

Christopher A. Johnson
Majority Whip, Legislator, 16th District
Chair, Social Services



Committee Assignments
Budget & Appropriations
Labor & Housing

To: Ben Boykin, Chairman of the Board of Legislators
Sunday Vanderberg, Clerk of the Board of Legislators

From: Christopher Johnson, Legislator, 16th District

Date: February 10, 2020

Re: S.A.V.E. – Students Achieve Via Education

As we have begun a new legislative term, I am reintroducing my request to draft a proposal to create a pilot program entitled S.A.V.E. – Students Achieve Via Education, for 2020 which will create and fund college savings accounts with the beginning amount of \$50 for up to 5,000 kindergarten students in the City of Yonkers.

S.A.V.E. would be created with the intention of teaching financial literacy to children and their parents while encouraging higher education goals at an early age.

A similar program was started in St. Louis, Missouri and is operating with success. My office conducted extensive research on the operations of their program, and had several conversations with the operators in St. Louis, and this proposal is intended to follow a similar model.

The report of our findings is attached and reflects numbers to show the impact if implemented county wide.

While funded by the County, I propose that the S.A.V.E. program could be administered and managed through Westchester Community College.

Please refer this memo and the attached supportive documentation to the appropriate committees on the February 24, 2020 Westchester County Board of Legislators meeting agenda.

S.A.V.E (Students Achieve Via Education)

This summer I took on an internship at Legislator Christopher Johnson's office. During this internship I was tasked for understanding and studying a program called College Kids. The college kids program is a program that was developed and started in St. Louis, Missouri. The goal of the program is to "Improve college access and attainment among youth, increase assets for low-to moderate income families living within the city and promote the use of safe affordable mainstream financial services and products among students and their families." As soon as I heard about this program my interest was instantly sparked.

A program like this could benefit Westchester in so many ways. There were over 10,000 students enrolled in Westchester Public Schools between 2016 and 2018.

Westchester has reason to care about student loan debt. Westchester magazine noted that nearly 200,000 of its 950,000 inhabitants are between the ages of 5 and 19, so roughly one out of every five residents has tough decisions about college—and how to pay for it—looming on the horizon. And more than 51,000 County residents are between the ages of 20 and 24, ages at which they may have to start facing the realities of those loans—or pile on more debt to go to grad school. The National Student Loan Debt \$1.5 Trillion and the cost for education is steadily rising.

The program here in Westchester would be called S.A.V.E (Students Achieve Via Education).

The St. Louis Program

Overview: The City of St. Louis Treasurer's Office provides college savings accounts to all kindergarten students enrolled in City of St. Louis Public Schools through a program called, College Kids.

Goal: Improve college access and attainment among youth, increase assets for low-to moderate income families living within the city and promote the use of safe affordable mainstream financial services and products among students and their families.

How College Kids Works:

1. The College saving account is automatically opened for all new kindergartens in St. Louis. A \$50 deposit is made by the Treasurer's office into every account.
2. The student receives bonus deposits for good attendance and when a parent or guardian completes financial education courses.
3. Deposits are matched dollar for dollar up to the first \$100 per school year.
4. When families return a consent form, students earn additional incentives for attendance, up to \$30 per year.
5. Students receive bonus deposits when parents/guardians participate in financial empowerment courses in person, online, or via a smartphone app.

Logistics:

- 1 Coordinator
- Where are the accounts: Local credit union, 1st Financial
 - Local Credit Union are most useful due to their ability to be more flexible for their customers.
 - Treasurer's Office is the custodial of the accounts and the children are the beneficiaries. Deposit only
- Where does the money come from?
 - 73% Parking Residuals
 - 23% Individual Donors
 - 4% Corporate Donors
 - Private Donors are very important
 - Raising money requires educating donors
 - Recommended to get a commitment from donors before starting.
 - Outreach
- How does the office obtain student information?
 - MOU is requested with the school district
 - Name, DOB and Student ID Number
 - No Social Security numbers are used

Partners:

- 1st Financial Federal Credit Union holds the College Kids savings accounts, hosts Family Savings Nights, provides credit building workshops for families, and partners with the OFE for financial literacy events.
- The 1:1 Fund is the fiscal agent, assists with fundraising, matches individual donor's gifts, and provides ongoing support and program guidance.
- Wells Fargo provides Hands on Banking, the financial education curriculum for families. The curriculum is available in person, online, or via the smartphone app.
- The Center for Social Development provided advisory support for the creation of College Kids, and continues to produce research on Children's Savings Account programs.
- The Bank of Edwardsville, offers a series of five financial education courses to parents. At the end of the series, parents receive a \$50 gift card the grocery store of their choice and a \$150 deposit in their student's College Kids account.

