is our way of finding better ways to educate you on how to manage your finances and highlight financial aid opportunities that are available. It is important that you take advantage of these opportunities. Your financial well being now and far into the future depends on you making good financial decisions.

Below you will find online resources for financial fitness:

2. www.cardtrack.com
3. www.ftc.gov/gettingcredit
4. www.moneywise-u.com
5. www.projectonstudentdebt.org
6. www.truthaboutcredit.org

This issue of the e-Gazette provides insight on financial literacy, strategies to make you more financially savvy, and steps to completing the 2009-10 OLOL financial aid process.

Our focus is helping you get it right on the money.

This is a mutual responsibility that we share with you and a mission which we are committed.

Sincerely,

Director of Financial Aid
FINANCIAL RESOLUTIONS FOR 2009

It’s time to start the New Year fresh, and make your list of resolutions for 2009. You probably have many personal goals to set for this year, so why not add a few financial goals to the list? Here are some ideas to get you started:

♦ Make a financial plan: list short-term, mid-term, and long-term goals for your family.
♦ Create a family budget with realistic expectations and stick to it.
♦ Start an IRA or Roth IRA and contribute the maximum.
♦ Contribute the maximum to your employer’s retirement program.
♦ Start an emergency fund for a rainy day.
♦ Pay 10 percent of your monthly income into your savings account and/or emergency fund.
♦ Invest in mutual funds or the stock market.
♦ Start a college fund for your children.
♦ Pay off at least one debt this year.
♦ Cut unnecessary expenses from your household budget.

Good luck with your 2009 financial resolutions! Make this the year you succeed financially.

Who should apply for college aid? Every student

By Sandra Block, USA TODAY

Most people won't bother to pick up a penny on the sidewalk. If they're in a hurry, they may not even stop for a dime. Most will, however, stop to pick up a $5 bill, even if they're late for lunch.

Many parents of college-bound students take the same approach to financial aid. Those who expect to receive a lot of money take the time to fill out the forms. Families who believe they’ll receive only a small amount of aid — or none at all — don't bother. Last year, 25% didn't complete the federal application for financial aid, according to student lender Sallie Mae.

But unless you're reading this from the deck of your yacht, you should apply for financial aid. The recession has made it more difficult for many families to pay for college. At the same time, though, economic setbacks could increase your eligibility for federal and institutional assistance.

For the 2007-08 academic year, undergraduate students received an average of $4,656 in grants and $3,650 in federal student loans, according to the College Board. The two primary documents you'll need:

• Free Application for Federal Student Aid, or FAFSA. This document is used to determine your eligibility for federal aid, state aid and scholarships. The Department of Education uses your FAFSA to determine how much your family can afford to contribute to a child’s college expenses. You can apply online at www.fafsa.ed.gov. You can also obtain an estimate of how much federal aid you’ll receive at www.fafsa4caster.ed.gov.

For complete details on this story please visit:
The best way to complete the Free Application for Federal Student Aid (FAFSA) is early, and online – Jan. 1 is the earliest you can apply. Remember that some financial aid awards are granted on a first-come basis, so you may miss out on some aid if wait to apply. If you apply online, your application will be processed faster and will likely be more accurate because your application will be processed on the FAFSA website to catch errors. The online application also provides worksheets that will calculate amounts and enter them into the field for you. You can save and continue the FAFSA at any time online and then sign your application electronically using a personal identification number (PIN) which you can get from the Federal Student Aid PIN website. Making mistakes on your FAFSA could delay your application and possibly make you lose out on some financial aid. The most common errors people make are listed below. As you complete the FAFSA try to avoid these errors.

