



## TYPES OF FINANCIAL AID

(Information gathered from various Internet resources)

There are several types of aid available to students.

**Scholarships** – An award based on academic performance, talent or other factors. The award is usually private monies made available from various donors. The scholarships may have certain requirements, but does not have to be repaid. Scholarship monies are sometimes used to purchase computers and/or other school supplies, which is then distributed to the student(s).

**Grants** – A gift of money awarded on the basis of the greatest financial need to finance a particular activity or facility that does not need to be paid back. Government often provides financial assistance in the form of a grant. In some cases, the terms scholarships and grants are somewhat synonymous.

**Bursaries** – A non-repayable, taxable grant. Bursaries are usually smaller cash donations than scholarships. The difference between a scholarship and a bursary is that scholarships are usually merit-based and are awarded for scholastic achievement. Bursaries are usually need-based and are granted on the basis of financial need.

**Fellowships** – Money usually granted by a university, foundation or other agency to a graduate student. Along with the general requirements of scholarship, a fellowship usually attaches restrictions such as the advanced pursuit of courses or research in a particular field of study or performance of certain duties. Recipients may be subject to service and/or payback requirements after the fellowship terminates.

**Student Loans** – Financial assistance through a lending institution or college that usually does not have to be repaid until you complete school.

**Merit based aid** – Aid awarded to students in recognition of academic abilities, special skills, talents, specific fields of study, community service, leadership abilities, athletic ability, ethnicity, or religious background. Some merit scholarships also consider financial need, but rewarding talent is the primary objective.

**Need-based aid** – Aid awarded to students who do not have sufficient financial resources to pay for their education beyond high school. Distribution is primarily based on the financial need of the student and his/her parents' income level.

**Who offers financial aid?**

Donors can have a variety of goals in offering financial aid. Some companies offer financial aid as a form of community development, to invest in the future of the community. Others offer financial aid to help retain current employees and recruit future employees. Colleges may offer scholarships to recruit talented and diverse student body. Colleges may also offer scholarships in specific majors to encourage students to enroll in underrepresented majors. Member organizations tend to offer scholarships to promote their field or the mission of the organization. Other scholarships may be established to honor the memory of someone who has passed away, to provide a legacy that perpetuates his or her values.