“As an educator I believe thoroughly in the enrichment of life and I hold that the purpose of education is not to make a living, but to make a life.”

— William Mann Irvine, Ph.D., Headmaster 1893-1928
Financing a Mercersburg Education

Since 1893, Mercersburg Academy has, with extensive help from alumni, families, and friends of the school, offered students financial aid based primarily upon demonstrated financial eligibility. Mercersburg currently administers a generous financial aid program that funds over 40 percent of the student body. Understanding that a Mercersburg education is a significant investment, the financial aid committee works to determine a fair assessment of a family’s ability to provide their children with the outstanding education available here.

Because tuition only covers 50 percent of the cost of a Mercersburg education, even a family that the financial aid committee determines to be ineligible for financial assistance is, in fact, being underwritten by the strong endowment and generous annual gifts from alumni, families, and friends of the school. Considering the importance of these gifts, the committee urges every family receiving aid to participate in the annual fund. Such participation aids the school in securing more funds for aid.

Mercersburg encourages families with limited means to apply for assistance based upon the assumption that the primary obligation for financing a student’s education rests solely with the family. The Academy further expects that a family is willing to make significant adjustments in the use of its discretionary resources, as well as access ancillary resources available through family, work, and local organizations. In every instance, the financial aid committee seeks evidence that a family’s commitment to their child’s education is at least as strong as the Academy’s.

In order to determine a family’s eligibility to receive financial aid in a fair and equitable manner, Mercersburg requires that all applicants complete the Parent Financial Statement (PFS) with the School and Student Service for Financial Aid (SSS) for each year of matriculation.

Despite such a dedication to help those who demonstrate eligibility, there are always more academically talented students who qualify for aid than there is funding available. While most students who receive an offer of admission also receive a financial aid package at the time of admission, there is often a number of students whose financial aid package is delayed due to a late application, or missing documentation.

In the following pages, the financial aid process is outlined for your review. It is important to read the entire booklet to understand the process, and the committee’s decisions regarding aid packages.

Online PFS available at: mercersburg.edu/admission
Financing and Types of Financial Aid

If accepted, families submit a non-refundable deposit and choose one of the following payment plan options at the time of enrollment.

Payment Plans

1. Payment in full by July 15. The Tuition Refund Plan (TRP) is optional with this plan.
2. One-Time Payment with Tuition Refund Plan (TRP) This option requires that tuition be paid in full by July 15. There is a 4% net tuition expense with the Tuition Refund Plan (TRP).
3. Payment of 65 percent of net tuition by July 15, with the remaining 35 percent due by December 15. Tuition Refund Plan (TRP) is required with this plan.
4. The Mercersburg Monthly Payment Plan allows families to budget their tuition and fees via an eight-month payment plan. There is an administrative fee of 2% of the net tuition. Tuition Refund Plan (TRP) is required with this plan.

Grant Aid

The bulk of Mercersburg financial aid comes in the form of grants, both need and merit. Much of this funding comes from the generous gifts of alumni, families, and friends of the school, some of whom were, at one time, recipients of financial aid.

Loans

Families may access student loans through a lender of their choice.

Student Loans: As part of appropriate financial aid packages, Mercersburg includes small, low-interest loans of $1000-$5,000. Families may decline these loans, but must make up the difference through tuition payments. Should a student withdraw for any reason prior to graduation, the loan will be due in full immediately.

Merit Scholarships

The Arce, Legacy, Mercersburg, Regents, and 1893 Scholarships are competitive, merit-based programs that recognize students with exceptional academic records, standardized test results, and personal qualities as measured by extracurricular participation, personal character, and motivation. The Assistant Head of School for Enrollment will review all applications to determine a small pool of finalists, from which the winner of each scholarship will be selected by a scholarship committee.

Arce Scholarship – awarded to an outstanding boarding student applicant to the ninth grade. To qualify, the student’s family must qualify for full financial aid. The Arce Scholar will be awarded full tuition, room, and board each academic year through graduation.
Online PFS available at: mercersburg.edu/admission

**Legacy Scholarship** – awarded to an exceptional child or grandchild of Mercersburg Academy alumni entering the ninth or tenth grade. The Legacy Scholar will be awarded full tuition, as well as room and board for boarding students, each academic year through graduation.

**Mercersburg Scholarship** – awarded to an exemplary day student applicant entering the ninth or tenth grade. The Mercersburg Scholar will be awarded full tuition each academic year through graduation.

**Regents Scholarship** – awarded to an outstanding boarding student applicant entering the ninth or tenth grade. The Regents Scholar will be awarded full tuition, room, and board each academic year through graduation.

