The Growing Significance of Financial Aid in Higher Education  
*Presenter: Bill Wells, Director, Financial Aid*

University Contractual Obligations  
*Presenter: Mary Cranfill, Executive Director, Procurement Services*

Everything You Need to Know Before and After You Travel for Wake Forest  
*Presenter: Allison Belton, Director, Accounts Payable*

Finance Website Walk Through  
*Presenter: Jennifer Rogers, Training & Communications Specialist*
The Growing Significance of Financial Aid in Higher Education
Access to higher education for the best and brightest students, and the financial aid which is necessary to make it possible, is a critical issue in this country and at Wake Forest. Many of our peer and aspirant institutions have made financial aid and scholarships an institutional priority, and Wake Forest finds itself competing on an increasingly un-level playing field. Against a backdrop of a struggling national economy, cuts to federal and state financial aid programs, and the increasing cost of higher education, we seem to be facing the perfect storm. At Wake Forest, with our pro humanitate foundation and our test-optional, holistic admissions process, we have publicly redefined “merit,” stressing our desire to enroll serious, intellectually curious, and philanthropic young people from a diversity of backgrounds. Sadly, these students are not the norm in a youth culture which appears to be increasingly hedonistic, materialistic and trivial. How do we ensure that Wake Forest will stand as an ideal and compelling model of undergraduate education for the 21st century? Much of the answer lies in our ability to recruit students whose primary motivations are an expansive life of the mind and a commitment to philanthropy and service. Our research suggests that if it were financially feasible, a larger percentage of these students would enroll at Wake Forest. By capping need-based loans and expanding our merit scholarship programs, enabling us to enroll the nation’s finest students, Wake Forest can move ahead in the higher education landscape, raising our undergraduate culture to a new level of purpose and achievement.
The Economic Environment

Peer schools are reducing loans
Diminishing support from federal and state sources
Demographic elements – more needy students
Less reliable capital markets/wealth creation among middle class citizens
Increasing cost of higher education
## Larger Endowments of Other Schools

<table>
<thead>
<tr>
<th>School</th>
<th>Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>$710,000</td>
</tr>
<tr>
<td>Notre Dame</td>
<td>$527,000</td>
</tr>
<tr>
<td>Emory</td>
<td>$393,000</td>
</tr>
<tr>
<td>Duke</td>
<td>$360,000</td>
</tr>
<tr>
<td>Vanderbilt</td>
<td>$265,000</td>
</tr>
<tr>
<td>Wake Forest</td>
<td>$136,000</td>
</tr>
<tr>
<td>Tufts</td>
<td>$125,000</td>
</tr>
<tr>
<td>Georgetown</td>
<td>$67,000</td>
</tr>
</tbody>
</table>

The White House "College Scorecard"

2010-11 Cost of Attendance: $54,135

Average first-year grant or scholarship from federal, state, institution: $22,950

Net Price: $31,185

Date Source: IPEDS, 2011-12, for Aid Year 2010-11
<table>
<thead>
<tr>
<th>College</th>
<th>Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanderbilt</td>
<td>$18,993</td>
</tr>
<tr>
<td>Rice</td>
<td>$19,675</td>
</tr>
<tr>
<td>Duke</td>
<td>$22,879</td>
</tr>
<tr>
<td>Notre Dame</td>
<td>$24,632</td>
</tr>
<tr>
<td>Emory</td>
<td>$25,094</td>
</tr>
<tr>
<td>Tufts</td>
<td>$26,274</td>
</tr>
<tr>
<td>Georgetown</td>
<td>$26,521</td>
</tr>
<tr>
<td>Wake Forest</td>
<td>$31,185</td>
</tr>
</tbody>
</table>
Loan Reduction at Cross-Admit Schools

Davidson, Vanderbilt: No Loans to Meet Need

Rice: No Loans to Students from Families with Income < $80,000

Emory: No Loans to Students from Families with Income < $50,000

Duke, UNC-Chapel Hill, UVA, William & Mary: No Loans to Students from Families with Income < $40,000
I was pleased with the admissions process at Wake Forest. There was a good possibility that I would have attended Wake Forest if I had received a monetary amount comparable to that which Davidson offered me. With Davidson, and the help of local scholarships, I would have no debt. With Wake, however, I would owe $9,000.00 per year, even with the help of those local scholarships. I realize that Wake does everything it can to help students pay for college, and that results in some students not getting the amount that they had previously wanted. Although I could have attended Wake, choosing Davidson and avoiding $36,000.00 in debt was the logical choice.
How much need do students from middle income families have?

