

## Student Financial Services

The mission of Student Financial Services (SFS) is to enable students to meet their financial obligations while ensuring access to an MIT education for all qualified students without regard to their financial need. The major SFS units are Administration, Student Accounts, Student Financial Aid, Student and Parent Loans, Student Resource Development and Employment, and the Student Services Center.

Administration provides general accounting and finance services to SFS; coordinates the development, delivery, and maintenance of the SFS business application environment; develops and implements a master communication strategy; ensures organizational knowledge of and compliance with federal, state, and institutional rules and regulations; and oversees contractual obligations and agreements with third-party servicers.

Student Accounts bills and collects tuition, fees, and other Institute student charges; is responsible for sponsor billing; responds to inquiries concerning student account statements; counsels students and their families on payment options and financial management; and authorizes refunds and cash advances to students.

Student Financial Aid develops financial aid policies; disseminates financial aid information; determines financial need; awards financial aid; disburses scholarships and loans; administers undergraduate and graduate financial aid programs from all sources including institutional, federal, state, and private; responds to student and family inquiries and appeals; and counsels students and their families on financial aid and financing options.

Student and Parent Loans manages undergraduate, graduate, and parent educational loan programs; collaborates with the MIT Human Resource Office to administer the MIT Educational Loan Plan for faculty and staff; bills and collects institutional loans, including the Federal Perkins Loan program; and conducts entrance and exit loan counseling for students to inform them of their rights and responsibilities as well as provide them debt management strategies.

Student Resource Development and Employment maintains the stewardship program for institutional scholarship and loan funds, including fund management and donor reporting; develops term-time and summer student employment opportunities for undergraduate and graduate students; manages the Federal Work-Study Program, including on- and off-campus programs; serves as the Human Resource Office for students and their employers assisting them with personnel policies and procedures related to student employment; and counsels students on student employment options.

Through the Student Services Center, SFS staff strive to work collaboratively with other MIT offices to create a focal point for student contact and make all administrative tasks, not just those associated with financing a MIT education, less time consuming for students so they can concentrate on their studies, research, and extracurricular activities. The Student Services Center provides a broad range of academic, financial, and general

information services. Students are able to obtain an academic transcript, check grades, receive certification of enrollment, make payments on a student account, request a refund or cash advance, sign loan promissory notes, and sign checks for scholarships or loans from private sources.

## Operating Activities

Tuition, fees, and other major Institute charges assessed through Student Accounts totaled \$372,190,885 in 2004. Graduate tuition was \$204,010,980, or 63%, compared to 62% in 2003; undergraduate tuition was \$118,776,939, or 37%, compared to 39% last year. Combined finance charges and late payment fees were \$431,176, a 3.9% increase over 2003.

<b>Operating Activities</b>	
Tuition	\$322,787,919
Student Activity Fee	\$1,942,100
Housing	\$31,950,269
Dining	\$3,350,928
Health Insurance	\$11,175,253
Medical/Dental	\$553,240
MIT Payment Plan Finance Charges	\$102,993
Late Payment Fees	\$328,183
<b>Total</b>	<b>\$372,190,885</b>

SFS issued 5,397 refund checks to students totaling \$16,522,737. Refund checks are issued when credits exceed charges.

## Student Receivables

Student accounts receivable as of June 30, 2004, was \$4,407,873, a decrease of 15.73 percent from June 30, 2003. Student loan notes receivable for all Institute educational loan programs, including MIT Technology Loans, Federal Perkins Loans, the Parent Loan Plan, and MIT Educational Loans to faculty and staff, was \$70,607,849 as of June 30, 2004. In 2004, \$2,897,895 was loaned to MIT faculty and staff, and \$2,307,789 was collected; the year-end receivable balance for that program is \$3,502,486.

## Undergraduate Financial Aid

In 2004, 3,815 undergraduates, or 93% of the 4,112 registered undergraduate students, received financial aid totaling \$75,067,548. Scholarships and grants comprised 77% of undergraduate financial aid, loans 14%, and employment 9%. Scholarships and grants were \$57,590,991, a 7% increase, with 2,953, or 72%, receiving scholarships. MIT

scholarships rose 11% with 55% of the undergraduates receiving an average MIT scholarship of \$20,527. Loans were \$10,711,414, a 13% increase, with 1,914 undergraduates, or 47%, borrowing an average of \$5,596. Student employment from on-campus employment and employment under the Federal Work-Study Program, including on- and off-campus programs, totaled \$6,765,143 with 2,712 undergraduates, or 66%, earning \$2,494 on average.

### Undergraduate Financial Aid

Source	Scholarships/Grants		Loans		Employment		Total	
	Amount	Students	Amount	Students	Amount	Students	Amount	Students
Institutional	\$46,842,370	2,282	\$569,050	177	\$4,819,326	2,061	\$52,230,746	3,385
Federal	\$5,541,306	1,005	\$7,620,432	1,832	\$1,945,817	654	\$15,107,555	1,831
State	\$302,205	150	\$0	0	\$0	0	\$302,205	150
Private	\$4,905,100	1,220	\$2,521,932	149	\$0	0	\$7,427,042	1,343
Subtotal	\$57,590,991	2,953	\$10,711,414	1,914	\$6,765,143	2,712	\$75,067,548	3,815

### Undergraduate Parent Loans

Approximately 10 percent of undergraduate families, or 406 parents, borrowed through a parent loan program administered by MIT. For those parents borrowing, the average loan was \$17,068.

