

AWARDING

Duke, like many similar institutions, uses the 568 Presidents' Group Consensus Approach to Needs Analysis to determine each student's family contribution. This formula is designed to ensure that families with similar circumstances contribute similar amounts while families with different financial circumstances contribute proportionally different amounts toward a student's annual attendance costs.

When awarding financial aid, there are a number of principles Duke's Financial aid Office adheres to. These include:

1. To the extent they are able, parents and students have the primary responsibility to contribute to educational expenses before an institution awards financial aid.
2. Families should contribute to educational expenses according to their ability. Those with similar financial profiles should contribute similar amounts.
3. Institutions should evaluate both income and assets as part of the assessment of the parents' and applicants' ability to pay.
4. Each institution should inform applicants about the policies and practices it applies when measuring a family's ability to pay, carry out its policies consistently throughout a student's eligibility, and support the awarding of need-based aid.
5. An institution that allocates any financial assistance that is not based exclusively on need should inform all prospective applicants of the standards it applies in allocating that aid.
6. The exercise of "professional judgment" by financial aid officers in assessing a family's ability to pay should recognize unique or extenuating financial circumstances in individual cases; such professional judgment is not the proper mechanism for systematically treating 568 Groups of students differently in order to advance institutional objectives.

Expected Family Contribution

The Expected Family Contribution (EFC) is calculated for all students who have completed both the FAFSA and PROFILE and submitted their most recent tax forms and W-2 forms to Duke as part of an application for institutional need-based aid. The EFC calculated by the Department of Education, based on information from the FAFSA, is used to determine eligibility for federal aid programs such as the Federal Pell Grant or the Federal Stafford Loan program. The EFC calculated from the CSS PROFILE form is used by Duke to determine eligibility for institutional need-based awards (Duke grant aid and Duke Work Study, for example). Both the federal and the institutional formulas for calculating the EFC take the income and assets of the parents and the student into account.

Duke's institutional methodology makes several allowances in regard to parents' taxed and untaxed income and assets. These allowances are made on the base-year income (calendar year 2008 for financial aid in academic year 2009-2010) and include:

- Actual federal and FICA taxes
- Standard state and local taxes (which may differ depending on state of residence)
- A standard cost-of-work expenses for a family in which both parents work or for a single-parent household
- Unusually high non-insured medical expenses
- Private elementary and secondary school tuition up to a prescribed limit for siblings
- An income protection allowance to reflect basic living expenses such as housing, food, clothing, transportation, insurance, etc., adjusted based on cost of living expenses in different parts of the country
- An education savings allowance to recognize the need to save for younger children's future college education

The income protection allowance figure comes from the Consumer Expenditure Survey, which reflects actual family spending patterns for moderate living standards and is adjusted annually. These standards are based on the number of family members in the household and the number of family members in college. The allowance does not necessarily reflect your family's actual living expenses.

We also consider assets in determining the parent contribution. Our institutional methodology analysis first protects a portion of your parents' assets and then considers no more than 8% of the remaining amount. Home equity is included in the institutional methodology asset analysis, although it is excluded from the federal methodology analysis. The amount of home equity considered is capped based on the parent income level. Retirement funds such as 401k, 403b, and IRA accounts are excluded from consideration under both methodologies.

Your expected parent contribution is established by combining the calculated contributions from your parents' income and assets, and adjusting that contribution if your family will have more than one child in college,

Actual costs may be considered for additional siblings in college particularly if enrolled in lower cost institutions or graduate school with support as an independent.

We may, on an individual basis, make additional adjustments. For example, if your parents have experienced a dramatic change in income, we may choose to use the estimated year's income (2009 for academic year 2009-2010) rather than the base-year (2008), because it more accurately reflects your family's current financial situation. We may also be able to revise your financial aid award if your family experiences such changes as the loss of a job, significant illness or death. In those circumstances, you should contact the Financial Aid Office.

In cases of separation or divorce, we expect both parents to participate in paying for your education. We will compute separate contributions for your custodial and non-custodial parents, using the same institutional methodology in each case. A contribution for each parent will be combined to establish the parent contribution.