$100,000 income → $41,000 need
$125,000 income → $37,000 need
$150,000 income → $31,000 need
$175,000 income → $25,000 need
$200,000 income → $18,000 need
$225,000 income → $12,000 need
$250,000 income → $5,000 need

Based on a family of four with one in college, and home equity of $165,000 being the only asset.
# 2012-13 Cost of Attendance

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition/Fees</td>
<td>$43,200</td>
</tr>
<tr>
<td>Room</td>
<td>7,800</td>
</tr>
<tr>
<td>Board</td>
<td>3,860</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$54,860</strong></td>
</tr>
<tr>
<td>Books</td>
<td>1,100</td>
</tr>
<tr>
<td>Transportation</td>
<td>800</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$58,260</strong></td>
</tr>
</tbody>
</table>
## 2013-14 Cost of Attendance

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition/Fees</td>
<td>$44,742</td>
</tr>
<tr>
<td>Room</td>
<td>8,000</td>
</tr>
<tr>
<td>Board</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$56,742</strong></td>
</tr>
<tr>
<td>Books</td>
<td>1,100</td>
</tr>
<tr>
<td>Transportation</td>
<td>900</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$60,242</strong></td>
</tr>
</tbody>
</table>

3.4% increase
What Progress Has WFU Made?

Annual loans are capped at $4,000 for students from families with income < $40,000, beginning in 2008-09 with new students.

Annual loans capped at $5,000 for 51 middle-class Wake Forest Scholars in 2011-12, and 84 in 2012-13. (22 of 54 are endowed.)

Annual loans are capped at $10,000 for all other needy students, beginning in 2011-12 with new students.
Only the neediest students receive Pell Grants. Students with Pell Grants have increased from 6% in 2006-07 to 11% in 2012-13.

Students with need have increased from 35% in 2006-07 to 40% in 2012-13.

Students from North Carolina make a significant contribution to our diversity. While 23% of undergraduates are from NC, 36% of students with need-based grants are from NC. 61% of students from NC have need, relative to 33% of students from other states. Students from NC received an average need-based grant of $35,800, relative to an average $26,200 to students from other states.
Institutional Need-Based and Merit Aid, FY08-13

2007-08  $22,595,821  
2008-09  $25,621,138 (13.3% increase)  
2009-10  $30,188,993 (17.8%)  
2010-11  $33,975,604 (12.5%)  
2011-12  $39,886,117 (17.4%)  
2012-13  $42,719,152  (7.1%)
“The calculation used here takes into account a school's academic quality, as indicated by its 2013 U.S. News Best Colleges ranking, and the 2011-2012 net cost of attendance for a student who receives the average level of need-based financial aid.”

Wake Forest, ranked 27th among national universities, is ranked as the 33rd best value.
<table>
<thead>
<tr>
<th>University</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke</td>
<td>9</td>
</tr>
<tr>
<td>Rice</td>
<td>10</td>
</tr>
<tr>
<td>Vanderbilt</td>
<td>16</td>
</tr>
<tr>
<td>Emory</td>
<td>18</td>
</tr>
<tr>
<td>Notre Dame</td>
<td>22</td>
</tr>
<tr>
<td>Georgetown</td>
<td>25</td>
</tr>
<tr>
<td>Tufts</td>
<td>32</td>
</tr>
<tr>
<td>Wake Forest</td>
<td>33</td>
</tr>
</tbody>
</table>
56% receive aid (2,688 students)
47% receive WF grants (2,246 students)
61% of NC students have need (665 students)
40% of all students have need (1,902 students)

