Financial Aid Policy and Procedures

The Financial Aid Program at Spence is intended to support the Mission of the School:  
*With a commitment to academic excellence and personal integrity,*  
*The Spence School prepares a diverse community of girls and young women for the lifelong transformation of self and the world with purpose, passion and perspective.*

The Financial Aid Program is intended to provide access to qualifying students who are admitted and enrolled. The School does not discriminate on the basis of race, religion national origin, sexual orientation or any other category protected by law in the administration of its Financial Aid Program. **The School’s priority is to provide financial support to offset the cost of tuition and is based on demonstrated financial need.** The National Association of Independent Schools (NAIS) Principles of Good Practice for Financial Aid Administration asserts that “each family bears the primary responsibility for financing a student’s education costs” and “the purpose of a financial aid program is to provide monetary assistance to those students who cannot afford the full cost of attending an independent school.” The School believes that all families, regardless of their individual situation, must contribute financially to their child’s or children’s education. While a Financial Aid award may make it possible for a child to attend, it will also require families to carefully plan and budget in order to demonstrate that the School tuition is a financial priority.

Spence utilizes the services of School and Student Services (SSS) to calculate grant awards. **The School does not accept applications from other financial aid organizations.** Financial Aid eligibility is calculated each year and **applications are due by December 1st** for the following academic year. To be considered, each application must be accompanied by IRS tax forms and all schedules for the previous calendar year. Failure to include tax information with submitted applications may likely result in being placed on the wait list for financial aid. In May, families who are enrolled and have been awarded grants must submit their new tax forms. Discrepancies in the reporting of income will be questioned in discussion with the family and may result in a reduction of the grant awarded. **Please see the Financial Aid site on the School website for specific instructions about how to apply for assistance.**

Our review of applications for Aid will in part include a thorough consideration of each family’s financial choices with regard to discretionary income. If School personnel believe these choices are not in keeping with making Spence tuition a financial priority, the School reserves the right to deny an application for Aid, or to decrease the amount of an award that might otherwise be provided.

Requests for Financial Aid for new students are not considered until a determination has been made as to a student’s suitability for admission. While significant resources are dedicated to the Financial Aid budget each year, it is limited and The School may not have funds sufficient to meet all demonstrated need. The School reviews one request at a time until all allocated tuition support is exhausted. Some families may not receive as much aid as they may qualify for and
some families who qualify may not receive any aid. The amount of Aid awarded is at the sole
discretion of the School. The Financial Aid Program is subject to change and may be modified at
any time.

First priority for funding within the context of current School finances, is given to current
recipients provided they continue to qualify for Aid and submit their Financial Aid application
and all supporting materials in a timely manner. When a family receives Financial Aid at Spence
the School will endeavor to continue support at a commensurate percentage provided the
family financial situation does not change. If family income increases, appropriate decreases in
Financial Aid will occur. Likewise, if the family financial situation declines, the School will make
every effort to increase our level of support. However, every family, regardless of individual
situation, should expect to pay some portion of the tuition increase each year.

After requests from returning recipients have been reviewed, first time requests from returning
students will be reviewed as long as Financial Aid applications and supporting materials are
received in a timely manner and the Financial Aid office has been notified of intent to apply.

After this, requests from newly admitted students will be reviewed according to the ISAAGNY
time line for communicating admissions and award decisions, as long as Financial Aid
applications have been received in a timely manner and until tuition support is exhausted.

Late submission of applications and/or tax returns may result in an application not being
considered if funding is no longer available when materials are received.

Each year, new families apply for Financial Aid based on their perceived need. Some of them do
not qualify for assistance based on our calculations. If the family does not qualify, they will be
notified either in writing or by phone depending upon the time of year and, depending on the
case, may be referred to the appeals process if they believe the School has not considered all
pertinent information. School personnel will explain to the family why they did not qualify. The
School will maintain a file on each case and those families can apply for aid in future years and
will be completely reevaluated each time they apply.

The Financial Aid Package and Additional Costs
The Financial Aid package consists of the grant applied to tuition (which includes books, lunch
and class trips) and, additionally, covers proportionally reduced fees for Second Act, Spence
Camp, travel abroad for School trips, Spence music lessons, Brooklyn/Bronx and downtown bus
service, school recommended testing and evaluations, class Moms’ and Dads’ Nights Out, and
computer hardware. Students and parents receive complimentary tickets to Parent Association
family events and the Dance Concert. Depending upon their grant, some students receive a
coupon for a free uniform each year. Please see the FA Aid Program for Incidentals – 2019-
2020 letter for a full description of all coverages. In addition to their tuition, families are
responsible for paying registration fees, class dues and Parent Association dues each year.
Financial Aid Waitlist
Each year, there are more students who qualify for aid than the School is able to provide assistance to. School personnel notify those families that they have been placed on a waiting list for Financial Aid. In these instances, families are asked to sign and return a contract for full tuition only if they will accept our offer of enrollment with or without aid. They are still eligible to receive aid if funds become available. However, if enrollment is dependent on receiving Financial Aid, the contract should not be returned until the family is notified that aid has become available. (Families who do not qualify for aid are not placed on a wait list but are informed that they do not qualify.)