Expenses:

2016

- Seed Deposits \$157,150
 - Software and Marketing \$22,000
 - Matching Incentives \$2,790
 - Attendance Incentives \$33,570
 - Financial Education \$1,285
 - Staff and Administration \$60,000
 - School/Community Outreach \$17,000
- = \$293,795

Vs

2018

- Software/Marketing \$22,000.00
- Seed Deposits \$182,350.00
- Staff/Administration \$60,000.00
- Financial Education \$585.00
- Matching Incentives \$16,300.00
- Attendance Incentives \$4,663.00
= \$ 285,898

Benefits/Impacts:

- Research shows that students with any amount up to \$500 saved for college are three times more likely to go to college than their peers with no college savings.
- Students are four times more likely to graduate from high school than those without savings.
- Promotes financial literacy for low income families.

Documents:

- Copies of MOU with school districts
[Example of MOU](#)
- Agreement between bank with guidelines
[Example of Agreement](#)

Westchester Statistics

Westchester County Public Schools:

- 2016-2017
 - 10,522
 - 38% Economically Disadvantaged
 - Seed Deposit \$526,100
- 2017-2018
 - 10,279
 - 40% Economically Disadvantaged
 - Seed Deposit \$513,950

Possible Expenses:

- Avg. Seed Deposit \$520,025
- Staff and Administration \$60,000
- Incentives \$260,012.5
- = Total Expenses: \$840,037.5
- \$ 22,000 Marketing and Software
= \$862,037.5
- Financial Education \$1,500
= \$ 863,537.5
- School and Community Outreach \$17,000
= \$880,037.50

Logistics:

- 48 School Districts MOUs
 - Additional for any charter schools

Q&A

- What happens if my child moves out of the district or city schools?

Students will be able to maintain the account if they move out of the City or transfer to a private school. Any incentives accrued while attending a participating school will remain in the account, but students will be unable to earn future incentives. All program rules still apply to the use of funds from the account.

- What happens to the account if the child doesn't go to college?

S.A.V.E funds can be used toward other kinds of post-secondary education including community colleges, vocational and technical training programs. Deposits made by individuals are considered "Non-Program Funds" and may be accessed by the participant when the beneficiary is 21 years old. At that time, if students have Non-Program funds in their accounts and are unable to be reached in order to gain responsibility for the funds, remaining balances will be turned over to Missouri's Unclaimed Property Division. Unused Program funds will be returned to the Program for other students to access.

- Will these savings affect our family's Eligibility for public assistance? No. Your S.A.V.E account will not affect your eligibility because you do not personally hold your savings. All funds are held by the City of St. Louis Treasurer's Office. However, when your student turns 21 she/he will be fully responsible for the account and at that time the account would be considered as an asset of your child.

Possible Donors:

- Business Council of Westchester
 - Info@thebcw.org
- Children of Association of Westchester
 - Allison Lake, Executive Director: alake@wca4kids.org
 - Erica Ayala, Project Manager: eayala@wca4kids.org
- Child Care Council of Westchester
 - Kathy Halas, Executive Director: kathyh@ccwny.org

Possible Banks:

- Educational & Governmental FCU
 - Located in Mount Vernon
- NYMCU: Municipal Credit Union
 - Located all throughout NY

SAMPLE MOU FROM ST. LOUIS

MEMORANDUM OF UNDERSTANDING [SCHOOL NAME] AND THE CITY OF ST. LOUIS TREASURER'S OFFICE REGARDING COLLEGE KIDS SAVINGS PROGRAM

This Memorandum of Understanding outlines the roles and responsibilities of [SCHOOL NAME] and the City of St. Louis Treasurer's Office ("STLTO") regarding implementation of the College Kids program.