$37,551 average need-based award
$33,271 average award
$29,732 average need-based grant
$26,974 average institutional grant
<table>
<thead>
<tr>
<th>Institution</th>
<th>% Students with Need-Based Grants</th>
<th>Average Grant, 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanderbilt</td>
<td>43%</td>
<td>$37,478</td>
</tr>
<tr>
<td>Duke</td>
<td>43%</td>
<td>$36,877</td>
</tr>
<tr>
<td>Emory</td>
<td>47%</td>
<td>$33,323</td>
</tr>
<tr>
<td>Georgetown</td>
<td>38%</td>
<td>$31,830</td>
</tr>
<tr>
<td>Rice</td>
<td>43%</td>
<td>$31,252</td>
</tr>
<tr>
<td>Tufts</td>
<td>37%</td>
<td>$30,711</td>
</tr>
<tr>
<td>Wake Forest</td>
<td>39%</td>
<td>$28,513</td>
</tr>
<tr>
<td>Notre Dame</td>
<td>48%</td>
<td>$28,324</td>
</tr>
<tr>
<td>University</td>
<td>Cumulative Indebtedness</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------</td>
<td></td>
</tr>
<tr>
<td>Rice</td>
<td>$16,528</td>
<td></td>
</tr>
<tr>
<td>Vanderbilt</td>
<td>$18,543</td>
<td></td>
</tr>
<tr>
<td>Duke</td>
<td>$21,713</td>
<td></td>
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<tr>
<td>Tufts</td>
<td>$24,468</td>
<td></td>
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<tr>
<td>Georgetown</td>
<td>$28,035</td>
<td></td>
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<tr>
<td>Emory</td>
<td>$28,076</td>
<td></td>
</tr>
<tr>
<td>Notre Dame</td>
<td>$30,225</td>
<td></td>
</tr>
<tr>
<td>Wake Forest</td>
<td>$35,070</td>
<td></td>
</tr>
</tbody>
</table>
Institutional Methodology (IM)
- Includes home equity
- Minimum student contribution
- Non-custodial parent contribution
- Income not included in AGI on tax schedules and corporate & partnership tax returns

Federal Methodology (FM)
- Based on tax form AGI
- Eligibility Index for rationing limited grants
- Eligibility Index for work-study and subsidized loans
FAFSA

Required for all type of federal aid
FAFSA on the Web:  www.fafsa.ed.gov
Submit after January 1 and by **February 15**
Federal processor sends results to student (SAR) and colleges (ISIR)

CSS PROFILE

Required for institutional aid
Apply online:  http://profileonline.collegeboard.com
Submit after October 1 and by **February 15**
Need Analysis Case Study

Institutional Methodology
Parents’ Contribution

Total income for year
(taxable + non-taxable)

MINUS: Federal tax paid
State tax paid
Social security withholding
Income Protection Allowance
Annual Education Savings Allowance
Child support paid by parents
Employment allowance

EQUALS: Available income
Parents’ Contribution

From Income

Available Income

TIMES: Percentage (22% - 46%)

EQUALS: Contribution from Income

Parent Contribution is prorated according to number of children in college
Parents’ Contribution

From Assets

Cash, savings and checking accounts
Home equity (market value minus amount owed, capped at two times income)
Investment equity
Other real estate equity
Adjusted business/farm equity
Does not include retirement plans
From Assets

Total Net Assets

MINUS: Emergency Reserve Allowance
Cumulative Education Savings Allowance

EQUALS: Net Worth

TIMES: 3% - 5%

EQUALS: Contribution from Assets

Parent Contribution is prorated according to number of children in college
Student’s Contribution

Total income for year
(taxable + non-taxable)

MINUS:
  Federal tax paid
  State tax paid
  Social security withholding
  (FM only) Income protection allowance of $6,000

EQUALS: Available income

TIMES:
  Parent assessment rate (22-46%)

EQUALS: Student Contribution from Income
Student’s Contribution

Student assets × 3 - 5% (parent rate) + Trust Funds × 25%

EQUALS: Student Contribution from Assets
## Case Study
### Parents’ Contribution

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>$150,000</td>
</tr>
<tr>
<td>Federal Tax</td>
<td>23,150</td>
</tr>
<tr>
<td>State &amp; Other Tax (NC)</td>
<td>13,500</td>
</tr>
<tr>
<td>FICA (5.65% of wages)</td>
<td>8,476</td>
</tr>
<tr>
<td>Income Protection (family size = 4)</td>
<td>29,020</td>
</tr>
<tr>
<td>Annual Ed Savings</td>
<td>2,280</td>
</tr>
<tr>
<td>Employment Allowance</td>
<td>4,010</td>
</tr>
<tr>
<td>Available Income</td>
<td>69,564</td>
</tr>
<tr>
<td>Contribution from Income (33%)</td>
<td>$22,980</td>
</tr>
</tbody>
</table>
## Case Study
### Parents’ Contribution

