

## **Investments vs. Assets Net Worth of Businesses and Investment Farms (2024-2025 FAFSA)**

This information is provided to help clarify the following financial terms when filling out the 2024-25 FAFSA.

### **Investments vs. Assets**

The following types of investments/assets may need to be reported on your 2024-2025 FAFSA:

- Real Estate (*do not include the home in which your parents live*)
- Rental property
- Vacation home(s)
- Trust Funds
- UGMA and UTMA Accounts\*
- Money Market Funds
- Mutual Funds
- Certificates of Deposit
- Stocks and Stock Options
- Bonds and Other Securities
- Installment and land sale contracts (*including mortgages held*)
- Tax shelters
- Qualified educational benefits or educational savings accounts such as Coverdell savings accounts, 529 college savings plans and the refund value to 529 prepaid tuition plans must be reported as a PARENT asset if the student is considered a “dependent” on the FAFSA form. They are reported as an asset of the STUDENT if the student is “independent” on the FAFSA form.

\*UGMA and UTMA accounts are considered assets of the student and must be reported as an asset of the student on the FAFSA, regardless of the student’s dependency status.

The following types of investments/assets are NOT to be reported on the 2024-2025 FAFSA:

- Home in which you/your parents live
- Cash (*already reported elsewhere on the FAFSA*)
- Savings and checking account balances (*already reported elsewhere on the FAFSA*)
- Value of life insurance, ABLE accounts, and retirement plans [401(k) plans, pension funds, annuities, non-educational IRA’s, Keough plans, etc.]
- UGMA and UTMA accounts for which you are the custodian, but not the owner

### **Net Worth of Businesses and Investment Farms**

The net worth of businesses and investment farms may need to be reported on your 2024-2025 FAFSA, as follows:

- Businesses (including a small or family-owned business)
- Income-producing farms that you own (including the fair market value of land, buildings, livestock, unharvested crops, and machinery actively used in investment farms, agricultural, or commercial activities)

The following are NOT to be reported as part of the net worth of businesses and investment farms on the 2024-2025 FAFSA:

- Value of crops that are grown solely for consumption by the student and their family
- Cash, savings, and checking account balances (*already reported elsewhere on the FAFSA*)
- Home in which you/your parents live
- Value of life insurance, ABLE accounts, and retirement plans [401(k) plans, pension funds, annuities, non-educational IRA’s, Keough plans, etc.]
- UGMA and UTMA accounts for which you are the custodian, but not the owner
- Other investments, such as real estate, stocks, bonds, certificates of deposit, etc. (*already reported elsewhere on the FAFSA*)