Description of the Program

The STLTO developed the College Kids program to help St. Louis children achieve their dream of attending college and assist families with building assets. Through College Kids, STLTO awards college savings accounts to all kindergarten students in [SCHOOL NAME]. Each kindergarten enrolled in [SCHOOL NAME] by October 31 of each school year will receive a college savings account with an initial deposit of \$50 from the STLTO, unless a parent or guardian opts out of the program in writing. After receiving the initial \$50 deposit, College Kids participants will also be eligible for additional financial incentives based upon criteria mutually agreed upon by [SCHOOL NAME] and the STLTO. To receive any additional incentives and matches based upon [SCHOOL NAME] data, parents or guardians are required to sign a consent form.

Term

This MOU shall be effective from the date of authorized signature by both parties through December 31, 2020, unless the MOU is terminated earlier by either party. This MOU may be terminated by either party with 60 days advance written notice for any reason. In the event of termination, the terminating party agrees to use best efforts to plan for the transition of the program, if requested by the non-terminating party. This MOU is contingent upon the funding of accounts annually through the STLTO and City of St. Louis budget process.

[SCHOOL NAME] Responsibilities

[SCHOOL NAME] agrees to do the following:

1. Distribute College Kids parent opt-out and consent forms to eligible students. Collect signed forms and forward them to the STLTO.
2. **By October 31st**, provide the STLTO with the following information for each student at the [SCHOOL NAME] school participating in the College Kids program: **student first name, last name, MOSIS number, student address, telephone number, birthday, and school name**. However this information will not be submitted to the STLTO if a parent/guardian submits a written opt-out request stating that the parent/guardian does not want this information shared with the STLTO and/or that the parent/guardian chooses to opt out of the College Kids program. The MOSIS number

- shall only be used by the STLTO, or its partner organizations, as a unique identifier for the purposes of opening the account.
3. Provide additional student information to the STLTO for all students who return College Kids consent forms. The specific information requested in consent forms will be mutually agreed upon by both parties, including, but not limited to:
 - a. Student's attendance data and grades
 - b. Parent(s)' names
 - c. Primary language spoken at home
 - d. Racial/Ethnic identity
 - e. Parent(s)' email addresses
 - f. Student's demonstrated positive behaviors, as determined by the school (such as community service, completion of a college readiness program, participation in a school event or challenge)
 4. Assist and facilitate outreach activities to participating students and their families as needed.
 5. Designate a point of contact for reporting student information to STLTO and its partner organizations.
 6. Participate in and provide information for media, fundraising, and other activities designed to promote the College Kids program.
 7. Collaborate with STLTO to bring financial education programs, initiatives and events into the classrooms and schools through community financial partners and College Kids program staff.

STLTO Responsibilities

STLTO agrees to do the following:

1. Manage and administer the College Kids program with First Financial Credit Union. The STLTO is the custodian of a control account. Under this account, the STLTO will open and oversee an account for the behalf of each student in the College Kids program.
2. Establish College Kids savings accounts for every eligible student in [SCHOOL NAME] who does not opt out of the program.
3. Award \$50 to each eligible student in [SCHOOL NAME] (who does not opt out) and deposit the award into each participating student's College Kids account.
4. Award additional funding into students accounts based upon mutually agreed upon incentives, as determined by [SCHOOL NAME] and STLTO.
5. Provide participating families with information to explain the rules and guidelines associated with the College Kids savings accounts, including restrictions on how the money in the accounts may be used.
6. Maintain the confidentiality of all student information provided to the Treasurer's Office under this MOU and the signed parent consent form to the extent permitted by law. All student information shall be treated as confidential in conformity with the Family Educational Rights and Privacy Act ("FERPA"), and will not be released to any other parties, City Departments, organizations or agencies except as described in the College Kids consent form and this MOU, and will be used for the sole purposes described in the College Kids consent form and this MOU.

7. Ensure that any STLTO contract with First Financial Credit Union or VistaShare include the student data confidentiality protections set forth in this MOU.