- **Leaving blank fields**—enter a '0' or 'not applicable' instead of leaving a blank. Too many blanks may cause miscalculations and an application rejection.
- **Using commas or decimal points in numeric fields**—always round to the nearest dollar.
- **Listing incorrect Social Security Number or Driver's license number**—check these entries and have someone else check them too. Triple check to be sure.
- **Entering the wrong federal income tax paid amount**—obtain your federal income paid amount from your income tax return forms, not your W-2 form(s).
- **Listing Adjusted Gross Income as equal to total income**—these are not the same figure. In most cases, the AGI is larger than the total income. This mistake is particularly common.
- **Listing marital status incorrectly**—only write yes if you're currently married. If you're separated, you're considered married. They want to know what you're marital status is on the day you sign the FAFSA, or Renewal FAFSA.
- **Listing parent marital status incorrectly**—the custodial parent's marital status is needed; if they've remarried, you'll need the stepparent's information too.
- **Leaving the question about drug-related offenses blank**—If you're unsure about something, find out before you submit your FAFSA instead of leaving it blank. A conviction doesn't necessarily disqualify you from getting aid.
- **Forgetting to list the college**—obtain the Federal School Code for the college you plan on attending and list it—along with any other schools to which you've applied.
- **Forgetting to sign and date**—if you're filling out the paper FAFSA, be sure to sign it. If you're filing electronically, be sure to obtain your PIN from www.pin.ed.gov. Your PIN is your electronic signature and will always be assigned to you only.
- **Entering the wrong address**—your permanent address is not your campus or summer address.
- **Sending in a copy of your income tax returns**—you will be contacted if your information needs verification; you don't need to send a copy of your tax returns in with your application.

**Additional Tips**

Much of the financial information you need to provide is on your tax forms. Completing your taxes early can make the application process easier because you'll have the financial information you need in one place. You can estimate your financial information using previous tax years and correct the amounts on the form later by going to the corrections page on the FAFSA website. If you are not required to file taxes you still have to fill out a FAFSA to get financial aid.

Here is a list of materials that will help you complete the FAFSA:

- Your Social Security Number (can be found on Social Security card)
- Your driver's license (if any)
- Your W-2 Forms for the previous year and other records of money earned
- Your (and your spouse's, if you are married) most recent Federal Income Tax Return – IRS Form 1040, 1040A, 1040EZ, 1040Telefile, foreign tax return, or tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia
- Your parent's Federal Income Tax Return for the previous year (if you are a dependent student as defined by federal criteria)
- Your untaxed income records for the previous year – Social Security, Temporary Assistance to Needy Families, welfare, and veterans benefits records
- Your current bank statements
- Your current business and investment mortgage information, business and farm records, stock, bond, and other investment records
- Documentation that you are a U.S. permanent resident or other eligible noncitizen.

Filling out the Pre-Application Worksheet will help you collect and proofread the information for your application before you submit it. There are resources available if you decide you need assistance filling out the FAFSA, check the FAQ section on the FAFSA Web site, or call the Federal Student Aid Information Center at 1-800-4-FED AID (1-800-433-3243).
An estimated 22,000 Florida university students are missing out on free money for school because they didn't fill out federal financial aid forms. It's a lapse worth about $24 million in grants throughout the state's 11 public universities, and financial aid officials say it is especially alarming given the dismal economy.

The information came out of a Florida Board of Governors study released last week that looked at student records from the 2005-06 school year compared to income tax returns.

School officials believe some students don't apply for aid because they are stymied by the formidable 11-page Free Application for Federal Student Aid, which requests detailed tax records and bank account information.

The FAFSA is a gateway for many need-based grants and scholarships but is primarily used to earn a Pell Grant. "It's something people are really concerned about," Day said. "There are a lot of reasons why it exists."

Besides the challenge of the FAFSA, Day said students aren't always made aware that money is available; they may assume they don't qualify because they are working; or they may think that if they have received other scholarships or financial aid, they are ineligible to receive a Pell Grant.

"The federal Pell Grant program is an entitlement program and is awarded to eligible students no matter what other aid they receive and no matter which eligible institution they attend," Pfeilsticker said.

In Florida, an estimated 297,310 students earn Pell Grants. That includes students from community colleges, private colleges and universities and public universities.

At Florida Atlantic University, about 5,630 students received Pell Grants last year, with the average award totaling $2,657.

FAU student Reyner Pupo, 23, who transferred from Indian River State College in the fall, filled out the federal financial aid form at the suggestion of FAU officials. He was surprised to learn he qualified for a $4,500 Pell Grant.

Without the grant, he would have been forced to take out more in student loans.

"That would have been really stressful," said Pupo, who added that he had little trouble with the FAFSA, which he filled out online.

FAU student Daria Vaccino, 19, took about two hours to complete the form, but it earned her a $2,000 Pell Grant.

She learned about Pell after her older sister attended the University of Central Florida and the family began looking for student aid. Vaccino also has a Bright Futures scholarship that pays 75 percent of her tuition.

"It's such a relief to know I won't be in debt when I graduate," she said.

