



## Financial Aid Budget Adjustment Policy

The Cost of Attendance (COA) or “student budget,” is the cornerstone of establishing financial need and in determining a student’s financial aid package. It sets a limit on the total aid that a student may receive for purposes of the Title IV federal student aid programs.

In compliance with federal regulations, the Financial Aid Office has determined a cost of attendance that includes tuition and fees, books and supplies, housing, student health insurance, transportation, personal expenses, and loan fees. These components are costs that relate to the individual student and are educational in nature as specified by Section 472 of the Higher Education Act. A student’s total financial aid package, including scholarships, grants, other external resources, and federal student aid should not exceed the COA. Financial Aid Administrators are allowed to make adjustments to the established components in the COA but are not allowed to create additional or new categories.

Standard budgets for the award year covers only the period of time when students are enrolled at least half-time in a qualified degree program. On an annual basis, the Financial Aid Office determines the standard budget for financial aid applicants based on average allowable expenses for the four-and-a-half-month academic term and nine-month academic year. Estimated costs are based on averages from the Bureau of Labor Statistics for the geographic location of the GTU and cannot ensure that all students incur the same costs of living nor that they will arrive with the same financial resources.

Financial Aid Administrators have the authority to use professional judgment to make reasonable adjustments to allowable expenses for special circumstances on a case-by-case basis. Professional Judgment (PJ) is the discretion granted by law to make adjustments to costs within the COA components. However, nothing requires a financial aid administrator to exercise this authority nor is it unlimited. Institutions have the option not to use PJ in any circumstance. Budgeting is an exceedingly individual process and a significant part includes ones available resources, such as personal assets and financial assistance. As such, budget adjustments are intended for special and unusual expenses that differentiates a student from other students enrolled in the same program. In other words, PJ cannot be considered for a condition that exists for a whole class of students.

The intent of this policy is to provide guidance to students who wish to document unusual, non-discretionary expenses that are directly related to their education. Budget adjustments can only be made to cover costs incurred during the enrollment period. If approved, a revision to your budget will not result in additional institutional aid but will increase your eligibility for federal student loans. An increase to your student budget means you will be borrowing additional funds that must be repaid to cover approved educational expenses. Approval of a petition in one year does not guarantee approval in subsequent years.

When considering whether to use PJ for a budget adjustment, Financial Aid Administrators must keep in mind that the Free Application for Federal Student Aid (FAFSA) includes a modest income protection allowance (IPA) for basic living expenses in its federal methodology calculation. Assets are typically excluded from the FAFSA calculation for students with an adjusted gross income below \$50,000. Independent students with children receive an asset protection allowance of 7% and students with no dependents are expected to contribute a minimum of 20% of their total assets toward their education. Financial Aid Administrators will take the IPA into account when making adjustments to the COA. For instance, if a student believes that their documented medical costs are unusually high, it could be determined whether those expenses actually exceed that portion of their IPA for medical costs. For example, for the 2020-2021 award year, the IPA for a family of four (4) with one (1) in college is \$41,420. Of this amount, \$4,550 represents family expenditures for medical care ( $\$41,420 \times .11 = \$4,550$ ). Although a family with \$4,000 in annual medical expenses may understandably consider these costs to be worthy of PJ consideration, the expenses have already been taken into account in the need analysis formula. The US Department of Education has published guidance indicating the breakdown for IPA as follows:

- Food – 30%
- Housing – 22%
- Transportation expenses – 9%
- Clothing and personal care – 16%
- Medical care – 11%
- Other family consumption – 12%

2020-2021 Income Protection Allowance Tables						
Independent student without dependents other than a spouse	Independent student with dependents other than a spouse					
	Number in Household, including student (FAFSA/SAR #73)	Number of college students in the household(FAFSA/SAR #74)				
		1	2	3	4	5
\$10,640 for single, separated or divorced/widowed student	2	\$26,940	\$22,340	N/A	N/A	N/A
\$10,640 for married student if spouse is enrolled at least half-time	3	\$33,550	\$28,960	\$24,360	N/A	N/A
\$17,060 for married student if spouse is not enrolled at least half-time	4	\$41,420	\$36,830	\$32,250	\$27,630	N/A
	5	\$48,880	\$44,260	\$39,680	\$35,080	\$30,500
	6	\$57,160	\$52,560	\$47,990	\$43,360	\$38,790

