

Florida Prepaid College Foundation, Inc.

Private Donor

Policies and Procedures

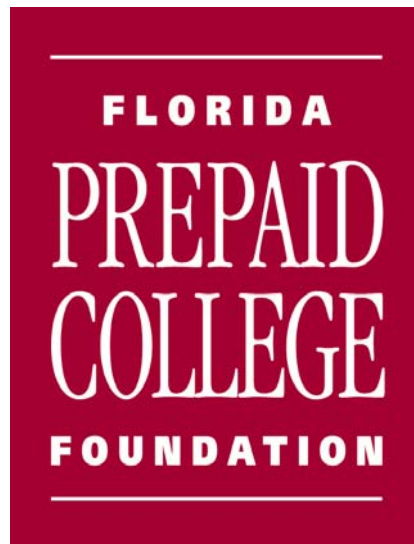


Exhibit "A"

Authorized by the legislature in 1989, the Florida Prepaid College Foundation, Inc. is a partnership between state government and the private sector. The Foundation administers the scholarship program, which was designed to provide Prepaid postsecondary tuition scholarships to students to redirect their lives and enhance their career goals.

The Florida Prepaid College Foundation, Inc. is a non-profit 501(c)(3) direct support organization for the Florida Prepaid College Board.

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(1) Definitions:

- (a) **Florida Prepaid College Foundation (Scholarship)**- a Florida Prepaid College tuition, local fee or dormitory Plan purchased by the Donor through the Florida Prepaid College Foundation.
- (b) **Memorandum of Understanding “MOU”**-Contract agreement between the Florida Prepaid College Foundation and the Donor, pursuant to the Policies and Procedures of the Florida Prepaid College Foundation Board.
- (c) **Foundation**-the Florida Prepaid College Foundation, Inc., as established by F.S. 1009.983 and F.S. 1009.984.
- (d) **Foundation Board**- the Florida Prepaid College Foundation Board, pursuant to F.S. 1009.983(5).
- (e) **Board**-the Florida Prepaid College Board, pursuant to F.S. 1009.971.
- (f) **Donor**-A nonprofit organization described in s. 501(c)(3) of the United States IRS Code and exempt from taxation under s. 501(a) of the United States IRS Code, pursuant to F.S. 1009.984, may/that purchases scholarships for a scholarship program that has been approved by the Board and is operated by the purchasing organization.
- (g) **Designated beneficiary**-means the recipient of a Florida Prepaid College Foundation scholarship selected/identified by the Donor.
- (h) **Assignment**- means a designated beneficiary’s personal information and residency documentation has been sent to the Foundation and the beneficiary’s name and information are attached to a scholarship.
- (i) **Qualified Beneficiary**- Individuals qualified to participate in the Florida Prepaid College Foundation scholarship program must meet the following criteria:
 - 1. An individual who is under the age of 21 and has not completed the 12th grade.
 - 2. A resident of Florida for 12 consecutive months prior to assignment to a Foundation Prepaid scholarship, or a non-resident who is the child of a non-custodial parent who is a resident of this state. Documentation shall be in such form as required by the Board and may include a copy of the court order. The qualified beneficiary must be either a United States citizen or a resident alien.
 - 3. Graduate from an accredited high school in this state, or meet the minimum criteria, pursuant to F.S. 1003.433(2)-K-

12 Public Education Instruction, for admission to a postsecondary education institution.

(2) Donor Participation Process:

A. There is no application process for Donors wanting to purchase Florida Prepaid College Foundation Scholarships. First time Donors must send, in writing, to the Foundation certification that they are a state or local government or an organization described in s. 501(c)(3) of the IRS Code, and 19B-5.007(2) F.A.C. Potential Donors must agree to comply with the terms of the Memorandum of Understanding, Florida Statutes and Rules governing the Florida Prepaid College Board and Foundation, pursuant to F.S. 1009.983 and 1009.984, and the Policies and Procedures of the Florida Prepaid College Foundation.

(3) Payment/Purchase Options:

A. Once the Donor organization/individual is approved by the Board to participate in the Florida Prepaid College Foundation Scholarship Program, the Donor may purchase scholarships by sending a letter indicating the number of scholarships, plan type of scholarships, age/grade level of scholarships, and a check for the total cost of the scholarships, plus a \$50.00 application fee for each scholarship purchased. Scholarships, purchased through the Florida Prepaid College Foundation, must be paid in advance by providing a lump sum payment to the foundation.

B. The information and check should be mailed to the Florida Prepaid College Foundation, P.O, Box 1117, Tallahassee, Florida, 32302. A Memorandum of Understanding will be mailed to the Donor for signature once the scholarships have been purchased.

3. Scholarships may be purchased year-round.

(4) Contract Prices/Fees:

A. Florida Prepaid College tuition, local fee and dormitory contracts are established by the Florida Prepaid College Board annually in September and are based on actuarial assumptions pursuant to 19B-4.002, F. A. C. Foundation prices are valid October 1 through September 30 of each year.