Mutual Responsibilities

1. Indemnification. City shall defend, release and hold harmless, and indemnify [SCHOOL NAME], including [SCHOOL NAME] employees and agents, which arise out of the negligent acts or omissions of the STLTO or the City of St. Louis, in connection with this MOU. It is further agreed that [SCHOOL NAME] shall defend, release, hold harmless, and indemnify the STLTO and the City of St. Louis, including its employees or agents, in connection with the performance of this MOU. In the event of concurrent negligence of the STLTO and [SCHOOL NAME], the liability for any and all claims shall be apportioned under the Missouri theory of comparative negligence.
2. [SCHOOL NAME] and STLTO agree that student information obtained under written parental consent may be shared with the STLTO subcontractors for the uses approved in the signed parental consent form, which include program administration, management, and study of incentives; and further agree that directory information provided to the STLTO without written parental consent may be shared with STLTO subcontractors only as may be necessary for the following purposes: (i) to determine eligibility for the aid; (ii) to determine the amount of aid; (iii) to determine the conditions for the aid; (iv) to enforce the terms of the aid.

The parties below agree to the terms of this MOU on behalf of each agency:

The Treasurer of the City of St. Louis, Missouri

By:

Name: Tishaura O. Jones

Title:

Date: _

[SCHOOL NAME]

By:

Name:

Title:

Date: _



Agreement
1st Financial Federal Credit Union
The City of St. Louis Treasurer's Office

2015 College Kids Children's Savings Account Program

This Agreement ("Agreement") is made on _____ ("Effective Date"), between 1st Financial Federal Credit Union ("1st Financial"), headquartered in 1232 Wentzville Parkway, Wentzville, MO 63385, and The City of St. Louis Treasurer's Office ("STLTO"), with offices at St. Louis City Hall, 1200 Market St # 220, St. Louis, MO 63103.

General Information

The City of St. Louis Treasurer's Office ("STLTO") is committed to increasing financial literacy among city residents. As part of this initiative, the Treasurer's Office has developed a comprehensive program to promote college savings and financial literacy for the city's schoolchildren and families through **College Kids** Children's Savings Account Program (Program). The purpose of the Program is to provide all children enrolled in St. Louis Public Schools and St. Louis City charter schools in the city limits with a savings account for postsecondary education, thereby increasing the accessibility of postsecondary education for our citizens, as well as provide access to banking resources for unbanked and under banked citizens.

All matters relating to the Program will be under the general supervision of STLTO. This Program Description and all supplements provide important information about the Program. The Program rules are subject to change at any time. Notification will be provided of any changes to the Program Rules. For updated information about the **College Kids** Program please visit the Program website at www.stlofe.gov/collegekids.

The Treasurer's Office College Savings Account Program Committees

As part of the College Kids Children's Savings Account Plan, a 12 member Committee was created in order to provide fundraising support as well as advice on banking, education, and financial literacy.

The Committee consists of the following members:

- I. St. Louis City Treasurer (or designee)
- II. St. Louis City Mayor (or designee)

- III. St. Louis City Comptroller (*or designee*)
- IV. 1st Financial Credit Union representative (*or designee*)
- V. St. Louis Public School Superintendent (*or designee*)
- VI. Missouri Public Charter School Association Executive Director (*or designee*)
- VII. A representative of a higher education institution location within St. Louis City (*selected by the St. Louis City Treasurer's Office Executive Team*)
- VIII. A member of the foundation and nonprofit community (*selected by the St. Louis City Treasurer's Office Executive Team*)
- IX. A member of the a faith based institution within St. Louis City (*selected by the St. Louis City Treasurer's Office Executive Team*)
- X. A representation of the research community within St. Louis City (*selected by the St. Louis City Treasurer's Office Executive Committee*)
- XI. Two appointees by the Board of Aldermen. One appointee must be a parent of a student attending a St. Louis Public School and one appointee must be a parent of a student attending a St. Louis public charter School. These appointees shall serve two year terms commencing on June 1st, and shall not serve beyond their term unless reappointed. The Treasurer's Office reserves the right to reallocate the number of parents as the total attendance may change between charter and traditional schools. This reappointment will only be completed when an appointee has finished his or her term.

Vacancies in the Committee shall be filled in the same manner they were originally filled.

