



elmwood franklin school

Thinking beyond.

Need-Based Financial Aid Family Guide

OUR MISSION:

To prepare children to lead thriving lives.

OUR CORE VALUES:

**Academic Rigor, Character, Community,
Creative Inquiry, and Individual Excellence**

Elmwood Franklin School

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Elmwood Franklin School Financial Aid Family Guide

Table of Contents

Financing an Elmwood Franklin School Education	2
The Application Process	3
Monthly Income and Expense Report	3
Total Family Philosophy	4
Current Families New to Financial Aid	4
Merit Aid	4
Non-Working Parents & Guardians	4
Multiple Tuition Charging Schools	5
Student Assets, Trusts, College Funds, Inheritance	5
Retirement	5
Homes, Home Equity, Housing Expense	6
Family Lifestyle Decisions	6
Automobiles	6
Family Vacations	6
Extracurricular Activities	6
Business Income, Business Startups	7
Negative Income	7
Loss of Income	7
Foreign Income	7
Frequently Asked Questions	8

Elmwood Franklin School Financial Aid Family Guide

The Elmwood Franklin School (EFS) need-based financial aid program seeks to enroll and retain admitted students who could not otherwise afford the full cost of attendance.

Our financial aid program provides deserving students an opportunity to receive an exceptional education that might otherwise be unavailable. The ability to pay full tuition is not a deciding factor in determining if a promising young person can attend the school.

Financial aid is a grant that bridges the gap between the demonstrated need of a family and the tuition required to enroll at EFS. Approximately 47% of our students receive assistance through our financial aid program. The School expects parents, both custodial and non-custodial, to make every effort to meet the cost of their child's education.

Financing an EFS Education

Our tuition covers 80% of the full cost of an EFS education; generous gifts from alumni, families, and friends of the School supplement our operating budget and make financial aid possible. ***EFS encourages families who find our tuition unaffordable to apply for financial aid, keeping in mind that the primary obligation for financing a student's education rests solely with the family.*** The School expects a family to make appropriate adjustments in the use of its discretionary income and lifestyle choices in advance of, and during, their experience at EFS to finance their child's education. The Financial Aid Committee expects that a family's commitment to their child's education is a priority over discretionary lifestyle choices.

EFS does not consider financial need when determining a student's eligibility for admission. The admission and financial aid processes are separate and distinct.

Despite our dedication to helping those who demonstrate need, there are always more students who qualify than funding available. Therefore, we encourage families to apply as soon as possible and before the application deadline. Understanding that an EFS education is a significant investment in your child's future, the School's Financial Aid Committee reviews, evaluates, and determines a fair assessment of a family's ability to afford this exceptional education for your child.

Financial aid applications are held in the strictest confidence. Decisions are made based on a wide variety of factors. Questions regarding a student's financial aid will be directed to the financial aid committee. ***Families should not discuss awards with other parties. Public sharing of financial aid data could impact future award eligibility.***

Elmwood Franklin School Financial Aid Family Guide

The Application Process

Financial Aid must be applied for annually and families are required to demonstrate financial need during each year of attendance. The aggregate amount of aid available is determined annually by the Board of Trustees. To make financial aid decisions in a fair and equitable manner, EFS requires that all applicants complete the Parents Financial Statement (PFS) and submit federal tax returns through an independent third-party called the School and Student Service for Financial Aid (SSS). SSS uses a proprietary methodology of the National Association of Independent Schools (NAIS) and provides EFS with a recommendation of what a family should reasonably contribute toward tuition based on their application. EFS reserves the right to amend awards if new information comes to light post-application. It is the responsibility of the family to notify the School of a change in circumstances (better or worse) at any time during the application process, after receiving an award, and during the school year.