B. A fifty dollar (\$50.00) nonrefundable application fee will be collected at the time of purchase of all/each Foundation scholarship(s).

C. A fee of ten dollars (\$10.00) will be assessed for any donor of a tuition plan who subsequently adds the corresponding local fee plan or dormitory plan to the previously purchased tuition plan.

(5) Contract Plan Types:

A. Tuition plans cover the matriculation fee, the building fee, the capital improvement fee and the financial aid fee.

Tuition plans consist of four separate plans:

University Plan-120 credit hours at a state university are purchased for the benefit of the qualified beneficiary.

Community College Plan-60 credit hours at a state community college are purchased for the benefit of the qualified beneficiary.

Community College Foundation Plan-72 credit hours at a state community college are purchased for the benefit of the qualified beneficiary.

Community College Plus University 2+2 Plan-60 credit hours at a state community college and 60 upper division level credit hours at a state university are purchased for the benefit of the qualified beneficiary.

B. Local fee contracts cover the activity and service, health, and athletic, fees imposed by the community colleges. Local fee contracts purchased after July 1, 1999 also cover the technology fee imposed by the community colleges

Local fee plans consist of three separate plans:

University Local Fee Plan-Local fees for 120 credit hours at a state university are purchased for the benefit of the qualified beneficiary.

Community College Local Fee Plan-Local fees for 60 credit hours at a state community college are purchased for the benefit of the qualified beneficiary.

Community College Foundation Local Fee Plan-Local fees for 72 credit hours at a state community college are purchased for the benefit of the qualified beneficiary.

Community College Plus University Local Fee Plan-Local fees for 60 credit hours at a state community college and 60 upper division level credit hours at a state university are purchased for the benefit of the qualified beneficiary.

C. The tuition and local fee plans do not cover fees and costs related to books, meals, transportation, graduate school, and institutionally-imposed fees such as laboratory fees.

Dormitory Plan

A. Effective for enrollment periods beginning after July 1, 1997, the dormitory plan is not available unless the sale of dormitory contracts is specifically authorized by the Board prior to the enrollment period for that year and the sale of dormitory plan contracts will not adversely affect the status of the program as a "qualified state tuition program" under s. 529 of the Internal Revenue Code.

The dormitory contracts do not cover fees and costs related to books, meals, transportation, graduate school, and institutionally-imposed fees such as laboratory fees.

(6) Scholarship Assignment:

A. The Florida Prepaid College Foundation and organizations operating scholarship programs that purchase Florida Prepaid College Foundation scholarships do not need to identify the qualified beneficiary at the time the scholarship is purchased, however, the beneficiary must be assigned to the scholarship by April 15 of the anticipated matriculation year for the beneficiaries to receive their identification cards in a timely manner.

B. To assign a scholarship to a qualified beneficiary, you must provide the following student information to the Foundation office by April 15:

- a. Name
- b. Florida Prepaid College Plan Account Number
- c. Student's Social Security Number- No identification card will be issued to a beneficiary unless a social security number is submitted.
- d. Permanent Home Address and Phone Number
- e. Name of Parent/Guardian
- f. Date of Birth
- g. Proof of Residency- may consist of **one** of the following documents:
 1. Florida driver's license, for the student, issued at least one year ago.
 2. Transcript or report card for the student from the 11th grade;
 3. Florida driver's license, for parent or guardian, issued at least one year ago.
 4. Florida voter's registration card, for the parent/guardian, issued at least one year ago.
 5. Florida homestead exemption certificate, for the parent/guardian for prior year.
 6. Documentation of full-time employment in Florida, for parent/guardian, from at least one year ago.

7. Military orders, for parent/guardian, showing Florida is the home of record.

C. Donor must notify the Foundation, upon assignment, if the qualified beneficiary is permitted to use their scholarship at an in-state private institution, technical institution or an out-of-state institution. If the beneficiary is going to attend an in-state private institution, technical institution or an out-of-state institution, the Donor must call Customer Service at 1/800/552-4723 and request a transfer authorization form or download it from the web site. The Donor must fill-out the authorization form and mail it back to the address provided on the form.

D. Qualified beneficiaries may begin to receive benefits during the summer semester of their scheduled matriculation year, provided they are assigned to their scholarship by March 1.

(7) Identification Cards/Contract Benefits/Exclusions:

A. When a qualified beneficiary is assigned by the Donor to a Florida Prepaid College Foundation scholarship, an Identification card is issued to the beneficiary in the spring of each matriculation year and is valid for one year.

B. Tuition credit hours purchased may be used during any semester of postsecondary undergraduate enrollment. Local fee credit hours will be remitted with the tuition payment upon the receipt of a tuition invoice for an account composed of both fee contracts.