Core Program Committee

Additionally, a core program committee will meet more frequently to discuss the structure and progress of the program. The core program committee consists of:

- I. St. Louis City Treasurer
- II. A representative from 1st Financial Federal Credit Union
- III. A representative from Wells Fargo
- IV. A representative from St. Louis Public Schools
- V. A representative/school leader from a St. Louis Charter School
- VI. Director, Office of Financial Empowerment, Treasurer's Office
- VII. Chief of Staff/Deputy Chief of Staff, Treasurer's Office
- VIII. Assistant Treasurer, Treasurer's Office
- IX. Program Coordinator, College Kids CSA

Program Overview

- I. A deposit only savings account, held at 1st Financial Credit Union, is automatically established the year in which each eligible student enters kindergarten to be used for qualifying post secondary expenses.
- II. The Treasurer's Office shall be the custodial owner of the accounts, and the students shall be designated as beneficiaries.

III. An initial one time deposit of \$50 shall be made by the Treasurer's Office into each college savings account as it is opened.

IV. Accounts shall grow through deposits from family, student, and outside private or public contributions.

V. The Program will be reviewed annually by the Administration. An annual report will be generated from Outcomes Tracker by the Program Coordinator and posted on the STLTO website.

Participation and Eligibility

I. An eligible student is a child who is a first time enrolled kindergarten student as of October 31st of each year. Students must be enrolled in a St. Louis City Public School or a public charter school located within the city limits of St. Louis City.

II. Families who do not wish to participate in the Program have to option to submit an Optout Form to the Program Coordinator no later than October 31.

III. Appeals of program eligibility may be made by written correspondence to the Program Committee within 90 days of the account opening date for that particular year.

IV. Any eligible student who is not automatically enrolled in the Program can apply to be included by filling out a Program Enrollment Form and submitting verification of attendance and enrollment in kindergarten at a St. Louis City Public School or a public charter school located within the limits of St. Louis City no later than January 31 of the eligible school year.

V. If a participant stops attending a St. Louis City Public School or a public charter school located within the city limits, they have the option to keep the account open or close the account. If the account is open, the family may continue to contribute to that fund. Any program and nonProgram funds accumulated to the transfer date will not be forfeited. The Treasurer's Office will not contribute any funds during the time the student is not enrolled in an eligible school. If the student returns to an eligible school, the Treasurer's Office will contribute to the fund if the child qualifies for any incentive programs.

College Savings Account

I. A deposit only savings account, held at 1st Financial Federal Credit Union, is established the year in which each eligible student enters kindergarten. An initial onetime deposit of \$50 shall be made by the Treasurer's Office into each college savings account as it is opened.

II. In addition to the initial deposit, the Treasurer's Office may, in its sole discretion, make additional deposits, such as earned incentives, and other adjustment deposits as may be

necessary for overall Program management. Incentives, such as savings matches and other donor directed deposits, shall be provided only if money is raised and available.

III. Students entering a qualifying school and participating grade level after October 31st are permitted to open a College Kids account and need to submit a Request to Open Account Form to the Program Coordinator for review. Participants entering the program after this date will not receive the initial seed deposit of \$50 but will be eligible to participate in matches and incentives offered thereafter.

Participant Deposits

I. Parents/Guardians and others are able to make deposits to an account at any 1st Financial Federal Credit Union branch, or any credit union in the shared branch network in person or by Electronic Funds Transfer (EFT). The EFT can be a onetime payment or a recurring payment. An account card with a preprinted account number will be distributed to each student with their welcome packet.

II. Checks and money orders should be made out to “ _____ ” with the participant’s name and account number noted in the memo section.

III. The maximum amount of non program funds that can be deposited annually (those by depositors other than STLTO) is \$2,500. The maximum allowable amount of non program fund deposits over the life of the account is \$50,000. Participants will be notified once they meet either threshold.

IV. The Program does not accept deposits that place conditions on account beneficiaries or the Program that are in addition to the terms and conditions of the Program as outlined in the Program Description.

V. All contributions to an account must be cash equivalent contributions in U.S. dollars. All contributions made in credit union branches of our banking partner, will be subject to their rules and regulations regarding acceptable forms of deposits.

VI. Anyone can contribute to a beneficiary’s account regardless of their relationship to the beneficiary; however, if a contribution is made by someone who does not hold legal guardian status for the beneficiary, they (1) cannot control how their contribution is managed, (2) will have no future control over the use of their contribution, and (3) will have no recourse through the Program to withdraw or redirect their contribution.

