



GTU Financial Circumstance Appeal Policy

The Free Application for Federal Student Aid (FAFSA) is the application students use to apply for Title IV federal student aid programs offered by the U.S. Department of Education (ED). Additionally, various institutions of higher education also use FAFSA data to determine eligibility for need-based institutional aid. Financial aid may be used to fund expenses, such as, tuition and fees, room and board, books and supplies, transportation to and from school and other academically-related activities, and other eligible education-related costs.

On an annual basis, the institution is provided with a limited allocation of tuition-restricted funding to award to students with demonstrated financial need. While the FAFSA does not provide an opportunity for students to explain extenuating circumstances that may affect their ability to pay for their education we understand that a student may have difficulty managing their expected family contribution due to unanticipated changes in financial circumstances. On a one-time basis each academic year, students may submit an aid appeal if there was a substantial change in financial circumstances beyond their control between January 1, 2017 and the present. Additional institutional aid can be only be awarded if and when funding allows. The intent of this policy is to provide guidance to students who wish to address these extenuating circumstances.

Section 479A of the Higher Education Act of 1965, as amended (HEA), provides authority for financial aid administrators to exercise discretion for a student's special circumstance. Special circumstances are conditions that differentiate an individual student from other students enrolled in the same program or defined as an unexpected event or situation beyond one's control. Professional judgment (PJ) is the discretion granted by law to make adjustments to need analysis data elements used to calculate the Expected Family Contribution and components within the cost of attendance. The federal government allows Financial Aid Offices to use PJ on a case-by-case basis to reevaluate a student's financial aid eligibility in certain situations when the extenuating circumstance is well-documented. Federal regulations do not require Financial Aid Administrators to use this discretion. The circumstances that may be considered are: loss of employment, significant and prolonged loss of income, loss of social security or child support benefits, disability, separation or divorce, death of a spouse after filing the FAFSA, excessive prolonged ongoing medical expenses, or unusual and necessary expenses.

There are certain instances when a student's FAFSA may not reflect their current financial situation. In such cases, it may be appropriate to use Professional Judgment (PJ) to help students during challenging economic times. The Financial Aid Office may use PJ to adjust data that determines a student's EFC. However, there must be a significant change to the student's circumstance in order to be considered for PJ. The recalculation may result in a revision to the EFC and any significant change may result in additional need-based aid eligibility.

The FAFSA collects information used to calculate the expected family contribution (EFC). The EFC is calculated according to a formula established by law known as Federal Methodology (FM). It is an estimate of a student's/family's ability to contribute toward postsecondary education costs. The FM formula is the same for all graduate students. Taxed and untaxed income, assets, and benefits, such as, unemployment or social security all could be considered in the formula. While the Financial Aid Office may adjust certain elements of FM they cannot make changes or alter the calculation itself. Also included are: family size (family member that receives more than half of their support from the student) and the number of family members who will attend college at least half-time in an eligible degree program between July 1 to June 30 each year. The EFC calculation also includes an income protection allowance (IPA) for basic living expenses normally incurred by a student or family. A percentage of income earned by students is protected (not counted) to allow for minimal living expenses and payment of taxes. Assets are typically excluded from the EFC 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 20% of their total assets to their education.

When considering whether to use PJ to adjust for special circumstances, Financial Aid Administrators must keep in mind that the income protection allowance in the need analysis formula already accounts for an amount of income that would be required to maintain a modest living standard. For example, for the 2018-2019 award year, the IPA for a family of four (4) with one (1) in college is \$39,780. Of this amount, \$4,275.70 represents family expenditures for medical care ($\$38,870 \times .11 = \$4,275.70$). 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%

2018-2019 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
\$ 9,980 for single, separated or divorced/widowed student	2	\$25,870	\$21,450	N/A	N/A	N/A
\$ 9,980 for married student if spouse is enrolled at least half-time	3	\$32,210	\$27,810	\$23,390	N/A	N/A
\$16,010 for married student if spouse is not enrolled at least half-time	4	\$39,780	\$35,370	\$30,960	\$26,530	N/A
	5	\$46,940	\$42,500	\$38,100	\$33,690	\$29,290
	6	\$54,890	\$50,480	\$46,080	\$41,640	\$37,250

How to submit a Financial Circumstance Appeal

Before a Financial Circumstance Appeal is submitted, students must first accept their current financial aid award package to ensure that aid will post in a timely manner. Students must complete and submit the requisite appeal form along with all supporting documentation of their circumstance. Incomplete appeals will not be reviewed until all documentation is received. Once a determination has been made, all decisions are final. If we are unable to award additional funding during the fall term, appeals may be reconsidered for additional institutional aid in the spring if and when funding becomes available.