Sibling Enrollment

568 needs analysis practices allow that siblings who are attending college full-time, and who are also dependents of the Duke applicant's family, are considered as eligible family members in attendance. The Parent Contribution for education is allocated on the 60% for two in college and 45% for three in college basis used by all 568 schools.

The Financial Aid Office will ask for verification of sibling enrollment each semester. Financial aid packages will change if there is a change in sibling enrollment or if you fail to return the verification form. Students will be notified if there is a change to their financial aid package.

DUKE EXCEPTIONS TO ABOVE

- Siblings attending 2 year community college programs are NOT considered
- Siblings over the age of 22 are NOT considered unless they are clearly supported 100% by the Duke applicant's family and are completing a 4 year undergraduate degree
- Siblings enrolled in US military academies where all costs are born by the US government are not considered for either the institutional or the federal needs analysis
- Siblings receiving FULL athletic or merit aid from their institution are NOT considered. Note: this does not include siblings receiving need-based aid regardless of the amount of the aid
- Siblings enrolled at the graduate level are NOT considered for institutional need determination
- A parent's attendance at college is NEVER considered in the determination of need, either institutional or federal

The Financial Aid Award

Duke's financial aid award meets 100 percent of each student's demonstrated need, which is the difference between the institutionally calculated family contribution and the estimated annual cost of attendance. The family contribution consists of parent and student contributions, including a preset summer earnings requirement.

Expressed as a formula:

$$\frac{\text{Student's Cost of Attendance Budget} - \text{Family Contribution}}{\text{Demonstrated Need}}$$

Once need has been determined, Duke's Undergraduate Financial Aid Office creates an aid package to precisely meet that financial need.

Aid packages generally include two forms of assistance: grant/scholarship funds and self-help. Duke grant funds comprise the main portion of most need-based grant awards; federal, state and local grant funds are also included as appropriate. **Self-help funds** are offered in the form of low-interest, deferred payment, subsidized loans, and work-study eligibility.

Self-Help

2008-2009 Academic Year Loan Levels

The amount of loan in each student's package varies depending on the family's income. In 2008-2009, Duke packaged the following loan amounts for families earning:

under \$40,000	\$0
between \$40,000 & \$55,000	\$1,000
between \$55,000 & \$70,000	\$2,000
between \$70,000 & \$85,000	\$3,000
between \$85,000 & \$100,000	\$4,000
over \$100,000	\$5,000

Packaged loan amounts for all students are determined by family income and never exceed \$5,000 per academic year

2008-2009 Academic Year Work-Study Awards

The self-help portion included in each financial aid package always includes a job award through the Federal or Duke University Work Study program. In 2008-2009, Duke included the following Work Study awards in each package:

First Year	\$1,800
Sophomore	\$1,800
Junior	\$1,800
Senior	\$1,800

2008-2009 Summer Earnings Expectation

In addition to a job and possible loans, students are expected to contribute summer earnings as part of their contribution to their educational costs. The summer earnings expectations for 2008-2009 were:

First Year	\$1,900
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Sophomore	\$2,200
Junior	\$2,300
Senior	\$2,400

Outside Scholarships

Outside scholarships provide an important benefit to students who are receiving need-based financial aid from Duke. Students attending Duke University that have been awarded aid through federal or university funding (including, need-based, merit, and/or athletic sources) are required to report all outside scholarships received to the Financial Aid Office. Students that receive outside scholarships and who receive need-based self-help (work-study and loan) funds in their aid award will have these reduced first. University funds will only be reduced once the self-help amount has been reduced or if no self-help was awarded. The Parent and Student Contributions do **NOT** change with the addition of outside scholarships. Students that receive need-based, merit, or athletic aid in combination with outside scholarships may not receive a total of assistance that exceeds the cost of attendance.