First-Time & Current Family Financial Aid Application Steps and Guidelines

- Returning families: Complete the Parents Financial Statement (PFS) on the School and Student Service for Financial Aid (SSS) website by uploading your current federal tax returns and all supporting schedules, W2s, and explanations by December 1.
- New families: completed Financial Aid applications must be submitted during the admissions process.
- EFS will not award Financial Aid until all required supporting tax documentation is uploaded and reviewed. "Draft" tax documentation will not be considered.
- Receive admission/re-enrollment acceptance to EFS and complete the enrollment process.

Current Family Application Guideline

- Financial aid applications must be completed by the deadlines even if the student's re-enrollment contract is on "hold status" due to non-payment of tuition, academic concerns, or behavioral reasons. The School reserves the right to withhold an enrollment contract and/or offer of aid for the coming year if issues arise after a family signs the contract.

Monthly Income and Expense Report

The monthly income and expense report on the SSS application is an important tool in determining need. We expect all families to accurately report their monthly expenses. If a family reports a negative monthly net income, an explanation must be provided on the application under additional information. If the total income reported on taxes does not match the application, the higher of the two incomes will be used to calculate need. If monthly income and expenses do not support the observed lifestyle (cars, homes, vacations), the application may be

Elmwood Franklin School Financial Aid Family Guide

subject to further inquiry.

“Total Family” Philosophy

EFS expects to have a cooperative and communicative relationship with all parents or guardians of each of our students and requires the active participation of the entire family in funding the student’s educational opportunity.

When appropriate, EFS considers the entire household income, regardless of the legal status of the family. EFS expects parents, guardians, domestic partners, and stepparents to play a critical role in financing a student’s education. Financial Aid decisions are made on a “total family” basis. The School is happy to speak with any noncustodial parent who is reluctant to provide their information to SSS and the School, however, noncustodial parents may be required to submit their financial information in a separate SSS application.

The School recognizes, in rare cases, there may be unusual circumstances that make it difficult to obtain certain information. In this case, EFS may ask the applying parent/guardian to provide certain information and the School will make every effort to contact the parents and all responsible family members. Refusal to provide this information will result in an “incomplete” application status and a resulting denial of financial aid.

Current Families New to Financial Aid

Current families who have not previously applied for financial aid will not be eligible for aid unless they demonstrate a change in the family’s financial situation and have been enrolled at EFS School for a minimum of one academic year. In the case of divorce or separation, our “total family” philosophy applies.

Merit Aid

EFS provides need-based financial aid awards based on the SSS application, supporting tax documents, and income verifications. ***EFS does not offer merit awards.***

Non-Working Parents & Guardians

The primary responsibility for financing an education rests with the parents and guardians of a student. EFS recognizes that families have the freedom to make choices regarding their financial status. In most EFS families seeking assistance, both parents work to maintain income sufficient to provide an independent school education for their children. It is unfair to ask these dual-employed families to subsidize the educational cost for a family that chooses, for lifestyle reasons, not to work. If only one parent is employed, and there are no dependent care circumstances requiring the stay-at-home parent to remain so, the Financial Aid Committee will impute a full-time income of \$25,000 based on minimum wage for the non-working parent.

Elmwood Franklin School Financial Aid Family Guide

If a parent is self-employed and claims a low income for the profession compared to the Bureau of Labor Statistics annual mean wage for that profession, a higher level of income will be imputed unless a justification can be shown for a lower income. The Committee will impute estimated income for parents or guardians who choose not to work and adjust the SSS Expected Family Contribution accordingly.

Families with preschool-aged children where outside childcare costs are equal to or exceed the non-working parent imputed income should explain their situation in the additional notes section of the PFS application. Parents returning to school, starting a business venture, or changing jobs as a choice must realize that EFS is unable to underwrite a resulting decrease in their family income.

Multiple Tuition Charging Schools

If more than one child in a family attends a tuition-charging institution, EFS requires families to apply for aid at each of the institutions their children attend. EFS is unable to subsidize tuition for other tuition-charging schools of any type, including college. EFS does not consider tuition paid for children beyond the undergraduate level such as master's and doctoral degrees when determining eligibility for aid.