#### Undergraduate Parent Loans

Source	Amount	Parents
Institutional	\$1,252,827	66
Federal	\$4,184,983	275
Private	\$1,531,928	83
<b>Total</b>	<b>\$6,929,738</b>	<b>406</b>

### Graduate Need-based Financial Aid

Graduate students are provided with tuition support in connection with research assistant, teaching assistant, and fellowship appointments. These awards are supported from either MIT funds (General Institute Budget or non-sponsored funds) or a sponsored program (research projects or sponsored funds). Tuition revenue support from MIT funds is considered financial aid for Generally Accepted Accounting Principles reporting. In addition to these sources of financial aid, which are not administered nor reported by Student Financial Services, graduate students are eligible for need-based financial aid, including student loans and employment under Federal Work-Study, which are administered and reported by Student Financial Services.

In 2004, 1,080 graduate students, or 17% of the 6,228 registered graduate students, received need-based financial aid totaling \$36,351,880. Loans were \$34,155,325, an increase of 32% from the prior year, with 1,055 students, or 17%, borrowing an average

of \$31,928. Graduate student employment under the Federal Work-Study Program, including on- and off-campus programs, totaled \$2,196,555 with 218 graduates, or 3.5%, earning \$10,075 on average.

### Graduate Need-based Financial Aid

Source	Loans		Employment		Total	
	Amount	Students	Amount	Students	Amount	Students
Institutional	\$186,665	14	\$0	0	\$186,665	14
Federal	\$14,977,833	840	\$2,196,555	218	\$17,174,388	907
State	\$236,345	12	\$0	0	\$236,345	12
Private	\$18,754,482	650	\$0	0	\$18,754,482	650
Subtotal	\$34,155,325	1,055	\$2,196,555	218	\$36,351,880	1,080

### Accomplishments

Significant accomplishments within SFS during FY2004 include both ongoing changes to improve products and services as well as major initiatives. Significant ongoing changes are as follows:

- Developed an SFS Value Statement so that SFS employees may fulfill their obligations to students by striving to maintain an environment marked by mutual respect for each individual, free from prejudice and bias
- Developed and institutionalized an SFS data warehouse reporting for major internal and external reports
- Created and implemented an SFS financial dashboard of key financial indicators to facilitate reporting and analysis of financial information
- Implemented the College Board's Institutional Documentation Service, which collects financial aid applicant's federal income tax returns and related documents, scans them, and displays their images on a website for use by MIT, thereby eliminating the collection of more than 125,000 paper documents in Student Financial Aid
- Published *In Their Own Words*, a collection of expressions of gratitude from undergraduate MIT scholarship recipients to donors of Institute-endowed scholarship funds
- Expanded the Federal Work-Study Community Service Program by creating 40 new partnerships with non-profits, locally and across the country, and tripling graduate student participation, especially from Urban Studies, Humanities, and Political Science departments, and the Sloan School of Management.

Major initiatives include the migration from in-house paper student account billing to an outsourcing solution, whereby bills are presented for payment over the web, and payment from various electronic mediums including the automated clearing house and debit card is accepted. This is the culmination of a two-year effort by Student Financial Services, the Controller's Accounting Office, Student Services Information Technology, and Information Services and Technology, the former Financial Systems Service.

In partnership with Edgewater Technology and Student Services Information Technology, we completed a PowerFAIDS Support, Stabilization, and Migration Project. This initiative stabilized the PowerFAIDS production environment and fully leveraged the Institute's investment in PowerFAIDS by migrating all financial aid functions from MIT Student Information System to PowerFAIDS.

## **Staffing**

One staff member retired, six other staff members left, three new staff members arrived, and there were two internal promotions. The net impact on the diversity of the office as a result of these staffing changes was a decrease of one African American female.

Sandra Chauncey, director of student accounts and student service delivery, retired. Staff who left include Shawn Bennett, associate director of financial aid; Jennifer Cooper, financial aid officer; Tanitia Graham, staff accountant; Mary Ellen Grannan, student services representative; Margaret Kelly, financial aid officer; and Brianne Vogan, student services representative. New staff were Leslie Bridson, associate director of financial aid; Kenneth Hayes, financial aid officer; and Cynthia Stanton, communications officer. Two staff members took on new responsibilities within Student Financial Services. George Sotirion was promoted from student services representative to student resource development and employment officer, and Jason Shumaker was promoted from student services representative to financial aid officer.

### **Betsy Hicks**

#### **Executive Director, Student Financial Services**

*More information about Student Financial Services can be found on the web at <http://web.mit.edu/sfs/>.*