C. Only one qualified beneficiary is allowed per contract, and a specific beneficiary can be named in only one contract. However, if a student is awarded a Florida Prepaid College Foundation Scholarship and a Prepaid contract was purchased for them by a purchaser (parent, grandparent...), pursuant to F.S. 1009.97(3)(e), the purchaser may receive a scholarship refund, pursuant to Rule 19B-11.001(1), which states: ...moneys paid for the purchase of the advance payment contracts shall be returned to the purchaser in semester installments coinciding with the matriculation by the beneficiary in an amount not to exceed the redemption value of the advance payment contract.

D. The contract may be used within three years in advance of the selected matriculation date with no penalty or additional cost. However, to utilize a scholarship prior to the selected matriculation date, the Donor must notify the Foundation, in writing, at the time of assignment.

E. The benefits of a scholarship may be received for up to a ten-year period after the matriculation date. This ten-year limitation may be extended upon written request to the Foundation Board. Any time spent by the qualified beneficiary in the military service tolls the time for receiving contract benefits under all contract plans. The matriculation date is the projected college enrollment year of the qualified beneficiary, based on the information about the qualified beneficiary's age or grade at the time the contract was purchased/assigned to the qualified beneficiary.

F. No graduate program, adult basic, or adult secondary program is available under this plan.

(8) Transferability

A. The Florida Prepaid Foundation Scholarship is designed to be flexible and allows beneficiaries to attend the postsecondary institutions of their choice regardless of the type of plan, unless otherwise indicated by the Donor at the time the beneficiary is assigned to their scholarship. Institutions must be not-for-profit and regionally accredited. See website www.florida529plans.com for list of approved institutions.

B. Scholarship benefits will be automatically converted upon receipt of a valid postsecondary institution invoice based upon the respective tuition rate at the time of the qualified beneficiaries' actual matriculation date. For example, if the qualified beneficiary received a 4-year university plan and will be attending a community college for the first two years; if the community college tuition rate is two-thirds of the university rate at the time of matriculation, three community college credit hours will be used to pay for two university credit hours.

C. Transfer to In-State Independent College or University- In the event the qualified beneficiary matriculates in an independent college or university in Florida, upon receipt of a valid invoice, the Foundation will forward to the institution a value of no more than 15 credit hours per semester at the in-state public institution rate.

D. Transfer to Out-of-State Schools- In the event the qualified beneficiary matriculates in an eligible out-of-state community college, college or university, the Foundation will forward to the out-of-state institution a value of no more than 15 credit hours per semester at the in-state public institution rate.

E. Transfer to In-State Vocational-Technical Schools- A qualified beneficiary of the Florida Prepaid College Foundation may transfer the

benefits of their scholarship an applied technology diploma program or a vocational certificate program conducted by a community college listed in s. 1000.21(3), F.S., or an area technical center operated by a district school board. The amount of such benefits that may be transferred shall not exceed the redemption value. For purposes of a transfer to an applied technology diploma program or vocational certificate program conducted by a community college, the redemption value shall be the amount of tuition and local fees, respectively, charged by the community college at the time of matriculation. For purposes of a transfer to an area technical center operated by a district school board, the redemption value shall be the average amount of tuition and local fees, respectively, charged by the state universities or community colleges at the time of matriculation. If the cost of the fees charged by the community college or area technical center is less than the corresponding fees charged by a state postsecondary education institution, the amount transferred shall not exceed the actual cost of the fees charged by the community college or area technical center. The amount transferred may only cover the number of semester credit hours stipulated in the original contract.

(9) Cancellation of Contracts/Terminations:

A. If a qualified beneficiary is assigned to a Florida Prepaid Foundation Scholarship, and does not use the scholarship, the Donor may remove the student's name from the scholarship and assign it to another qualified beneficiary. A refund of the Donor's portion of the remaining principal will be issued.

B. The Donor may cancel a Florida Prepaid College Foundation scholarship at any time, upon written/signed notification to the Foundation by the Donor. The Donor will receive their portion of the remaining principal balance on the account.

C. The Donor may request cancellation/termination of a Florida Prepaid College Scholarship if it is determined that a qualified beneficiary has not complied with the terms/conditions of the Florida Prepaid College Foundation Board, as stated in the Memorandum of Understanding, Policies and Procedures, and/or by the agreement between the Beneficiary and Donor at the time of selection.

D. Involuntary Termination- The Foundation Board may involuntarily terminate a scholarship upon a finding by the Foundation Board, of fraud in the verification of residency of a qualified beneficiary, or failure to meet the eligibility requirements, pursuant to the terms and conditions of the Policies and Procedures of the Florida Prepaid College Foundation Board.

(10) Refunds:

A. Application fees are non-refundable.

B. Within forty-five days of receipt of Donor's written cancellation/termination request to the Foundation Board office, a refund will be issued to the Donor.

C. Termination of student status after the official drop/add period eliminates the refund option for that semester.

D. Refunds may exceed the amount paid for the contract pursuant to 19B-11.001(1). F.A.C.

Revised-April 27, 2005