



## The Basics on Grants and Scholarships



Financial aid is money lent or given to you to help you pay for college. Grants and scholarships are kinds of financial aid that you don't have to pay back. That's why they're called gift aid. All kinds of students get gift aid. Most grants are awarded based on financial need. But a good portion of gift aid is awarded for academic achievement.

If you're applying to college, you should definitely apply for grants and scholarships. Remember, though, that gift aid rarely covers the entire cost of college. It's just part of the picture — a picture that may include loans, family savings and other sources of money. Some gift aid is awarded for financial need alone.

### Grants and Scholarships Defined

The terms “scholarship” and “grant” are often used interchangeably, but there are usually differences between these two forms of aid. Most *scholarships* are merit based. This means that they are awarded to students with certain qualities, such as proven academic or athletic ability. Many scholarships have rules — maintaining a certain GPA, for example — that you have to follow to continue receiving aid. Most *grants* are need based. This means that they are usually awarded based on your or your family's financial situation.

**Sources of Grants and Scholarships:** Both grants and scholarships come from the following sources.

➤ *Governments*

Federal and state governments are sources of gift aid. The federal government is the largest source of need-based gift aid, primarily in the form of the Pell Grant. State governments often fund grants and scholarships for residents attending college in their state.

➤ *Colleges*

Many colleges offer grants and scholarships to their students. These may be merit based or need based, or a combination of the two. Colleges may have stricter requirements for keeping a scholarship than do other sources of scholarships.

➤ *Private Organizations*

Many companies, foundations, community organizations and clubs sponsor grants or scholarships. Grants and scholarships from these private organizations are called outside, or private, scholarships. Here are some examples of possible sources of outside scholarships:

- Your parents' employers or labor unions
- Your family's religious center
- Organizations such as the National Association for the Advancement of Colored People (NAACP), 4-H and the Boy Scouts of America

### Three Steps to Tap into Grants and Scholarships

To apply for grants and scholarships, you'll most likely have to fill out financial aid forms such as the Free Application for Federal Student Aid (FAFSA) and the CSS/Financial Aid PROFILE® (found on the College Board website). Outside scholarships usually have their own application forms and application processes.

#### 1. Complete the FAFSA

You must fill out the FAFSA to qualify for federal aid. Many states and colleges use the FAFSA to award aid as well.

#### 2. Find Out What Financial Aid Forms Your College Requires

Apply for your college's gift aid by filling out the required forms. In many cases, this will be the FAFSA, but some colleges require the PROFILE or their own forms. Contact the college financial aid office to find out. Then submit the required forms on time.

#### 3. Research and Apply for Outside Scholarships

Start by talking with your school counselor about how to find outside scholarships. Read “Where to Find College Scholarships” on the College Board website for more tips. And use free online searches, such as the College Board's Scholarship Search. To apply for an outside scholarship, you'll probably have to fill out an application form, and you may also have to submit financial aid forms.

Adapted from: <https://bigfuture.collegeboard.org/pay-for-college/grants-and-scholarships/the-basics-on-grants-and-scholarships>