

FINANCIAL AID TERMS: A-Z



As you begin to think about your future and life after high school, you will hear lots of new terms about financial aid. Please refer to this list as you come across new phrases. The following definitions will give you more than what you might learn from a Google search.

Becoming familiar with the words and phrases and their meanings will give you a better understanding of the different options and resources that are available to you. So please refer to the following list as you learn and think more seriously about your own definition of success in the future.

TERM	DEFINITION
Award Letter	The document you receive from a college that explains the terms of the financial aid that the college is offering you. The information includes the types and amounts of financial aid offered, what you're expected to do to keep the award and a deadline for accepting the award.
Bursar	The college official responsible for handling billing and payments for tuition, fees, housing and other related expenses.
College Credit	When a college grants credit for a course, it means that passing that course counts toward a degree. Colleges may also grant degree credit for scores on exams.
Cost of Attendance	The total amount of college expenses before financial aid. Cost of attendance includes money spent on tuition and fees, room and board, books and supplies, and living expenses.
CSS Profile	A financial aid application used by more than 300 colleges, universities and private scholarship programs to award their financial aid funds. College Board offers this service. Read more about the CSS Profile .
Demonstrated Need	The difference between your expected family contribution (EFC) and the total cost of attendance for a particular college.
Enrollment Status	A classification based on the number of credit-hours you're taking; for example, your enrollment status may be full-time or half-time. Some loans or aid may be available only to students with a certain enrollment status, usually half-time or more.
Expected Family Contribution (EFC)	A measure of your family's financial strength. States and colleges use this number to help determine your financial aid award. The EFC is calculated using information you supply about your family's financial circumstances. Read about the EFC.

Financial Aid	Money from a variety of sources (grants, loans, scholarships, work study) that helps pay for college costs. The package of funds is determined by family financial need and or student merit. Financial aid comes from many different sources, but most require completion of the Free Application for Federal Student Aid (FAFSA). Additional forms for aid may be required by an institution. Contact their financial aid office for guidance.
Financial Aid Office	A college office that serves as a resource for students who need help paying for college costs. Financial aid officers can help you to apply for and receive grants, loans, scholarships and work-study employment. The financial aid office may also offer programs to help you manage your money.
Financial Aid Officer	College employees trained to help students and families apply for and receive grants, loans, scholarships and work-study employment. They can answer questions about ways to make college more affordable.
529 Savings Plans	State-sponsored investment plans – officially called qualified tuition programs (QTP) – that help families save money for college. The plans have tax benefits so your savings can grow faster. The money in the accounts can be used only for education expenses.
Free Application for Federal Student Aid (FAFSA)	The free application form you submit to apply for federal financial aid. It is required for all students seeking federal student grants, work-study programs and loans. Most colleges require it as well. The FAFSA may also qualify you for state-sponsored financial aid. Read more about the FAFSA.
Grant	A kind of "gift aid" – financial aid that doesn't have to be paid back. Grants are usually awarded based on need. Learn more about gift aid.
Loan	Money you borrow from the government, a bank or another source. Loans need to be paid back, usually over an agreed period of time. You will most likely also have to pay interest on a loan – a fee for borrowing the money. Learn about Your College Loan Options.
Merit Aid	Financial aid given to students based on their personal achievements. Most scholarships are considered merit aid, as they are generally awarded for success in school, the arts, athletics or another area.

Need-Based Financial Aid	Financial aid (grants, scholarships, loans and work-study opportunities) given to students because they and their families are not able to pay the full cost of attending a certain college. This is the most common type of financial aid.
Need-Blind Admission	A policy of making college admission decisions without looking at applicants' financial circumstances. Colleges that use this policy may not offer enough financial aid to meet a student's full need.
Net Price	Net price is the true amount a student will pay for a college. Another common definition of "net price" is the full cost of attendance at a college (including room and board, supplies, and other expenses) minus the gift aid and education tax benefits.
Net Price Calculator	An online tool that gives you a personalized estimate of what it will cost to attend a specific college. Most colleges are required by law to post a net price calculator on their websites.
Outside Scholarship	Also called "private scholarship." A scholarship offered by a private organization — not the government or a college. Outside scholarships are offered by all kinds of groups, individuals, corporations and nonprofit organizations.
Priority Date	The date by which your application — whether it's for college admission, student housing or financial aid — must be received to be given the strongest consideration. Since financial aid is often limited, meeting the priority date is important to be eligible to receive funds.
Reserve Officer's Training Corps (ROTC)	A program offered by the military and available at some colleges. ROTC offers scholarships to students who agree to serve in the military after they graduate. Some ROTC four-year scholarships cover full tuition and fees. The program combines a military education along with college study leading to a bachelor's degree.
Residency Requirements	The amount of time a student has to live in a state before he or she is eligible for in-state tuition prices and state aid.

Scholarship	A kind of "gift aid" — financial aid that doesn't have to be paid back. Scholarships may be awarded based on merit or partially on merit. That means they're given to students with certain qualities, such as proven academic or athletic ability. Learn more about gift aid .
Student Aid Report (SAR)	The report sent to your family after you submit the Free Application for Federal Student Aid (FAFSA) that tells you what your expected family contribution (EFC) is.
Transcript	The official record of your course work at a school or college. Your high school transcript is usually required as part of your college application and for some financial aid packages.
Undergraduate	A college student working toward an associate degree or a bachelor's degree.
Work-Study	A program that allows students to take a part-time campus job as part of their financial aid package. To qualify for the Federal Work-Study Program, which is funded by the government, you must complete the Free Application for Federal Student Aid (FAFSA). Some colleges have their own work-study programs.