By KIMBERLY MILLER
Palm Beach Post Staff Writer
BATON ROUGE (AP) — The state's financial aid program for needy college students is running over budget, expected to cost $3 million more to cover all eligible students than the $24 million budgeted. Louisiana's higher education leaders have agreed to fill in the gap this year, despite a round of budget cuts on colleges. But the state's troubled financial situation next year could threaten the “Go Grant” program. More than 12,000 students received grants through the program in the fall semester. Melanie Amrhein, executive director of the Louisiana Office of Student Financial Assistance, said Wednesday that the grants were projected to cost $27.3 million for the 2008-09 school year — but the governor and lawmakers only budgeted $24 million for the program. Amrhein said the actual shortfall figure won’t be known until March, the billing deadline for spring semester grants. College system presidents agreed to cover any shortfall so no students should be left without their expected financial aid this year, said Commissioner of Higher Education Sally Clausen.

“We made a commitment to students at the beginning of the year to fund these grants, and we stand behind that promise,” Clausen said in a statement. “Our number one priority is to support the students we serve in reaching their goal of attaining a degree and Go Grants play an important role in meeting that mission.” The program’s future, however, is less clear. Lawmakers created the Go Grant program for the 2007-08 school year, pushed by then-Gov. Kathleen Blanco and college leaders. Now in its second year, the program has grown from its initial $15 million and is projected to top $40 million by its fourth year. The grants, up to $2,000 a year, are targeted to low- and moderate-income students and nontraditional students, 25 years or older. The program pays for costs that aren’t covered by federal financial aid and the state’s free college tuition program called TOPS. Only Louisiana residents are eligible for grants, and the maximum lifetime award is $10,000 per student.

But the Office of Student Financial Assistance might be in line for budget cuts that could curtail the program or shut it down entirely next year, as the state copes with an expected $1.2 billion drop in state general fund in the new year that begins July 1. The governor’s budget crafters asked the student aid office to offer recommendations for cutting anywhere from $20 million to nearly $37 million from its $129 million budget next year. Gov. Bobby Jindal’s budget officer, Commissioner of Administration Angele Davis, said cuts to TOPS are off the table, so Amrhein said that would force cuts to the GO Grant program to save TOPS. Davis has said the reduction figures were preliminary and don’t necessarily reflect what cuts will be suggested when the governor’s 2009-10 budget proposal is delivered to lawmakers in mid-March. Her office gave nearly all state departments a range of possible cuts and asked them to prioritize their programs. Lawmakers will hammer out the final version of the budget during a regular session later this year.
Tax Benefits and Savings Options

An array of tax tools is available to help you meet the cost of higher education, including:

- tax credits—Hope and Lifetime Learning;
- above-the-line deduction for higher education expenses;
- deduction of student loan interest;
- tax-free withdrawals from education savings accounts (ESAs);
- tax-free withdrawals from state-sponsored and private tuition savings plans; and
- tax-free, employer-provided tuition benefits.

Each option is unique, with its own rules and limitations on eligibility and income. This paper provides an overview of the tax benefits that you may be eligible to use to assist you in fulfilling your educational objectives.

Tax Credits and Deductions

You can claim tax credits or, in some cases, deductions, for expenses that you pay for postsecondary education for yourself, your spouse, or your dependent children. The Hope tax credit is available on a per-student basis for the first two years of postsecondary education, whereas the Lifetime Learning credit is available on a tax-return basis and covers a broader time frame and range of educational courses. An “above-the-line” deduction provides some relief to families whose income is too high to qualify for the Hope and Lifetime Learning tax credits. Education expenses paid for with tax-free grants, scholarships, and employer-provided tuition assistance are not eligible for the credits or for the above-the-line deduction. However, education expenses paid for with loans are eligible for these tax benefits.

Hope Credit

A tax credit equal to all of the first $1,200 of tuition and fees (less scholarships, grants, and tax-free tuition benefits) and half of the next $1,200 of tuition and fees, is available to parents of dependent students or to students who are not claimed as dependents on their parents’ tax return. For tax year 2008, the maximum amount of the Hope credit is $1,800 per student. The Hope credit can be claimed only for two tax years and applies only to the first two years of postsecondary education. Students must be enrolled at least half-time in a program that leads to a degree, certificate, or other educational credential during at least one academic period that begins during the tax year. Students cannot have had a drug felony conviction in a year in which the credit applies.

