PUT IT IN WRITING

An NAIS Guide to
Creating a Financial Aid Policy Manual
Introduction

Establishing, articulating, and documenting financial aid policies are critical components of a highly effective financial aid office. Not only does a well-crafted manual provide guideposts for objective and consistent decision making, it can be a valuable teaching and training tool for staff and committee members.

The NAIS Financial Aid Policy Manual template poses a structural framework to articulate what your school's written financial aid policies should cover and how you address them. It is not designed to advise what your school policy should be on any particular topic or activity. This is left up to you and your school to discuss and approve.

This template presents a broad brush review of the policies and procedures your school will likely consider. It is not a comprehensive or exhaustive list of topics, issues, or situations for which your school should have policies but it does cover the most common (some basic and some complex) areas around which schools have created policies and procedures.

How to use this template:

- The template is organized in five sections:
  1. General
  2. Office Structure
  3. Office Calendar
  4. Decision-Making Policies
  5. Sample Documents

- Each section contains prompting questions or other guidance to encourage how you think about the topics related to that section.

- Copy and paste the questions below into a new Microsoft Word document and answer the questions in as few sentences as necessary. Your answers will become the policy statements that will form the basis of your manual.

- As circumstances warrant, use the general guidance and questions presented to help you develop policies for situations or actions not covered in this guide.

- For additional guidance on what to consider when developing new policies, remember to refer to the NAIS Principles of Good Practice for Financial Aid Administration and the NAIS book *Financial Aid Administration for Schools, 2nd Edition*. Visit [www.nais.org](http://www.nais.org) to access these and other supporting materials.

Food for Thought:

- Be succinct. A policy statement does not have to be more than a few sentences.
• Include disclaimers that you reserve the right to make exceptions to a particular policy, when warranted and on a case-by-case basis.

• Anticipate circumstances or situations where you might exempt a family from a particular policy.

• Be honest. Reflect what your school actually does, not what it thinks it does or what it wishes should do.

• If you don't have an answer to one of the questions or prompts, you don't have a policy. Here's your opportunity to create one. Articulate what you plan to do.

• Involve the financial aid committee in developing the policy manual (e.g., assign each committee member to draft answers to a particular section).

• Be sure to get final sign-off from the head of school to solidify the document as official school policy, not just that of the financial aid committee or the financial aid office.

• Revisit your manual each year, making adjustments as circumstances warrant.
Section 1: General

State the School Mission

State the mission of the financial aid program

Why does the school offer financial aid?

How does offering financial aid advance the mission of the school?

Describe the purpose of the policy manual

Why do you have it?

How is it to be used?

Who approved it?

How often should it be reviewed/updated?
Section 2: Office Structure

Describe the staffing of the office

What positions support the administration of financial aid?

Who has ultimate decision-making authority and responsibility?

What are the main financial-aid related responsibilities of each staff person? Include copies of job descriptions where appropriate

Describe the financial aid committee(s)

What is the committee charged with accomplishing?

What positions serve on the committee?

Who appoints committee members?

What general tasks and responsibilities do the financial aid director and other staff have when working with the committee?

What general tasks and responsibilities do the committee members have in advising or guiding the financial aid process?
When does the committee meet and what topics/tasks are addressed at each meeting?
Section 3: Office Calendar

Provide a snapshot of the major tasks to be accomplished in each month of the year.

Begin with the first month of the school year

Consider activities such as (in which month does each task need to begin or end?):

- Mailing financial aid application materials
- Writing and printing financial aid affordability brochures
- Establishing the upcoming year's financial aid budget
- Making presentations to the school head and/or board regarding financial aid issues, data
- Attending professional development activities, such as conferences and workshops
- Hosting open houses, school fairs, and other events where financial aid information is presented
- Setting and publicizing key deadlines for gathering application materials
- Reviewing files for decision-making purposes
- Updating and revising financial aid information on the school website
- Compiling and sharing reports and rosters with appropriate offices, staff
- Selecting recipients of named or endowed scholarships
- Reviewing policy and procedures manual
- Mailing application packets, award letters, and follow-ups for missing documents
- Renewing with SSS, purchasing Comp*Assist and other SSS-related materials
- Holding Financial Aid Committee meetings
- Collecting enrollment and re-enrollment deposits/contracts
Organizing file folders

Destroying or storing old records
Section 4: Decision-Making Policies

Principles

Describe the guiding principles behind making and communicating financial aid decisions

Confidentiality
Consistency
Objectivity
Fairness
Equity

Describe the role that financial aid plays in admission decisions and vice versa

Financial Aid Budget

Who determines the allocation of financial aid dollars?

How and by when is that decision made?

