

## Case One: Alfredo Sawz

- Alfredo:
  - 18 years old, unmarried, no children or dependents
  - Not a veteran or on active duty
  - Earned \$14,157 from work
  - AGI: \$14,157; Tax: \$50
  - Grandfather paid phone bill: \$190
  - Work-Study earnings: \$60
  - \$2,000 in savings account at time of filing the FAFSA
  - \$2000 in investment account (not IRA)
  - Reported Net Worth of Business: \$2000
  - Lives in CT with mother, Sriracha
  
- Sriracha:
  - Birthdate: July 1, 1974
  - Divorced, with three children, including Alfredo
  - Two children in college full-time
  - Earned \$27,096 from work and is still working
  - Filed 1040, AGI: \$27,096; Tax: \$2,045
  - Child Support Received: \$2800
  - Education Credit: \$600
  - \$20,000 in checking account
  - \$30,000 in savings account
  - \$50,000 in investments (not IRA)
  - Reported Net Worth of Business: \$50,000
  
- When Alfredo files his FAFSA, he and his mother:
  - Do not use the IRS Data Retrieval Tool
  - Do not indicate use of any means-tested benefits
  - Do not know if they were eligible to file the 1040A or 1040 EZ

Calculate the Sawz' Expected Family Contribution

### **Case One, Part 2:**

Alfredo calls the Financial Aid Office, saying that he might need to take a semester off to make money to pay for school. He asks would his EFC and Need be the same if he just came to school for the Spring 2019 term.

- At your college, pretend that the number of months set for the Spring 2019 term is five.

Recalculate a prorated EFC for Alfredo.

### **Case One, Part 3:**

Sriracha Sawz calls the Financial Aid Office very upset at the results of the EFC calculation. She wants him to go to school full-time during the 2018-2019 academic year. She looked at her son's Student Aid Report and realized that they made some errors:

- She and her son do not own businesses. She and Alfredo both work at Walmart. They accidentally copied the same amount as their investments were valued at the time they filled out the FAFSA in the Business field on the form.
- She forgot to indicate that her youngest child currently gets reduced lunch at school, and in 2016, she did receive SNAP benefits.

Recalculate the EFC, given these development (pending collection of documentation, of course)

## Case Two: Sossi Al Adjii

- 45 years old, unmarried, no children or dependents
- Earned \$34,382 from work at a business she owns
- Filed 1040 (ineligible for 1040A or EZ)
- No means-tested benefits
- AGI: \$34,382; Tax: \$1,235
- Pension Contribution: \$105
- Co-Op Education earnings: \$623
- \$5,050 in savings account at time of filing the FAFSA
- \$25,000 reported in investment account
- Reported Net Worth of Business: \$325,000
- Lives in CT

Given the above information, calculate Sossi's EFC

### Case Two, Part 2:

Sossi visits the Financial Aid Office, saying that the EFC is impossible, as it exceeds her income. In your conversation, you find out some interesting bits of information:

- Sossi and her brother Sike own their own bookstore exclusively. They only employ eight other people part-time.
- The \$25,000 reported investment is the amount in Sossi's Roth IRA account.

Given this new information and review of documentation you require, recalculate Sossi's EFC.

**Case Two, Part 3:**

Sossi visits the Financial Aid Office with wonderful news – Her application to adopt a little boy from South Korea has been approved! Sossi would still like to take classes part-time, and wonders if having a new baby will make any difference to her financial aid.

Will there be a change? If so, calculate Sossi's new EFC.