Lifetime Learning Credit

This credit applies to tuition and fees for undergraduate, graduate, and continuing education coursework to acquire or improve job skills. Parents of dependent students or students who are not claimed as dependents on their parents’ tax returns may claim a credit equal to 20% of up to $10,000 of educational expenses; the maximum benefit is $2,000 each tax year. Eligible education expenses are offset by scholarships, grants, and other tax-free tuition benefits.

Income Limitations on the Education Tax Credits

For 2008, the full value of the education tax credits is available to married taxpayers filing jointly with an adjusted gross income (AGI) of $96,000 or less and to single taxpayers with an AGI of $48,000 or less.

Above-the-Line Deduction

If you cannot claim either the Hope or Lifetime Learning tax credit, you may still be able to deduct qualified higher education expenses from your taxable income. Self-supporting students, including those who borrow to pay tuition, are eligible to take this deduction. The deduction also provides relief to families whose AGI is too high to qualify for the Hope or Lifetime Learning tax credits. Single filers with AGI of up to $65,000 ($130,000 for joint filers) can deduct up to $4,000 annually in tuition and related expenses.

Note: you do not need to itemize to claim the deduction.

Article continued on next page.
Student Loan Interest Deduction

Student borrowers or their families can deduct student loan interest payments from their tax-able income. The deduction is available even if you do not itemize other deductions. The loan does not have to be federally guaranteed or subsidized to be eligible for the deduction, but it must be used to pay education expenses such as tuition, fees, books, and room and board. The maximum deduction is $2,500. The AGI limit for the full interest deduction is $50,000 for single filers, phasing out at a maximum of $65,000, and $105,000 for joint filers, phasing out at $135,000. Voluntary interest payments may be deducted.

Prepaid Tuition/Tuition Savings Plans

Distributions from state tuition savings programs and prepaid tuition plans are tax-free for federal income tax purposes, if withdrawals are used for qualified higher education expenses. Similar withdrawals from qualified prepaid tuition plans for private colleges are also tax-free. Accumulations may be rolled over, tax-free, from one 529 plan to another once every 12 months. You may not report payment of the same educational expenses from both 529 plans and ESAs. Likewise, the education expenses covered by Hope or Lifetime Learning credits do not qualify for tax-free distributions from 529 plans or ESAs. Nonqualified withdrawals from 529 plans will be subject to the same 10 percent tax penalty on deferred earnings that applies to ESAs, which is in addition to normal federal income taxes.

Coverdell Education Savings Accounts

You may invest up to $2,000 annually on an after-tax basis per child in an ESA. Earnings accumulate tax-free, and money withdrawn to pay for qualified education expenses (tuition, fees, books, equipment, room and board) is free from income taxes. Withdrawals may be made for qualified expenses related to education from kindergarten through grade 12 and for undergraduate and graduate education. Contributions must stop when a child reaches age 18. Funds not used for education by the time the child reaches age 30 must be transferred to a younger beneficiary or must be withdrawn, and these funds will be subject to tax on the earnings and a 10% penalty. Although more than one person may contribute to an ESA for the same child, no more than $2,000 for that child can be contributed in any year. The AGI limit for married taxpayers is $220,000 ($110,000 for single taxpayers); taxpayers claiming an education tax credit can exclude from gross income an ESA distribution used for other qualified expenses; and contributions to both an ESA and a 529 plan are allowed.

Tax Incentives to Save for College

In recent years, tax-advantaged programs to help families save for college have become more flexible. Prepaid tuition plans allow families to buy units of tuition and guarantee that these units may be redeemed for a portion of tuition in future years. A number of states and a consortium of private colleges offer prepaid tuition plans. Qualified state tuition savings programs provide for market-based investment accounts with tax-deferred earnings. Withdrawals from state college savings and prepaid programs, known as section 529 plans, to pay qualified higher education expenses will be free from federal (and, in many cases, state) income taxes. Withdrawals from Coverdell Education Savings Accounts (ESAs) may be used to cover qualified elementary and secondary expenses at public, private, and religious schools in addition to expenses for higher education.

Employer-Provided Tuition

You may exclude up to $5,250 from your annual income when your employer helps you pay for higher education costs. This benefit covers employer-provided tuition assistance for both undergraduate and graduate level courses.

Information Is Important

Remember to save your records of all education-related payments and financial aid for tax purposes. Colleges and universities will need to collect Social Security numbers from all students so they can issue information reports to assist you in preparing your tax returns. Institutions are required to provide Form 1098-T, Tuition Payments Statement, to students from whom or on whose behalf they receive tuition payment (with the exception of continuing education students and nonresident alien students). Banks, institutions, and other lenders that collect student loan interest payments must issue annual information returns—Form 1098-E, Student Loan Interest Payments—to individuals from whom they collect more than $600 in interest during the tax year. Although you do not need to have or include a copy of these forms with your tax return to take advance of the education credits or deductions, these records can assist you in determining your qualified education expenses for the year.