How is that decision shared with the financial aid office?

How is overspending or underspending the aid budget handled?

What is the role of the financial aid director in establishing the budget?

Types of Financial Aid Offered
List the different ways the school offers assistance. For each, describe the general steps and/or criteria for determining eligibility.

Need-based Aid

Merit-based and other no-need awards

Describe what expenses the financial aid is intended to cover.

Tuition, room, board, etc.

State whether additional aid is available for costs beyond the standard expenses.

If aid is available:

Give examples of the types of costs that can be covered (trips, books, transportation, etc.).

Describe the process families must take to request it.

Describe your decision-making process for granting additional assistance.

Describe alternative financing plans or arrangements the school offers.

Tuition Remission

Tuition Loans

Tuition Payment Plans

The Application Process
Describe the general steps taken to complete the financial aid process

What forms/documents are required?

What are the deadlines for submitting them?

Where should they be sent?

What are the ramifications for not submitting the documentation needed?

When will the financial aid office notify families of its decisions?

Under what circumstances might additional information from the family be required?

Under what circumstances might the school exempt a family from meeting the standard application requirements?

Meeting Financial Need

Do you meet full demonstrated need? If “no,” why not?

How much need do you meet?

Is it the same percentage for all students?

If not, what are the criteria used to determine the rate (e.g., division, grade, total amount needed, "first come first served," etc.)

Is there a limit or cap on how much aid is offered to an individual student?

What other circumstances might keep a student from receiving the full amount of demonstrated need?

Do you keep a financial aid waiting list for students you cannot fund?

What criteria are used to determine when students are chosen to come off the list?

When is that decision made and communicated?
Is there a priority order in which students get funded?

If so, what elements are taken into consideration (e.g., new vs. returning, division, grade level, etc.)?

Are faculty/staff applicants offered priority or preference in awarding financial aid (outside of tuition remission)?

If so, describe the difference in handling faculty/staff requests.

Describe your commitment to meeting need in subsequent years.

What steps do families take to continue to receive aid?

What circumstances might jeopardize renewal of aid?

Describe the process families can use to appeal your aid decision.

**Household and Family Structure Policies**

For each of the family structures listed below, answer the following questions:

- What forms are required? By whom?
- How do you calculate the contribution?
- Under what circumstances might you exempt them from the regular process?
- How do you communicate your financial aid decision?

Unmarried Parents

Married Parents

Divorced/Separated Parents

Stepparents
Cohabiting Couples

Unmarried

Same-gender couples

Guardians/Other Family Members

Grandparents

Employment and Work-Related Policies

Self-Employed Business and/or Farm Owners

Do you require additional information, such as the SSS Business/Farm Statement?

How do you treat write-offs such as depreciation or expenses related to home-based businesses?

Unemployed Parents

How do you manage requests for aid due to layoff or other involuntary job-loss scenarios?

How do you manage situations where not working appears to be voluntary? Do you consider:

Imputing wages/income? If so, how much?

Exceptions for certain circumstances (disability, care for children or elderly parents, etc.)?

Financial Issues

How do you use reported home equity in the final decision?

If you make an exception to the standard SSS consideration, describe how you use home equity.
Describe your treatment of retirement assets or retirement contributions.

Describe your treatment of student assets.

Do you require additional documentation for significant holdings? If so, what documents do you request?

Do you exempt student assets from the calculation? If so, why?

Describe your treatment of unreported or underreported assets.

Briefly describe how you use evidence of discrepancy in your decision making.

How do you consider child support and alimony (paid and/or received) in the financial aid decision?

Describe your process for considering other financial circumstances not typically covered in standard review.

Consider issues such as:

- Credit card or other consumer debt
- Unusual household and/or medical expenses
- Tuition paid at other schools/institutions

**International Students**

State whether you provide financial aid to non-US citizens.

If aid is available, what documentation is required?

Is aid awarded according to the same standards as US citizens (e.g., % of need met, awarding priority, etc.)?
Confidentiality

Describe how your school protects the confidentiality of student financial aid information. Consider treatment of:

Applications

Decisions and decision letters

Student files

Family financial information (e.g., tax forms)

Correspondence to/from families

Describe whether and how you might share financial aid information with others within the school (e.g., school board, business office, development, coaches, etc.).

Describe whether and how you might share financial aid information with others outside the school (e.g., donors, media, etc.)
Section 5: Sample Documents

Include copies, templates, or samples of the following:

- Brochures, checklists, or other general information for parents
- Decision letters
  - Eligible and aid granted
  - Eligible but no aid available
  - Not eligible
- Enrollment contract (if financial aid information is included)
- Missing information letter(s)
- Reports, rosters used for committee and/or board meetings