

Should Child Support Be Reduced When a Child Attends College?

One of the most contentious issues between parties post-divorce is how much each parent must pay toward their children's college education expenses. With the cost of a college education at a private institution approximating \$200,000 for four years, there is little wonder why divorced parents disagree over apportionment. Hand in hand with this issue is how much a parent should pay in child support, in addition to college education costs, to support their children. Since college education costs include room and board if the child attends college away from home, shouldn't child support, which covers housing and food costs, be reduced when the child moves away from home?

Until recently, most courts did reduce a parent's child support obligation if that parent was contributing to college education expenses including room and board. However, in the case of *Jacoby v. Jacoby*, decided recently by the New Jersey Appellate Division, the Court stated that there is no presumption that a child's required financial support lessens just because that child is attending college and living on campus.

In New Jersey, we have Child Support Guidelines to help us determine what the appropriate amount of child support is. These Guidelines assume relative spending on children in three broad categories of expenses: fixed costs, which include housing-related expenses such as mortgage or rent, utilities, household furniture and furnishings and household care items; variable

costs, which include food and transportation; and controlled costs, which include clothing, personal care items, entertainment, and miscellaneous expenses. Our Guidelines apply to children under 18, or those over 18 if they are still attending high school. The Guidelines do not apply to children attending college. Further, if the parties' combined net income is over \$187,200, the Guidelines do not apply.

So how is child support determined for a child in college and living on campus? In order to answer this, we must look to the child support statute as well as case law, which advises us to analyze all of the financial circumstances of both parties and the child, as well as the child's abilities.

While it is clear that a child's room and board covers the child's living and food costs while away at college, the parent of primary residence still must pay for that child's housing and food expenses when the child returns home on weekends, school breaks or the summer. Some expenses may remain the same such as car payments, insurance, gasoline, clothing, haircuts, telephone, and toiletries. Some expenses may increase, such as bedding and linens, furnishings or appliances for dorm room set-up, luggage and other moving supplies. Entertainment expenses may also be more at college.

All of the above must be analyzed on a case-by-case basis along with the child's contribution, if any. A child may have savings or



earnings from summer jobs, work-study, or part-time employment to help pay for some of their expenses. Also important in determining the parents' available income is what portion, if any of the child's college expenses, is covered by scholarships, grants, student loans, or prior savings through 529 plans or accounts in the children's names.

As can be seen, this is not an easy analysis and full financial disclosure as well as complete costs for the child must be evaluated to determine the appropriate amount of child support for a child attending college.

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Survival Guide

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what he did, he responded, "I'm a professional observer."

Clients call him in to observe a business situation where performance is not meeting management expectations in terms of goals, objectives, budgets, projections, or even computer security or third-party relationships. "I test, interview, analyze information, draw conclusions," says Hall. "Then I report back to management what my observations were and what I think, based on my experience, might work better."

To explain the breadth of his own work and that of other auditors, Hall offers examples of three ways that a business, nonprofit, or the government might profit from bringing in an auditor:

Drawing conclusions from best practices. One of Hall's current clients is a big real estate developer in Bellingham, Washington. His client is quite happy with the construction contractor who is finishing up a condominium apartment building for him in downtown Seattle—bringing in the project on time and even saving him some money.

Seeing this success, the developer wanted to learn how the contractor managed to work so effectively and gave Hall the following instruction: "Go in and study their success story, and give us five things we can translate from that example into all of our other projects."

Looking at an area of an organization subject to a specific risk.

An internal auditor might, for example, explore an area like technological or product risk, always trying to answer the question: What could go wrong?

Suppose a company is building a new headquarters on Route 1 and has to engage a construction contractor. The two entities specify exactly what their relationship will be in the form of a budget and a contract, and then the auditors evaluate the risk inherent in the relationship between the corporation and the third-party contractor.

"If you have enough experience, you can read through the construction contract and pick out some of

'Part of what we need to do is educate people about what auditors could be doing with the wide experience they have,' says Hall.

the strong and weak points," says Hall. Assume the corporation is paying the contractor for building costs plus 15 percent for overhead and profit. The contract should include nitty-gritty specifications, like whether lumber cost will be figured based on average cost or on the cost of a particular load of lumber. The auditor will verify costs, invoices, checks written, and timesheets, and add up the actual costs.

The auditor would look first at the project when it is 40 percent done, then 80 percent, and certainly

at 100 percent. "Anytime you have a third-party relationship, there are on-site issues," says Hall. "You find rock on the site, or the price of steel has gone up." It is best to catch these business issues early on and talk through them, he says, and auditors, even internal ones, are trained to provide an objective viewpoint.

Ensuring the functioning of internal systems. An auditing team in a big corporation will include several types of certified professionals: certified public accountants, who often come from outside public accounting firms and specialize in financial reviews; certified internal auditors, who may be experts in compliance and other areas; information systems auditors, who will do penetration studies on a new computer system trying to hack it and uncover its security vulnerabilities; and fraud examiners.

For example, internal auditors knowledgeable about regulations and compliance with them are useful when the federal government gives money to the New Jersey Department of Education to distribute to local school districts. The funds may go for teacher aides, television sets, lunch programs, or other needs; but they must be allocated in line with the federal funds disbursement regulations. Similarly, the distribution of the money from the federal government to help restore areas hit by Hurricane Sandy must be distributed in compliance with regulations.

Hall grew up in a row house in a Catholic neighborhood in north Philadelphia. His father was at the Liberty Mutual Insurance Company, where he worked his way up

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