**1893 Scholarships** – awarded to a limited number of exceptional student applicants for exemplary citizenship and overall contributions to their current school communities. 1893 Scholars will be awarded up to $15,000 each academic year through graduation.

Applicants for all full tuition scholarships must complete all application materials and supplemental essays by January 15. Two supplemental essays should be written in response to the following prompts:

1. You have been given the opportunity to present to the Scholarship Committee. You may choose anyone to introduce you to the committee. Who would you choose? Why? What would they say about you?

2. Much has been said - by politicians, activists, artists, authors, and more - about the value of an education. Why is a Mercersburg Academy education valuable to you? How will it help you to achieve your personal goals?

All merit scholarship applicants should complete a financial aid application by January 31 in order to be considered for traditional financial aid. Without a complete financial aid application, merit scholarship applicants that are not selected as merit scholars will not be considered for need-based financial aid.

Recipients of each full tuition scholarship will be notified by March 10. 1893 Scholars will be notified at the time of their acceptance.

Recipients of merit-based awards are required to maintain an 85% average with no grade below 70% to renew their awards. Additional fees and personal expenses are the sole responsibility of the family.
The Application Process

Financial Aid is renewed annually, and families are required to apply and to demonstrate financial eligibility each year of matriculation. While significant changes in a family’s financial circumstances can impact the Report of Family Contribution (RFC), the financial aid committee’s goal is to maintain funding at proportionate levels over a student’s years of enrollment. The financial aid committee reviews a student’s complete record during the evaluation process to determine the level of commitment to the community. Mercersburg reserves the right to amend awards if new information comes to light after enrollment. Below are the details of the process.

1. Applicants should indicate their intention of making an application for financial aid by checking the appropriate box on the online admission application. Once received, Mercersburg will create a financial aid folder for the applicant. This application is considered separately from a student’s application for admission. Applicants can begin the financial aid process at any time by completing the online Parent Financial Statement at mercersburg.edu/admission.

2. By January 31, ALL applicants (new and returning) should have submitted a signed copy of the current year’s (and previous 2 years for new applicants) federal income tax returns, plus all supporting forms, schedules, and explanations directly to SSS. In addition, students who file IRS 1040s must submit copies of these forms. Failure to submit all forms will result in delaying the review of a student’s application.

Note: If you have not completed your tax returns, check (✓) the “estimated” box on the PFS. A copy of final taxes is required prior to an award becoming official.

3. By January 31, ALL applicants should have submitted a signed copy of the current year’s (and previous 2 years for new applicants) federal income tax returns, plus all supporting forms, schedules, and explanations directly to SSS. In addition, students who file IRS 1040s must submit copies of these forms. Failure to submit all forms will result in delaying the review of a student’s application.

Online PFS available at: mercersburg.edu/admission
Note: Mercersburg reserves the right to submit all financial aid paperwork to an outside agency for review.

4. By January 31, ALL applicants (new and returning) should have submitted all supporting documentation for the financial aid application. These forms include a Business/Farm statement if owned and full explanations of any special circumstance you wish the committee to consider.

5. The financial aid committee strives to notify families who do not qualify for aid as soon as ineligibility is determined. For those who are eligible, and are offered an award, the decision regarding aid is normally sent with letters of acceptance on March 10. For returning students, every effort will be made to mail awards with contracts. In all cases, families should understand that the committee reviews only completed files. Those families who do not meet the deadlines listed will be considered after ALL other completed folders, including new applicants.

Appeals

Appeals to the financial aid committee must be made prior to the submission of a signed enrollment contract. All appeals must be made in writing with a full explanation of any mitigating circumstances and any new information not addressed during the initial process. The committee will review the appeal and notify families of the decision in writing. If a family’s circumstances change dramatically after enrollment contracts are submitted, they should contact the director of financial aid to discuss the situation.

Computation of Family Contribution

The School and Student Service for Financial Aid (SSS), is a “need analysis” service that relies on “national economic factors” to determine the eligibility of families. The SSS, like Mercersburg Academy, believes a family has the primary obligation to finance their child’s education. In determining a family’s eligibility, factors such as family size, parents’ age, extraordinary expenses, and retirement provisions are considered. Distinctions must be made between obligatory expenses, such as tax payments, and those made by choice, such as vacations or purchasing a recreational vehicle. Because situations vary, an objective analysis system computes a recommendation based upon the information the family provides to SSS. Often, families with similar incomes have a different RFC; this is due to the numerous variables involved in the calculations. Mercersburg reserves the right to accept the recommendation made via the Report of Family Contribution or to amend it by using more extensive documentation required to complete the application process in accordance with the Academy’s mission and policies.