Academic Level for Tax Benefits

Tax Benefit Types of Classes Eligible

Hope Credit first two years of undergraduate (status as of January 1)
Lifetime Learning Credit undergraduate, graduate, and individual job-related courses.

Above-the-line Deduction undergraduate, graduate, and individual courses
Student Loan Interest Deduction undergraduate, graduate
Withdrawals from Section 529 Plans undergraduate, graduate
Withdrawals from ESAs K-12, undergraduate, graduate

Employer-Provider Tuition undergraduate, graduate

For more information: IRS Publication 970, Tax Benefits for Higher Education, and Publication 520, Scholarships and Fellowships, are available from the IRS Web site at www.irs.gov or by calling 1-800-TAX-FORM.

Paying for College: Tax Benefits and Savings Options
Published by the National Association of College and University Business Officers © 2008. National Association of College and University Business Officers. All Rights Reserved. www.nacubo.org
Consult the financial aid office: The largest amount of financial aid comes from federal, state, and institutional grants and tuition discounts. Your financial aid office can help you find information on available scholarships, grants, and loans according to your needs and background.

Contact your academic department: If you have already decided on a major, your academic department may be aware of awards designated for students in your area of study. The student aid office does not always have information on these highly specific programs, so be sure to check both.

Use a free scholarship search engine: Ask the student aid office to recommend free scholarship search sites other students have found useful. Online searches let you focus on scholarships that fit your personal characteristics, helping you target your search to only those scholarships for which you are most likely to qualify. Some sites bombard users with promotional scholarships that may turn out to be advertisements in disguise, however, so make sure you know what you are signing up for when and if you give out your personal information.

Never assume: Don't believe that because you don't have straight A's and can't shoot a 3 point, there's nothing available to you. There are scholarships available based on hobbies, interests, background, financial need, etc. According to FinAid.com, there's even a $1,000 scholarship for a left-handed student. Seek out local and national organizations and associations in your areas of interest to see whether any scholarship opportunities exist.

Write the essay: No one likes to write essays, so use that fact to your advantage. Scholarships that require essays receive fewer applicants, giving you a better chance of qualifying. Keep copies of all the application materials you submit; often essays and other application materials can be tweaked and used again for future applications. Be sure to thoroughly proofread before submitting each application.

Stack up the small scholarships: Studies show that families often overlook scholarships that are less than $500. You may be thinking that these awards won't even make a dent in your college costs, but adding up multiple small awards can prove to be a benefit in your scholarship quest.

Apply early: The best time to apply is NOW! Waiting too long will result in missed deadlines. Seniors should start filling out applications to meet the early or mid-fall application deadlines. Don't wait to be accepted to a college to research and apply for private scholarships. If you don't receive a scholarship the first time around, don't get discouraged. Most scholarships are not limited to freshmen; you may have better luck the following year.

Don't get scammed: The Federal Trade Commission warns consumers about scholarship scams, which promise that, for a fee, they can help the family access more student aid. Similar scams charge students high scholarship search or application fees. According to the FTC, "[M]ost scholarship sponsors do not charge up-front fees to apply for funding, and no legitimate scholarship sponsor can guarantee that you will win an award." The financial aid office at your school can help you apply for student aid, and free scholarship searches are available online.

Even without scholarships, families can still find ways to afford college. Start by filling out the Free Application for Federal Student Aid (FAFSA) and contact your school's financial aid office to find out what federal, state, and institutional aid you might qualify for. Finding money for college is a lot like taking classes: The way to succeed is to do your homework.

The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 14,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. Each year, financial aid professionals help more than 16 million students receive funding for postsecondary education. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. In addition to its member Web site at www.NASFAA.org, the Association offers a Web site with financial aid information for parents and students at www.StudentAid.org.
Financial Aid Awareness 2009
"Gear up in time for 2009"
The Office of Financial Aid would like to congratulate the 3 winners of our 3rd annual Financial Aid Awareness drawing. The recipients received gift certificates from Ralph and Kacoo's.

Thanks to all who attended “Gear up in time for 2009” Financial Aid Awareness fair.