Withdrawals

I. With the exception of unforeseen financial emergencies, withdrawals may only be made for qualifying postsecondary education expenses by completing a Qualified Expense Withdrawal Form. The Program Coordinator will make the decision whether an expense is qualified.

Decisions may be appealed with written correspondence to the Program Committee within 90 days of the Program Coordinator's decision.

II. In the event of a financial emergency or unforeseen circumstance, the student and/or parent/guardian may submit a *nonqualified use withdrawal request* using the NonQualified Use Withdrawal Form to the Program Coordinator for review. If approved, only nonProgram funds may be withdrawn.

III. If a student completes their postsecondary education and does not use all funds in their account, any nonProgram funds contributed to the account can be withdrawn. However, any funds donated by or to the Treasurer's Office for the purpose of the Program will not be disbursed and will remain the sole property of the Treasurer's Office.

IV. Withdrawals from the account must be made prior to the student reaching the age of twenty five (25), with extensions for students who serve in national service programs (such as the United States Military or AmeriCorps.)

V. Due process with MO State Unclaimed Property Division will be followed regarding non Program funds remaining in accounts of beneficiaries over the age of 25. Program funds (incentives and matches) will be returned to the Treasurer's CSA account with Lindell Bank, and non Program contributions will be sent to MO Unclaimed Property if no contact can be made with the beneficiary and/or no relationship based account has been created.

Account Transfers to Other College Savings Vehicles

An account beneficiary's parent or legal guardian may transfer all but \$1 of the account balance, including deposits made by the Treasurer's Office, incentive deposits, deposit adjustments, deposits made by other individuals, and earned growth match to another privately held college savings vehicle each time the account reaches \$500 or more. Important restrictions apply to this account feature and include the following requirements.

- Transfers can only be made to college savings account products that are officially recognized as such in federal or state tax code. In most cases, rollovers will be to a privately held "529 Plan" or similarly tax advantaged college savings vehicle. The rollover amount must meet the target account's minimum deposit rules.
- Transfers can only be made to college savings vehicles that have as the named beneficiary the same child that was named as the beneficiary of the account.
- Once this transaction is complete, the account created by the Treasurer's Office will remain open and the participant will be eligible for future Treasurer's Office deposits or other matching or incentive deposits.

Account Balances

- I. There is no minimum account balance. Accounts automatically opened by the Treasurer's Office at the start of the Program are funded with a onetime initial \$50 deposit.
- II. Account balances will be available as current as the previous business day through the Outcomes Tracker online account portal, contingent upon a nightly download from 1st Financial into VistaShare.
- III. A quarterly paper version of your account statement can be requested with written correspondence to the using the Account Statement Request Form.
- IV. Funds held in accounts cannot be assigned or pledged as security for a loan. Any pledge of interest in an account will be of no force and effect.
- V. Each account is insured by the National Credit Union Administration (NCUA). NCUA insurance is provided for the individual beneficiary accounts held in trust by the St. Louis Treasurer's Office. NCUA insurance limits and limitations are governed by NCUA regulations.
- VI. Deposits into the account are not insured nor guaranteed by the Treasurer's Office, other state agencies, federal government agencies (except to the extent noted above regarding NCUA insurance), or any employees or directors of any such entities.

Contributions to the Program

- I. Private funds, made through donors and foundations, will serve as incentives for families to make contributions into the accounts. Incentives may be earned by meeting certain financial benchmarks with the accounts or by meeting certain academic benchmarks – both defined by the Program Committee.
- II. All checks must be clear, in good order, and not dated more than 180 days old. The Program will not accept credit cards, debit cards, postdated checks, starter checks, counter checks, traveler's checks, checks drawn on nondomestic banks, or any other check deemed unacceptable by the Program.

Qualifying postsecondary Expenses

Postsecondary education includes a college, university, vocational school, and any two or four year degree program from an accredited institution.