Online PFS available at: mercersburg.edu/admission
The financial aid committee assesses each family’s financial situation separately. This assessment is completed with certain general principles and practices, which are in addition to those of the SSS guidelines.

Confidentiality

Mercersburg maintains confidential financial aid records for all applicants. These records are reviewed by the members of the financial aid committee, and occasionally by the head of school and/or assistant head for finance operations. All financial aid awards are confidential agreements between the recipient family and the school. Families may not discuss financial aid information with any party other than a member of the financial aid committee or the head of school.

Due to the fact that much of the financial aid budget is endowed, certain students are honored through named awards. In these cases, students will be asked to write letters to the donor(s) and/or be publicly honored. Certain students who reside in Pennsylvania receive funds through the Pennsylvania Education Improvement Tax Credit (PAEITC) program. In certain cases, Mercersburg is required to provide documentation to its auditors and/or to the state to confirm eligibility.

Day and Boarding Consideration

Mercersburg strives to support as many students as possible in the financial aid process. Financial aid for students living within 25 miles of campus will be awarded on the basis of day student tuition through the upper middler (grade 11) year. ALL seniors and post-graduates are required to board.

Divorced, Separated, Non-Traditional Families

Mercersburg maintains a philosophy that requires active participation of a student’s family in funding this educational opportunity. In all cases where a student does not live with his/her married, biological parents, families should understand that, parents and guardians are expected to participate in funding tuition, room and board. These expectations are in effect regardless of any legal agreements arranged between family members, such as alimony agreements, pre-nuptial agreements, custody or other similar agreements. In cases of co-habitation, Mercersburg considers the entire household income, whatever the legal status of the family may be. For parents who are separated, divorced, or have never been married: Mercersburg requires that a complete financial aid application be submitted by each parent/family (IRS 1040, PFS, etc.) Mercersburg expects parents, guardians, domestic partners, and/or step-parents to play an appropriate role in financing a student’s education.
Multiple Tuition-Charging Schools

If more than one child in a family attends a tuition-charging institution, Mercersburg requires that families apply for aid at each of the institutions their children attend. Mercersburg cannot subsidize tuition for other tuition-charging schools of any type. If one of the tuition-charging schools has lower tuition, Mercersburg expects that the additional funds are available for Mercersburg tuition. It is important to note that SSS computes the total funds available for education, then divides that amount by the number of children attending tuition-charging schools. If Mercersburg is the only tuition-charging school, and only one child decides to enroll, the total amount deemed “available” for education will be used as the Estimated Family Contribution. Copies of awards (from other institutions elementary through college) are required.

Non-Working Parents

Mercersburg assumes that all adult family members will work to contribute to the investment in a Mercersburg education. The committee will impute income for parents or guardians who choose not to work and adjust the Report of Family Contribution accordingly. Families with preschool-aged children or extraordinary situations should make the committee aware of their circumstances.

Parents returning to school or changing jobs as a personal choice must realize that a resulting decrease in their family income cannot be underwritten by financial assistance provided by Mercersburg.

Student Assets, Trusts, College Funds

Savings, investments, trust-funds, 529 funds, or other assets in a student’s name or held for a student for any reason, or restricted in any way, are considered available resources for use in funding a student’s education at Mercersburg. The general rule is that students’ assets be equally distributed over their years at Mercersburg, plus four years of college/university. Mercersburg does not consider tuition paid for children beyond the undergraduate level when determining eligibility for aid.

“...But I Still Have Questions!!”

Q. Will returning students receive the same financial aid package year to year?
A. Mercersburg’s first commitment is to returning students, but eligibility is determined annually. Every family must complete a financial aid application for each year of matriculation to determine eligibility. Changes in income, expenses, and assets will impact your Estimated Family Contribution.
Q. My step-father is an alumnus of Mercersburg. Do I qualify for the Legacy Scholarship?
A. Yes. We extend legacy status for this award to the children and grandchildren of alumni. This includes children of non-traditional families, but not grandchildren of non-traditional families.

Q. My child has a college fund established by his grandparents to which he does not have access until he turns 18 years old. How is this fund considered by the financial aid committee?
A. Mercersburg considers these assets as “available for educational purposes.”

Q. Will my application for financial aid influence my child’s application for admission?
A. While Mercersburg has a generous financial aid program, the budget is limited and we receive far more requests for aid than we can meet. We will not extend an offer of admission to students whose financial need cannot be met. Thus, by applying for financial aid a child is entering a more competitive segment of our applicant pool.