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, savings, checking</td>
<td>$10,000</td>
</tr>
<tr>
<td>Home equity</td>
<td>100,000</td>
</tr>
<tr>
<td>Investment equity</td>
<td>65,000</td>
</tr>
<tr>
<td>Other real estate equity</td>
<td>0</td>
</tr>
<tr>
<td>Adjusted business/farm</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$175,000</strong></td>
</tr>
</tbody>
</table>
# Case Study
## Parents’ Contribution

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Assets</td>
<td>$175,000</td>
</tr>
<tr>
<td>Emergency Reserve</td>
<td>27,720</td>
</tr>
<tr>
<td>Cum Ed Savings</td>
<td>48,480</td>
</tr>
<tr>
<td>Net Worth</td>
<td>$89,710</td>
</tr>
</tbody>
</table>

**Contribution from Assets (3.9%)**  $3,464  
**+ Contribution from Income**  $22,980  

**Total Parent Contribution**  $26,444
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>$2,500</td>
</tr>
<tr>
<td>Federal Tax</td>
<td>0</td>
</tr>
<tr>
<td>State Tax (NC)</td>
<td>63</td>
</tr>
<tr>
<td>FICA</td>
<td>141</td>
</tr>
<tr>
<td>Available Income</td>
<td>2,296</td>
</tr>
<tr>
<td>Min. Contribution from Income</td>
<td>1,800</td>
</tr>
<tr>
<td>Total Assets</td>
<td>0</td>
</tr>
<tr>
<td>Contribution from Assets</td>
<td>0</td>
</tr>
<tr>
<td>Contribution Type</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Parent Contribution</td>
<td>$26,444</td>
</tr>
<tr>
<td>+ Student Contribution</td>
<td>1,800</td>
</tr>
<tr>
<td>= Family Contribution</td>
<td>$28,244</td>
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</tbody>
</table>
## Case Study
### Financial Need

<table>
<thead>
<tr>
<th>Total Costs</th>
<th>$58,260</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Family Contribution</td>
<td>$28,244</td>
</tr>
<tr>
<td><strong>= Need</strong></td>
<td><strong>$30,016</strong></td>
</tr>
<tr>
<td>Award Type</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>WF College Scholarships</td>
<td>18,000</td>
</tr>
<tr>
<td>Federal Work-Study</td>
<td>2,000</td>
</tr>
<tr>
<td>Loans</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**TOTAL AWARD (66% gift)** $30,000

Total award is 51% of total costs.
Applying For Aid

FAFSA

Required for all type of federal aid
FAFSA on the Web:  www.fafsa.ed.gov
Submit after January 1 and by February 15
Federal processor sends results to student (SAR) and colleges (ISIR)

CSS PROFILE

Required for institutional aid
Apply online:  http://profileonline.collegeboard.com
Submit after October 1 and by February 15
University Contractual Obligations

Mary Cranfill
Why Collect Contracts

Understanding University obligations—SRI initiatives

✓ What can be bid?
✓ What should we be budgeting for?

Elimination of multiple contracts for the same vendor

✓ Same terms, same pricing for all WFU
✓ Potential to work with WFBMC on consolidated contract

Review for multiple contracts for same commodity

✓ Consolidation of spend can lead to better pricing and more value adds
✓ Potential to combine spend with WFBMC

Ensure proper risk management mitigation

✓ Certificate of Insurance, W9 or W8-BEN for foreign suppliers
✓ Ensure proper IRS due diligence is performed
✓ Evaluate supplier compliance with contract terms
✓ Compliance with Title IX for the protection of our minors by closely monitoring who is on our Campus
We need:

- All signed current contracts—defined as any signed document between WFU and a third party which obligates any University resources (financial, space, employees, intellectual property)
- Examples: WFU standard contracts, supplier standard terms and conditions, other agreements, memoranda of understanding, software licensing agreements and letters of intent.
- When in doubt, send it!