Student Assets, Trusts, College Funds, Inheritance

Savings, investments, trust funds, 529 funds, or other assets in a student's name that are held for a student for any reason, even those restricted in some way, are considered available resources for use in funding a student's education at EFS and must be reported during the SSS process.

Retirement

EFS does not expect money in qualified retirement plans, such as a 401(k), 403(b), IRA and pensions to be used in funding this educational opportunity. Funds in non-qualified retirement accounts such as regular brokerage accounts, savings, or equity in second homes will be treated as assets that can be used to fund an EFS education. EFS cannot be expected to subsidize a family decision to fund more than 15% of pre-tax income into qualified retirement plans. The SSS methodology considers the age of parents/guardians and the value of the retirement plan accounts and adjusts accordingly.

Homes, Home Equity, Housing Expense

The SSS needs analysis considers equity a family has in their primary residence, secondary home, and rental property, as well as other assets. It is not our expectation that parents will sell their home or take a home equity loan to support a child's education unless the balance of equity is significant. However, if a family has directed discretionary income toward the acquisition of assets (vacation and rental homes, etc.), rather than toward the cost of education, they will be

Elmwood Franklin School Financial Aid Family Guide

expected to direct a larger portion of current income towards educational expenses.

The expectation is that a family will choose reasonable housing for their income level. If a family spends a higher percentage on housing than the average comparable dwelling for the family size, then the excess spent on housing will be allocated back into the PFS as income.

Family Lifestyle Decisions

We recognize that each family makes its own decisions as to how to spend discretionary income, and that it can be spent in a wide range of ways, including such things as tuition, home improvements, cars, or travel. EFS is a close-knit community and families applying for financial aid should be aware of the implications of their lifestyle choices when they are visible to others, including students, other families, and via social media. The Financial Aid Committee has an obligation to ensure that need-based financial aid dollars are going to families who choose to prioritize their discretionary spending toward funding a EFS education.

Automobiles

EFS expects that families applying for assistance will spend resources reasonably and allocate discretionary income effectively. If a family chooses to spend over \$500 per month or \$6,000 per year on car loan/lease payments for a car, the difference spent will be imputed back as income. Families must report their automobile make, year, and model in the SSS application along with cost.

Family Vacations

In the same light, we expect that families seeking aid will also plan reasonably priced family vacations and will not spend over approximately 4% of their total income on vacations.

Extracurricular Activities

Beneficial extracurricular activities outside the classroom are vital to a child's development and EFS is supportive of, and encourages, this growth. The School, however, cannot supplement unreasonable extracurricular costs. The expectation is that families will choose to allocate resources first toward tuition.

Business Income, Business Startups

All parents who own a business are required to upload current business tax returns. The expectation is that business owners will furnish all applicable tax statements such as 1120S for an S-Corp or 1065 for a partnership. The committee also expects cash flow statements, balance sheets, and any other information relevant to the business will be provided and uploaded to the SSS application. We do not consider business/rental depreciation or loss in the calculation of financial need since depreciation does not reflect an actual cash disbursement or loss. Review of these documents usually results in adjustments being made to the application.

Elmwood Franklin School Financial Aid Family Guide

If a clear financial picture matching lifestyle cannot be evidenced through documentation, the application will be rejected, and the family denied aid. EFS cannot underwrite a parent's decision to finance a startup company or supplement income loss from a business, bankruptcy, past income tax debt, or lawsuit.

Negative Income

Applicant families should understand that reporting to the IRS for tax purposes is different than actual cash flow. The SSS methodology focuses on income and cost of living adjustments. Providing tax documentation is one way to verify what has been reported in the application. If a negative net income is reported, a family's lifestyle will be reviewed, and income adjusted accordingly.

Loss of Income

EFS understands that changes in employment and emergencies happen. The expectation is that parents will explore all avenues of paying for their child's education before asking the School for assistance. EFS cannot be expected to underwrite the cost of a child's tuition due to the loss of income. In the case of job loss, our practice is typically to wait a few months, or until the next application year, to verify the ongoing reduction in income. Exceptions will be reviewed.

