



The University of Mississippi

Office of Financial Aid

University, MS 38677

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Policy Name: Calculation of Financial Need

Purpose: This document contains the Office of Financial Aid's current policies and procedures for determining financial need for awarding purposes.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements.

As specified by the U.S. Department of Education, a student's financial need is determined by subtracting the Expected Family Contribution ("EFC", also known as the student and/or family resources) from his/her Cost of Attendance (COA).

The EFC is determined by the federal processor from data provided on the Free Application for Federal Student Aid (FAFSA), utilizing the federal methodology formula authorized by Congress. The EFC is used exclusively for the awarding of Federal Pell Grant.

In contrast to Pell (and the Federal Iraq and Afghanistan Service Grants), you must take other aid into account when awarding other need-based programs (such as the Federal Title IV Supplemental Opportunity Grant, Work-Study, and Federal Direct Subsidized Loan). The following formula will apply:

$$\text{COA} - \text{EFC} - \text{Estimated Financial Assistance} = \text{Remaining Need}$$

Estimated Financial Assistance (EFA) includes other aid such as grants, scholarships, loans and need-based employment that can be anticipated at the time a school is packaging aid for a student, whether the assistance is awarded by the school or by an individual or organization outside the school.

The only exception to this rule involves Americorps, which is included as estimated financial assistance in all cases *except* the determination of Federal Direct Subsidized Loan eligibility. It is explicitly excluded in this calculation, per federal regulation.

For the purposes of awarding institutional need-based aid, the University of Mississippi uses the federal definition of "financial need". Therefore, students are strongly encouraged to complete a FAFSA in order to be fully considered for all aid options.

For more information about the EFC, please refer to: <https://fafsa.gov/help/fftoc01g.htm>.

For more information about the current UM COA, please refer to: <https://finaid.olemiss.edu/cost-of-attendance/>. See also the [COA policy](#) for more information about how UM determines COA.

For more information about the FAFSA, please refer to: <https://fafsa.gov/>.