### Budget Adjustment Considerations

Please keep in mind that student loans are limited to your educational expenses and it is best to borrow only what is needed to cover your educational costs in order to minimize your overall student loan debt obligation. Remember that loan increases lead to larger cumulative debt. Explore and maximize all resources that you have as well as those that you anticipate in the coming academic year. It is recommended that students review their budget to consider how they can reduce their reliance on loan funds through increased income, external support, adjustment of priorities, or reduced expenses. It is in the student's best interest to borrow conservatively, budget wisely, and plan ahead not only for the current year but for future academic years.

When determining unmet need and the amount of additional loan aid desired, consider how much you can afford to borrow. Refer to a loan repayment estimator to estimate future monthly payments at [studentloans.gov](http://studentloans.gov) or use the loan calculator at <http://www.finaid.org/calculators/loanpayments.phtml>.

### Budget Adjustment Restrictions

In alignment with federal student aid regulations, the Financial Aid Office will not approve a budget adjustment request for a student loan borrower who has an outstanding federal student loan balance that has reached the aggregate limit of \$138,500, and the student's recent Graduate PLUS loan application was denied by the Department of Education, the student's loan was discharged due to a total and permanent disability, and/or the student is in an active default status on a federal student loan. Please review annual and aggregate loan limits at [studentloans.ed.gov](http://studentloans.ed.gov).

### Deadlines

We understand that students may not know their specific costs until after they begin attendance for the academic year. Therefore, 2020-2021 budget adjustment requests will be accepted up to following time periods:

**Fall 2020:** Friday, October 16, 2020 by 5:00pm

**Spring 2021:** Friday, March 19, 2021 by 5:00pm

### How to Submit a Budget Adjustment Request

To request a budget increase, complete and submit the request form along with all supporting documentation of your allowable expenses. Additional documentation that covers the time period of your adjustment request may be required. While we welcome the opportunity to review a student's budget appeal, we cannot guarantee that each review will produce a specific, desired outcome. Once a determination has been made, all decisions are final.

Upon submission of all supporting documentation, your request will be reviewed and the Financial Aid Office will determine the action to be taken. If your request results in an increase to your cost of attendance and additional federal student aid eligibility, a revised financial aid award notification will be sent to your school email address with further instructions.

### Review Period

The review process for budget appeals typically begins after all required documents have been submitted. Please allow ten to fifteen business days for the completion of the process upon receipt of all required supporting documentation.

**Please note:** If you are determined to be eligible for additional federal student loans based on projected expenses, the Financial Aid Office will schedule aid disbursements to coincide with the timing of those expenses. Documentation confirming the payment of future expenses must be submitted or the approval of your request will be revoked.

*The policies and procedures listed are subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy.*

## Acceptable Budget Adjustment Circumstances

### Housing

Adjustments for housing will be made only if the student provides documentation that they pay more for housing than what is allotted in the standard budget. If housing is shared, the student's share is considered to be proportional to the number of adults living in the household. Homeowners, rental, or life insurance, moving expenses and security deposits, storage for personal belongings, utility or phone bills, costs incurred by a family member or other people, including a spouse or a roommate's portion of rent or mortgage, and household repairs will not be considered. Acceptable documentation includes a copy of the rental agreement.

### One-time computer purchase

An increase may be made one time over the course of a student's academic program. The computer must be purchased during the enrollment period for which the adjustment is requested. Related items such as iPods, iPads, computer software and warranties are not included as they are not allowable educational costs. Acceptable documentation includes receipts of purchase that include student's name, the items purchased, date and amount paid. Receipts paid for in cash will not be accepted unless the receipt has been signed by the company/person through which the computer was purchased and is notarized.