After an appeal has been evaluated, the student will be notified in writing of the decision. Please note that while we welcome the opportunity to review a student's unique situation, we cannot guarantee that each review will produce a specific, desired outcome. All requests are handled on a case-by-case basis and additional institutional aid can only be provided if funding allows. Extra time may be needed for review if additional documentation is required. If we are able to make an adjustment, we may submit corrections to the student's FAFSA. If a student qualifies for additional aid based on their adjusted financial need, we will award the additional aid when the correction process is complete. Conversely, if the tax information reported on the FAFSA was underestimated, submission and evaluation may result in a reduced financial aid award.

Review Period

The review process typically begins after the end of the late registration period, each semester. The last day to submit an appeal for the fall semester is October 1. And the last day to submit an appeal for the spring semester is March 15. Please allow a minimum of ten to fifteen business days for the completion of the review process upon receipt of all required documentation.

Please be advised that when a Financial Aid Circumstance Appeal is initiated, the student's FAFSA will automatically be selected for federal Verification. The purpose of verification is to ensure accuracy when determining financial aid eligibility. Applications will be selected for Verification for the current and, if warranted, a subsequent academic year. Please review the [Verification Policy](#) for more information. This is in addition to any documentation specifically needed to complete the appeal request. **International students:** A copy of your I-20 documents will be requested from the Admissions Office.

Reason for Financial Circumstance Appeal	Required Documents
Layoff/Involuntary Unemployment	<ul style="list-style-type: none"> • Copy of the termination notice; • Final pay stub showing year-to date earnings; • Severance pay agreement, if applicable; • Unemployment benefits, if applicable; • IRS Data Retrieval Tool or a copy of IRS tax transcript.
Loss of Income	<ul style="list-style-type: none"> • A letter from your employer confirming the reduction in earnings and effective date; • Termination of benefits documentation; • Quarterly business earnings statement or quarterly tax return if self-employed; • IRS Data Retrieval Tool or a copy of IRS tax transcript.
Loss of Disability Benefits	<ul style="list-style-type: none"> • Letter from the agency verifying date and amount of benefit loss or reduction
Loss of Social Security Benefits	<ul style="list-style-type: none"> • Letter from the Social Security Administration verifying the date and amount of benefit loss or reduction.
Death of a Spouse	<ul style="list-style-type: none"> • A copy of the death certificate; • A copy of final paycheck; • IRS Data Retrieval Tool or IRS tax transcript, student and spouse's W2s; • Documentation of death benefits received.
Divorce/Legal Separation	<ul style="list-style-type: none"> • A copy of the divorce or separation decree; • Statement from family law attorney indicating the date of separation or proof of separation; • Documentation of alimony and/or child support received or paid out; • IRS Data Retrieval Tool or IRS tax transcript, student and spouse's W2s.
Loss of Child Support	<ul style="list-style-type: none"> • A copy of the separation agreement or divorce decree that shows the amount of child support was provided; • A copy of the termination of benefits letter.
Significant loss of financial support from family or outside organization (international students)	<ul style="list-style-type: none"> • Letter explaining the extenuating circumstance; • Any relevant documentation.
Other unusual or necessary expenses	<ul style="list-style-type: none"> • Letter explaining the extenuating circumstance; • Any relevant documentation; • IRS Data Retrieval Tool or IRS tax transcript.

Items that may not be considered in a financial circumstances appeal:

- Consumer debt (credit card or educational loan debt)
- Routine personal living expenses (car payments, insurance, mortgage/rent)
- Unusual personal living expenses (wedding costs, legal expenses)
- Reduction in overtime pay
- Bankruptcy
- Job loss of less than six months
- Requests to exclude retirement assets that are not invested in a traditional retirement account

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.