Q. We have not yet completed our taxes. Will this delay our application for financial aid?
A. No. Please complete all the financial aid forms using the estimated tax information. Be sure to check (4) the “estimated tax” box on your PFS. We understand that families will not have completed their current year taxes by our January 31 deadline. We still need two years of tax returns to review. Submit your 1040s (including all schedules and forms) and W-2s from the two previous tax years and your W-2s from the current tax year. Complete your current year taxes and forward an official copy to SSS as soon as possible as no financial aid award is official until all tax forms are submitted and reviewed by the committee.

Q. We have a younger child in an independent day school that offers limited financial aid, even though we qualify on the RFC. How does this impact my options at Mercersburg?
A. Mercersburg cannot subsidize your younger child’s education, just as we cannot subsidize older children attending college or university. We will make the most appropriate award for the circumstances.

Q. I have decided to take next year off to improve my education and make myself more marketable in the workplace. Will my child become eligible for aid since we have not requested any the last two years?
A. While all students may apply for financial aid, voluntarily reducing your household income will not make you eligible for an award package. We will calculate your application assuming your previous year’s total household income or an imputed household income. As a rule, Mercersburg will use your ability to pay one year as an...
indicator that you will be able to pay in subsequent years.

Q. *I just applied for financial aid a few months ago, do I have to apply again already?*
A. Yes. Financial aid is reviewed annually, and it requires a complete application for each year a family wishes to be considered. It is important to follow all deadlines to receive full consideration.

Q. *Is any other information beside my financial statement considered during the financial aid application process?*
A. The financial aid committee reviews a student’s entire record to determine if the student is truly committed to the mutual investment of a Mercersburg education when reviewing the annual application.

Q. *We have invested in rental properties in lieu of more traditional retirement funds. Will this decision impact our application for financial aid?*
A. Yes. All businesses and property reported on your income taxes remain “unprotected” in the financial aid process. Income from property is considered, as is the total value of the property. Depreciation from property and businesses is rolled back into the PFS as income, and will change the results of the Estimated Family Contribution.

Q. *We live on a farm that is held as a limited partnership corporation. Our personal income taxes show that we have very limited means. How will the committee view our situation?*
A. The committee will either expect full disclosure of the corporate tax forms, or impute incomes based upon the information on hand. In either case, it would be inappropriate for Mercersburg to provide assistance when resources are available.

Q. *The RFC states that our Estimated Family Contribution is $7,750 per child, assuming three children are attending an independent school. Why did Mercersburg calculate that our family contribution is $11,625?*
A. It is important to realize that the financial aid process calculates the total amount of funds available for tuition charging schools. In this case, that total is $23,500. Since one of your three children has chosen not to attend a tuition charging institution, the total is now split between the two remaining children. If the other school costs less than Mercersburg, then we consider those funds available for tuition as well.

Q. *We know that we don’t make as much money as our neighbors, but they have received a better financial aid package. We want to appeal the decision of the committee, what should we do?*
A. It is important to know that confidentiality has been broken in this case. Since financial aid is a confi-
dential agreement between the school and your family, discussing the details of an award with a third party is a breach of that confidentiality. Most families really do not know the details of neighbors’ financial obligations, so it is impossible to truly understand the variables that are considered in the process. If you, or any other family, feel that important, pertinent, and factual information about your own resources or financial position have been left out, then file a written appeal to the financial aid committee including all NEW information.

Q. We applied for and enrolled our child as a day student, but now feel that boarding is the better option. Can we make a change of status?
A. Students may request a change of status prior to the senior year in two ways. Prior to matriculating, you may contact the admission office. Once enrolled, requests go through the associate head of school’s office and the admission office. It is very important that you realize that Mercersburg will NOT offer additional financial aid for the change of status prior to the senior year. If there is a change of status and you are able to fund the boarding tuition, the committee will consider this information as evidence of tuition available in future years.

Q. Is there additional financial aid available to enable participation in the extended programs/international travel opportunities that are offered during spring break and summer?
A. Yes. There are limited financial aid funds available that are designated to assist in these Mercersburg programs. Apply directly to the Office of Summer and Extended Programs.
Checklist

Please send ALL financial information directly to SSS.

**SSS: Parent Financial Statement (PFS)**
Online PFS available at: mercersburg.edu/admission
☐ Sent to SSS (Include Mercersburg Code 5026)

**1040 Federal Tax Forms** (signed with all schedules and forms)
☐ 2013
☐ 2012**
☐ 2011**

**W-2 Forms**
☐ 2013
☐ 2012**
☐ 2011**

** 2011, 2012 for NEW financial aid students only **