All outside scholarship checks should be sent to:

Duke University Cashiering
114 South Buchanan Boulevard
Bay 8, Room B-103
Box 90759
Durham, NC 27708

The funds will be applied directly to your university bill. Outside scholarships are evenly distributed between fall and spring semesters unless the donor agency specifies otherwise.

Federal and State Grants

In addition to outside scholarships, you may be eligible to receive need-based funding from government agencies. The federal government provides Federal Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Academic Competitive Grants (ACG) and National SMART Grants. Pennsylvania, Rhode Island, Vermont, and other state funding to college-bound state residents based on financial need. You are expected to apply for all funds for which you may be eligible. If you are eligible for government grants but fail to apply for or accept such funds, we are not obligated to cover the resulting shortfall with institutional funds. By filing the Free Application for Federal Student Aid (FAFSA), you are automatically considered for the federal grants.

Federal and state grants are considered to be direct resources meeting your financial need. These grants do not reduce your family contribution.

Estimated Awards

If you receive an estimate award from us, you will be advised of such and we will specify the documents that must be submitted before we can confirm a final financial aid award. Typically, these documents are the FAFSA and signed copies of your parents' completed federal tax return, with all schedules and W-2 forms. Freshman and Transfers will be instructed to submit tax returns and supporting documentation via the College Board's Institutional Documentation Service (IDOC).

Estimated awards may change if information on the FAFSA or tax statements varies from the information you submitted on the PROFILE application. We will cancel estimated awards if required documents have not been received by the beginning of the fall semester.

Appeal Process

For a variety of reasons, you may find it necessary to request a reevaluation of your financial aid eligibility or award. Reasons may include: changes in your family's circumstances that significantly and unexpectedly affect your parents' or your own ability to meet your expected contribution; requests to change the job vs. loan mix or to include additional expenses in the standard educational budget; and requests for consideration of additional information not previously available.

Requesting a revision to a financial aid award requires that you or your parents submit in writing a specific and detailed explanation of your situation. Circumstances such as changes in income or the number of family members in the household or college will likely result in changes to your parents contribution and will, therefore, change your eligibility for financial aid. Other situations, such as household expenses in excess of the income protection allowed by institutional methodology, do not generally alter the needs analysis, and, therefore, probably will not result in changes in eligibility for federal or Duke aid.

We may be able to adjust your parent contribution if your parents have had a change in income between 2008 and 2009, incurred significant medical, dental, or legal expenses; supported grandparents or other relatives; live separately supporting two households. It is important for you and your parents to be aware that we will not reduce expected contribution as consequence of a family's financial decisions, such as refusing to pay educational costs or cash flow problems due to choices you and your parents have made in allocating or spending your resources.

Response time to requests for reevaluation varies, depending on the complexity of the issues involved and time of year. Newly admitted students requesting revisions to initial awards in April will usually receive a response within three weeks. Appeals submitted at other times of the year may require two to three weeks, or even longer. We will make every effort to respond as promptly as possible.

Reporting changes

You must notify the Financial Aid Office in writing if:

- The number of family members living in your parents' household decreases from the number previously reported.
- The number of family members attending college decreases from the number previously reported.
- Your aid offer indicates that your parents' estimated income was used to determine the amount of aid and their actual income is greater than the estimate.
- You receive any outside awards not indicated on your financial award; we will, when applicable, adjust your financial aid offer to reflect the additional resources.

Awards in Future Years

Future awards will generally be consistent with your initial award if:

- Your computed need does not change significantly.
- Your application documents are completed fully and submitted on time.
- Financial aid funds are available
- Our aid policies do not change.

Taxable Scholarships

Scholarships and grants (gift aid) are subject to federal and state laws. Funds used for required expenses such as tuition and fees, books and supplies (including equipment), are tax exempt, while funds for used for expenses such

as room and board are considered taxable income. You are responsible for proper tax reporting and any payment that may be due. You will receive a 1098-T tax statement. It contains information necessary to determine your eligibility for Hope Scholarship and Lifetime Learning federal tax credits. Please refer to www.irs.gov for further information about federal tax responsibilities and credits.