Foreign Income

EFS does not award Financial Aid without the income verification of U.S. federal tax returns. The School cannot ascertain a family's need and evaluate financial aid without the proper documentation. In cases where one parent files United States taxes and another parent works outside the United States, income will be imputed for that parent based on provided documentation and lifestyle evaluation. In circumstances where parents are on temporary overseas employment or student visas, please contact the Financial Aid Committee to discuss it in detail.

Elmwood Franklin School Financial Aid Family Guide

Frequently Asked Questions

Q: Should I apply for need-based financial aid or not?

A: First, consider the cost of an independent school education. If you cannot cover expenses out of income and judicious use of assets, consider your other options, such as tapping home equity or assistance from relatives. If you are counting on gifts from relatives, it is important to discuss with them whether they can maintain that help over the course of your child's attendance at EFS. If, after this review, you feel you cannot afford the cost of EFS, we encourage you to apply for financial aid.

Q: What financial sacrifices does EFS expect my family to make when evaluating how much we can afford for tuition and school-related expenses?

A: It is EFS' belief that the primary responsibility for financing education rests with families. The goal of the Financial Aid Committee is to evaluate each family's financial picture effectively and fairly in such a manner that the family makes some financial sacrifice for an EFS education. We cannot provide aid to offset lifestyle choices and expenditures that could have been directed to education, such as luxury cars, second homes, expensive vacations, club memberships, high credit card debt, etc. We use the SSS estimated family contribution as a guide, among other factors.

Q: What does SSS do?

A: SSS uses a statistical evaluation system to compute a family's ability to pay for educational expenses for all children. The SSS computation considers family size and makes cost of living adjustments for our area. Many independent schools use SSS for their financial aid analysis.

Q: What is the range of aid that is awarded for tuition?

A: EFS financial aid awards range from a small percentage of the tuition to higher percentages of tuition based on need. We expect every family to contribute an amount toward tuition.

Q: Do I have to reapply each year for Financial Aid?

A: Yes. All financial aid awards are reviewed annually. If there is little change in a family's circumstances, one can expect that grants will be renewed at similar levels. When there are changes in a family's financial situation, we will do all that we can to make it possible for the child to receive the financial assistance needed to continue at EFS. At the same time, we expect a family in this situation to make other adjustments to their family expenditures, in addition to seeking financial aid, to help cover the costs of private education. Likewise, when a family's financial situation improves, the annual grant will be adjusted to reflect the gain. Therefore, parents/guardians are required to complete the

Elmwood Franklin School Financial Aid Family Guide

application process each year.

Q: Does financial aid cover school trips and other ancillary costs?

A: Mostly. EFS works hard through strategic budgeting to include most of the costs of an EFS education in the cost of tuition.

Q: Will applying for financial aid have an impact on the admission decision?

A: No. Admissions decisions are made first. The Financial Aid Committee only reviews an application after a student is accepted for admission to EFS.

Q: If a parent decides to attend graduate school or other educational opportunities, how will that choice impact the financial aid award?

A: The Financial Aid Committee expects the parent enrolled in graduate school will continue to earn income and that they have arranged to fund their education without depending heavily on family resources.

Q: I choose to volunteer at EFS rather than work. How will that decision impact my financial aid award?

A: Volunteer work at EFS does not affect the application for aid.

Q: If the award amount we receive is not sufficient, is there an appeal process?

A: Yes. Please send your request for a second review in writing to the Financial Aid Committee. You will be asked to fill out a detailed Monthly Cash Flow Report and provide additional documents to substantiate your appeal.

Q: Are students ever asked to take jobs at EFS to help pay for their education?

A: No.

Q: I still have questions regarding the application process for financial aid. Whom should I contact?

A: Please contact Stephanie Katzman, EFS Director of Admissions, who can direct your question to the Financial Aid Committee, at 716-551-6611, via email at skatzman@elmwoodfranklin.org, or call the SSS Family Support Center at 1-800-344-8328.