



FACTS Grant & Aid Assessment Formula

The FACTS Grant & Aid Assessment formula establishes an applicant's need after taking into consideration the family's resources and reasonable, or 'core' expenses. The FACTS philosophy with our formula is that after considering these core expenses, the number one priority should be paying for tuition. Here is the basic outline of our core assessment and how we reach the FACTS Calculated Need:

✓	Resources (Taxable and Non-Taxable Income + Contribution from Assets)
—	Core Expenses (Reported & Allocated)
=	Income After Core Expenses
×	Contribution Factor
	Income After Core x % of Available Income
	• \$0 - \$5,000 18.5%
	• \$5,001 - \$7,500 25%
	• \$7,501 - \$10,000 35%
	• \$10,000+ 50%
=	Calculated Tuition Contribution
—	Tuition Amount
=	FACTS Calculated Need

Need and Discretionary Expenses

FACTS will run a similar need calculation utilizing all the expenses reported on the application — those categorized as both 'Core' and 'Discretionary'. While the additional calculation that includes the 'Discretionary' expenses will not affect the FACTS Calculated Need for an applicant, it can still be valuable to your decision-making process.

When you compare the need after core expenses with the need after core and discretionary expenses and a large discrepancy exists, this may be an indicator that the family's lifestyle choices conflict with their income. For example, excessive credit card debt or excessive car payments can highlight circumstances where a family might be at risk of not being able to fulfill their tuition obligation.

FACTS allows you the control to determine what is core and discretionary. Please see page 3 for more information on Core and Discretionary expenses.

FACTS Grant & Aid Features

Contribution from Assets Calculation

Value of Cash, Savings, and Checking (can be removed)

Value of Brokerage Accounts (can be removed)

Value of 529 Plan Accounts (can be removed)

+ **Value of Retirement Plan Assets** (can be removed)

= **Total Liquid Assets**

- **Savings and Asset Protection Allowance**

= **Assets Available for Contribution**

X **Asset Contribution Factor** (12%, can be adjusted)

= **Contribution from Assets** (if negative, use zero)



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Expense Formula Customization

FACTS has two categories of expenses utilized in the formula - allocated household expenses and actual household expenses.

Allocated household expenses are automatically added to an application and include food, apparel, utilities, transportation, state and local taxes. The numbers are reviewed and updated annually based on the most recent Bureau of Labor Statistics and Consumer Expenditure Data.

Actual household expenses are reported by the applicant on the application. FACTS, default configuration establishes which expenses are core and discretionary. Core expenses are capped based on annually-researched national data and are there to keep families from over reporting or being rewarded for living outside their means. Discretionary expenses are not used to determine the FACTS Calculated Need.

Default Core Expenses

- Rent or house payment
- Vehicle payments
- Vehicle insurance
- Daycare
- Child support
- Health insurance
- Out-of-pocket medical expenses

Default Discretionary Expenses

- Home equity line of credit
- Charitable contributions
- College tuition
- Elder care
- House payment on second home
- Total credit card payment
- Student loans
- Other loan debt
- 7.5% allocation for other expenses

Customization is available for the core and discretionary setting for actual household expenses along with the cap for core expenses. Please contact your account manager at 866.412.4637 to customize the formula to meet your needs.

More information on the FACTS Grant & Aid Assessment formula can be found in the help section of the FACTS system.