

Miscellaneous Personal Expenses

The same IRS publication described above also provides a national standard for miscellaneous expenses. Once again, you can determine your own monthly miscellaneous expense allowance if you wish, but we recommend using this IRS national standard.

Transportation

Your transportation allowance can include reasonable transportation expenses the student might incur for transportation between school and home or between school and the student's place of employment. The allowance is not intended to include the price of a vehicle or the monthly payment amount for the purchase of a vehicle. If your campus is in an area serviced by public transportation, a reasonable and documented monthly transportation allowance would be the cost of a monthly bus/train pass. Remember that your allowances do not have to reflect a student's actual expense. You are just determining a reasonable and documented allowance. If your campus is not serviced by public transportation, then arriving at a transportation allowance will require more effort.

Whether you use IRS mileage allowances or other amounts researchable from numerous sites on the Internet, be sure to follow the two main rules. Allowances, in any category, must be reasonable and documented. The 2023 IRS allowance for business transportation deductions is 65.5 cents per mile. One approach would be to determine the average miles per month driven by the student to/from school and use an allowance of no more than the 65.5 cents per mile IRS allowance to determine your monthly transportation expense allowance.

In 2022, ACCT Now (The Association of Community College Trustees) published that the average full-time community college student pays \$1,760 per year in transportation expenses for college. Assuming a traditional, 9-month school year, that would result in a monthly transportation allowance of just under \$200.

Different approaches can yield far different results. We continue to recommend conservatism to keep your costs of attendance allowances low while remembering that results must be reasonable and documented.

Expense allowances for the previous three categories (Living Expenses, Miscellaneous Personal Expenses, and Transportation) are required for use with all students' financial aid needs analyses. The following categories include additional expenses that may be included in a cost of attendance calculation. These categories, however, will likely not affect all students so any allowances to follow should only be included in cost of attendance calculations affecting those students.

Dependent Care or Disability Care

Reasonable monthly expenses for the care of a student's dependents, or due to a disability of the student, may be included in this expense category. Schools may elect to add these expenses to a student's cost of attendance calculation on a student-by-student basis or may establish a unique budget category that includes a reasonable allowance for these expenses. Any such budget category should only be used for students that incur dependent or disability care expenses, respectively.

Federal Loan Fees

Federal Direct Student Loan origination fees may be included in the cost of attendance for loan recipients. Any fees for non-federal/private student loans may not be included. Unlike the previous categories discussed, these fees are one-time fees as opposed to recurring monthly expenses. Schools may elect to add these expenses to a student's cost of attendance calculation on a student-by-student basis or may establish a standard allowance for this one-time expense in its other budget categories. Origination fees for 2023-2024 are approximately 1% of the gross loan amount. Accordingly, a maximum allowance for students obtaining full loans would be \$95 for independent students or \$55 for dependent students for a first academic year of a program of study.

License Fees

An allowance may be included for expenses incurred by the student relating to licensure or certification required to enter the occupation for which the program of study prepares students. As with federal loan fees, this allowance should be a fixed amount and not a recurring monthly expense.

Study Abroad, Correspondence Study, or Distance Education Expenses

Allowances, as determined by the school, related to expenses involved with study abroad, correspondence study, or distance education.

Suggested Public Disclosures for Cost of Attendance Allowances

Financial aid eligibility is limited by the cost of attendance for the student's program of study, or for each academic year of a program longer than one year in length. As required by law, the cost of attendance includes both institutional charges, such as tuition and fees, and institutionally determined expense allowances for living costs, transportation, and other allowable expenses. Living costs are required to be included in cost of attendance calculations regardless of whether housing is provided by the institution or if students reside off-campus. **These expense allowances do not represent fees assessed to students by the institution.** The only fees for which students are liable are the tuition and other fees outlined in your enrollment agreement. These estimated expense allowances are only used for compliance and financial aid eligibility purposes.

The following monthly expense allowances are used by *[institution name]* in the student's total cost of attendance determination:

Category 1 includes students who have no dependents and who live with a parent.
Category 2 includes all other students.

	Category 1	Category 2
Monthly Living Expenses (Housing & Food)	\$nnnnn	\$nnnnn
Monthly Miscellaneous Personal Expenses	\$nnnnn	\$nnnnn
Monthly Transportation	\$nnnnn	\$nnnnn

Additional amounts may be included for dependent care or disability care for students who incur and document such expenses. See a financial aid advisor for assistance.

The following one-time expense allowances are used by *[institution name]* in the student's total cost of attendance determination:

	Category 1	Category 2
Federal Student Loan Origination Fees <i>May vary by Academic Year</i>	\$nnnnn	\$nnnnn
Occupational Licensing/Certification Fees <i>May vary by Program</i>	\$nnnnn	\$nnnnn
Study Abroad, Correspondence Study, Or Distance Education Expenses <i>May vary by Program</i>	\$nnnnn	\$nnnnn

The above is a sample of how an institution might disclose its cost of attendance budget allowances. Institutions should edit the content as desired, eliminating allowances that are not applicable or adding categories, as necessary.

2022 Allowable Living Expenses National Standards

Expense	One Person	Two Persons	Three Persons	Four Persons
Food	\$431	\$779	903	\$1,028
Housekeeping supplies	\$40	\$82	74	\$85
Apparel & services	\$99	\$161	206	\$279
Personal care products & services	\$45	\$82	78	\$96
Miscellaneous	\$170	\$306	349	\$412
Total	\$785	\$1,410	1,610	\$1,900

More than four persons	Additional Persons Amount
For each additional person, add to four-person total allowance:	\$344