### Out-of-pocket medical, dental, or optical expenses not covered by insurance

Expenses for procedures deemed medically necessary may be considered. Only out-of-pocket expenses not covered by insurance or any other agency will be allowed and receipts and other supporting documentation is required. Discretionary medical, dental or optical procedures, non-prescription medicines, including vitamins and supplements, and costs for holistic healthcare will not be considered.

### Transportation

Adjustments for transportation will be made only if the student provides documentation that they have spent more for transportation expenses to and from school or a school-related activity than what is allotted in the standard budget. In general, it is assumed that students may rely on public transportation. If you drive and are requesting an adjustment due to automobile expenses, you must explain the necessity for using private rather than public transportation. Where private transportation costs are allowed for consideration in a budget appeal, gas usage related to school functions will be allowed and calculated at the most current IRS mileage rate. The purchase of an automobile, car payments, insurance, or routine car maintenance and repairs will not be considered.

### Childcare expenses

Students with dependent children under the age of 12 may request consideration for childcare expenses related to school attendance. The Financial Aid Office uses the federal definition of a credit-hour to calculate childcare costs. (*34 CFR 600.2 defines a credit-hour as one hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for a total of three hours.*) Child support or other childcare expenses (other than day care) and private school tuition will not be considered. The Budget Adjustment Request Form for Childcare Expenses and supporting documentation is required.

### Disability related expenses

Expenses incurred directly related to assistance with educational activities, such as tutoring, personal services, personal assistance, transportation, and special equipment, which are out of pocket, not covered by insurance or another agency may be considered. Students must submit official proof of documented learning disability from a state testing center or a written statement confirming a permanent physical disability from a medical physician.

### Expenses Not Allowed in a Budget Adjustment

There are many types of expenses incurred by students that are not necessarily part of a student's allowable cost of attendance for financial aid purposes. The following expenses are not considered a necessary part of a student's educational cost related to the pursuit of their degree and are therefore not allowed for consideration as part of a budget appeal.

- Prior year expenses;
- Credit card or other consumer debts;
- Summer expenses unless enrolled at least half time taking required coursework;
- Job interview;
- Costs incurred outside of the current academic year, including costs incurred before matriculation or after the final day of the term;
- Legal fees, bail, traffic or parking tickets, or fines;
- Pet care, unless for a service animal;
- Luxury items, such as premium cable service and high speed internet;
- Loan repayment.



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## Maximum Allowable Increases to the Standard Cost of Attendance

Type of Allowance	Standard Cost of Attendance Components	Maximum Allowable Increases	Documentation Required
Housing	\$1,250/month \$11,250/year	\$5,100/academic year	Copy of a signed lease or monthly mortgage statement. If rent is not shared equally, you must provide documentation of your share (if married, rent will be split equally).
Transportation to/from campus	\$1,125/per single term \$2,300/year	\$1,800/academic year	Commuting expenses: Travel in excess of 80 miles or more round-trip will be considered. When calculating mileage, use the IRS Standard Mileage Rate of \$.54/mile and costs for tolls and parking may be included for consideration.
Computer purchase		\$1,500	Purchase receipt or invoice. You may only request a budget increase for a one-time computer purchase or upgrade.
Necessary Medical/Dental/Optical service not covered by insurance (e.g. check-ups, lab work, prescriptions).	\$1,500/per single term \$3,000/academic year	\$3,000/academic year	Medical or Dental Adjustment form, copies of billing statements, cancelled checks, or written estimate from your physician. Include documentation of insurance coverage indicating what portion of your bill(s) will not be covered.
Child care for dependents under the age of 12.		\$500/month per child maximum, per academic year	Budget Adjustment Request for Childcare Expense form, contract, cancelled checks, receipts, or statement from provider. GTU uses the federal definition of a credit-hour to calculate childcare costs. (34 CFR 600.2 defines a credit-hour as one hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for a total of three hours)