Custodial/Non-Custodial Parents and Other Guardians
Spence believes that an independent school education is a family decision and a family commitment. As such, both parents, custodial and non-custodial, are required to complete the appropriate financial aid application forms, in addition to stepparents and legal guardians. A parent’s refusal to comply may jeopardize a student’s ability to receive aid, and the director of Financial Aid may reject the application outright or provide a lower amount of aid than would normally be awarded based on assumptions made about the parent who refuses to supply forms.

When the applicant parent reports the non-custodial parent as “whereabouts unknown” or “unavailable,” the custodial parent must submit a letter for the FA file outlining the circumstances. If information comes to the attention of the School personnel that a parent who was previously “unavailable” is in fact involved in the student’s educational life (e.g. attending school functions, picking up a child after school, listed as an emergency contact, etc), the School will make every appropriate attempt to contact that parent and obtain the required paperwork. Refusal to comply may jeopardize the student’s ability to receive aid.

Divorce/Separation
In the case of a prior divorce or divorce that takes place during a child’s time at Spence, the School will consider financial aid if the family qualifies. The financial situation of both parents is considered, and as such, both parents must submit the SSS application and supporting documentation. The School will not consider exorbitant legal or housing expenses as part of the Aid calculation. If the family qualifies, one grant will be provided for the student – it is not the School’s responsibility to decide how the Parent Contribution is divided between parents.

The School takes the confidentiality of the Financial Aid process seriously. Under no circumstances will the School supply financial aid application information provided by one parent to the other parent unless requested and agreed to by both parents in writing or mandated by court order. Finally, while Family Courts may dictate a parent’s obligations to private school educational costs, Spence may not provide aid based on the Family Court decisions (e.g. each parent pays half, one parent pays all, etc.) but may require all the appropriate paperwork from both parents and will make a decision based on that required information only.
Unemployment/Changes to Income
When one or both parents are unemployed, unless an appropriate reason is provided (other children younger than 1st Grade or special needs children at home, health or disability issues, care of an invalid, documented inability to secure employment, etc.), an inferred income may be added to the total family income based on the jobs previously held. Unemployment income will be considered in aid calculations and must be included on this application form. It is expected and assumed that the unemployed parent will be actively searching for employment.

Sometimes families will decide to decrease the family income voluntarily (e.g. one parent returns to school, leaves work to pursue a less lucrative career or becomes self-employed, parent opts to invest in a business venture, etc.) The School will not subsidize those decisions with Financial Aid and in most cases will continue to impute an income level equivalent to the prior level. Voluntary decreases in family income will receive lowest priority for additional funding. Unpaid leave or termination of employment following the birth of another child, a major illness, disability, etc. will not be considered a “voluntary” decrease in income.

Other Considerations
When the School makes Financial Aid decisions, all assets of both the student and parent including those funds that may be permanently or temporarily restricted (e.g. funds designated for college education, etc.) will be considered. While these funds may be legally restricted, their availability to the family at some time in the future puts them in a stronger financial position than families without such resources.

As noted above, the School reserves the right to review and consider each family’s financial choices with regard to discretionary income. Examples of choices the School will review include summer program expenses, vacation expenses, club memberships, lessons, financial support to other family members, student assets, vehicle loan or lease expenses, and ownership of vacation properties, timeshares, second homes or income producing properties.

In the New York City areas, where housing costs are inflated, the School will adjust home equity values accordingly. This is only the case for one primary residence; in the case of families that own more than one residence or property, the equity will be considered as a dollar for dollar asset and the award may be decreased based upon the value of that additional asset. In addition, expenses for the upkeep of a secondary property will not be considered as an allowance in the FA review. The School reserves the right to adjust parent-reported home equity values based upon information provided by the commercially available software (e.g. Zillow).

Self-Employment and/or Business Income/Loss
The School will not take into account business losses for a period of more than two years, and will after that two-year period, both discount the loss and also impute an income for the parent or parents generating the loss equivalent to or greater than the income imputed for parents who make the choice not to be employed. The School believes that two years is a long enough period to allow for business/market fluctuations and also for startup businesses to gather
enough momentum to be viable. In the case where a parent voluntarily leaves employment to start a business or chooses to continue to work on his or her own, the note above applies where the School will continue to impute an income equivalent to the prior salary.

Cost of Living Adjustment
The SSS methodology suggests that the calculated New York City COLA (Cost of Living Adjustment) be added to the calculations for each family. A limited FA budget makes this impossible. However, at the present time, the School is applying a modified COLA.

Accuracy and Verification of Information Provided
The School assumes that all information provided in Financial Aid applications is truthful and accurate. The parent(s) signature on the SSS form acknowledges that this is the case. Families may be asked to submit a Form 4506 which permits the School to request a copy of tax returns directly from the IRS if the Director of Financial Aid or other reviewers have any reason to doubt the accuracy of the information submitted. If members discover that any information is deliberately misleading, false or grossly inaccurate, the School may revoke any Financial Aid awarded for the current academic year and refuse to consider aid applications submitted in any future years. In addition, if the School believes that information provided to the IRS is fraudulent or misleading, the School reserves the right to refuse to consider an application for Aid.