We DO NOT need:

- Any contracts relating to Employment or University Grants
- Expired Contracts (exception: if terms of contract are still in force even if expired)

Status Report:

- To date we have received and cataloged 805 contracts.
Next Steps

Develop central repository database
- Monitor contract term dates
- Update expired information (COI, W-9)
- Establish proper access & reporting

Develop process for on-going contract collection

Evaluate current contracts for savings possibilities and budget development
Questions?
What You Need to Know Before and After You Travel

Allison Belton, Director, AP
Travel Simplified

What to Think About Before and During Domestic Travel
Before You Travel

- **Domestic Travel—General Information for Planning**
  - Obtain prior approvals that may be required by policy or your department
  - Review policies to see if anything has changed
  - To ensure the most economical travel, book travel as far in advance as you can—at least 14 days, if possible
  - Know your funding sources and verify your budget
  - Ask yourself if you will need an advance—these take additional processing time

- Ensure all expenses are necessary, proper and reasonable.

- **Items that are not reimbursable:**
  - Upgrades and preferred seating
  - Airline and hotel memberships
  - Flight insurance (only for domestic travel)
Before and During Travel

- Keep all detailed and summary receipts for items purchased or services used while traveling
  - Exception: Any travel expenses that are $50 and under do not need substantiation, excluding lodging
    - Examples of travel expenses:
      - Transportation, such as taxis, shuttles, etc.
      - Tips to bellmen, porters, etc. (reasonable in amount)
      - Meals for yourself while in travel status

- Per diems are not allowed for domestic travel

- Refer to the Travel, Meals and Entertainment Policy, Schedule E, for a list of non-reimbursable items
Travel Simplified

What to Think About After You Return From a Domestic Trip
After You Return

• If you received an advance and you did not use all the funds, the unused funds should be deposited at the Cashier’s Window and coded to 111111-11022.
  • The receipt should be attached to the documentation submitted to Accounts Payable to clear the advance

• All expenses should be accounted for within 60 days from the date the expense was incurred and 30 days from return of trip, whichever is later

• Complete documentation should be submitted to Accounts Payable
  • Accounts Payable is located at the UCC building
Travel Simplified

Domestic Travel Documentation Requirements
Documentation Requirements

- By definition a receipt includes:
  - Date of transaction
  - Merchant / supplier name
  - Detail of the items purchased or the services rendered
    - Statements and credit card copies are not sufficient
  - Form of payment
    - Cash, check, credit card
  - Amount
  - Proof of payment

- Airfare change fees or cancellations should be evidenced by a new detailed itinerary and business purpose for the change
• Receipts are required if individual charges total $50 or more for:
  • Baggage fees
  • Gas for automobile rentals
  • Taxi, parking or shuttle services
  • Meals—individual
  • Meals—group (all internal WFU people in attendance)

• Detailed receipts are required for:
  • Airfare
  • Automobile rental
  • Lodging
  • Meals—individual totaling more than $50 (both detail and summary receipt required)
  • Meals—group totaling more than $50 (both detail and summary receipts required)
  • Registration
• Detailed receipts are required for (cont.):
  • Meals—with outside WFU people for any amount
  • Registration
Travel Simplified

International Travel
Traveling Internationally

• International Travel—General Information for Planning
  • All points from domestic travel, plus:
  • An employee must complete an International Travel Form
  • You cannot seek a per diem and reimbursement for actual meal expense for the same trip; therefore, the University credit card should not be used for meals while traveling internationally

• All receipts in a foreign currency should be converted to US dollars prior to sending to Accounts Payable
  • If you use a bank conversion rate or a rate from an agency other than the rates published at [www.exchangerate.com](http://www.exchangerate.com) or [www.xe.com](http://www.xe.com), you should provide documentation of the exchange rate used.

• All receipts in a foreign language should be translated prior to sending to Accounts Payable.
• You cannot seek payment for a per diem and reimbursement for actual expenses for the same trip for meals
  • Per diem rates by location are published at http://aoprals.state.gov/
  • If entertaining someone outside the University, please contact AP for more information
• **Quick Guides** that may be of assistance:
  • How to complete a Travel and Entertainment Voucher
  • Traveling Domestically
  • Traveling Internationally
  • Travel Receipts: Required Information
Code of Conduct
The Compliance Office is seeking input on the redesign of the code of conduct.

Think specifically of your area when you review the code:

• What topics should be covered that aren’t?
• What topics should be removed, if any?
• How can this book be more relevant to your daily life at WFU?

If you would like a hard copy, email Mary Truell at truellmm@wfu.edu.

Also, send your responses/input to Mary by email or phone at 716-5262.
Finance Website Walk Through
www.finance.wfu.edu