This includes but is not limited to tuition, mandatory fees, books, supplies, and equipment required for enrollment or attendance, or for any other necessary cost of attending school, including travel to and from school. If a student has special needs, distributions can be used to pay for any accommodations that are required to make it possible to attend school. To assist

students in gaining access to postsecondary education, funds may be used for postsecondary school application fees and fees for the ACT, SAT, and AP college entrance and placement exams prior to high school graduation. Participants must submit a Qualified Expense Withdrawal Form to the Program Coordinator to request disbursement of funds.

Expenses and Fees

There are no user fees associated with deposits, withdrawals, account management or any other transactions.

Contact Information

In order to communicate important news and updates regarding the Program it is important that Parents/Guardians update their contact information when changes occur using the online account portal. Contact information can be updated at the beginning of each school year when students enroll.

Other Legal and Administrative Information

Tax Considerations

Account beneficiaries/agents are encouraged to seek professional tax help to best understand their own personal circumstances as the Program is not authorized to provide legal, financial, or tax advice. The Office of Financial Empowerment provides a comprehensive list of Volunteer Income Tax Assistance organizations that may provide help.

Postsecondary Education – No Guarantee

The Program does not offer any guarantees regarding the future costs of postsecondary education or the ability of the account to cover these expenses for any beneficiary. The total amount of qualified higher education expenses incurred by a beneficiary may exceed the funds in their account. There is no guarantee that a beneficiary will be accepted to a postsecondary institution or that a beneficiary will be able to maintain attendance at or receive a degree from an eligible educational institution. The Program does not provide advice or assistance in applying to postsecondary institutions or calculating the costs of that attendance.

Transaction Timing

The Program makes all reasonable attempts to complete transactions and requests regarding accounts in a timely manner. Most requests received in good order during the Program's hours of operation (8:30 AM – 4:30 PM Monday through Friday) will usually be completed within three business days. However, the Program offers no guarantee regarding the timing of account setup, changes, withdrawals, confirmations, or other transactions. The Program does not guarantee that a transaction received on the last day the Program conducts business for that year will be complete on that day. Deposits will generally be recognized in the year in which the deposit is recognized by the Program's banking partner.

Special Considerations

In addition to rights expressly stated elsewhere in this Program Description, the Program reserves the right to:

- Reject a form that is:
 - o Not complete, or that has been superseded by an updated version of the form
 - o Dated with a signature more than 90 days old
 - o Signed by a person who does not hold Legal Guardian status for the named account beneficiary

- Freeze an account, close an account, or refuse, change, discontinue, or temporarily suspend account services, including accepting contributions and/or processing withdrawal requests, for any reason, including, without limitation:
 - o When the Program reasonably believes fraudulent, suspicious, or illegal activity may occur or has occurred
 - o When the Program has received reasonable notice of a dispute regarding the money in an account
 - o The Program's discovery that an account has been managed or accessed for purposes other than to save for the costs of postsecondary education

- Suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request when banks are closed for any reason other than their usual weekend or holiday closings, when banking is restricted by the federal government, or under any emergency circumstances.

Death or Intellectual Incapacitation of an Account Beneficiary

In the event of the death or irreversible intellectual incapacitation of a named beneficiary, the beneficiary's estate or legal guardian will have the option to withdraw the account balance, less any deposits made by the Treasurer's Office, including the initial deposit and any match or incentive payments. Requests must be submitted in writing to the Program Coordinator and documentation of legal guardianship must be submitted along with request, as noted on the NonQualified Expense Withdrawal Form.

Extraordinary Events

The program and the Treasurer's Office are not liable for any loss to an account beneficiary caused directly or indirectly by changes in federal or state banking regulations; war; acts of terrorism; forces of nature; strikes; changes in federal law, state law, or tax law; or other conditions beyond their control.

Indemnification

Neither the Program, nor the Treasurer's Office or its officers, employees, or associated persons will indemnify an account beneficiary, or contributor to accounts against any damages, losses or other claims arising from their official or unofficial acts, whether negligent or otherwise.

The Program uses reasonable procedures to confirm that transaction requests on accounts are genuine; However, the Program is not responsible for any losses arising from fraudulent or unauthorized instructions that it believes to be genuine. An account beneficiary/agent should keep information confidential and carefully monitor the account balance and overall status. If an account beneficiary/agent suspects fraudulent activity on their account, they should contact the Program Coordinator immediately.

Privacy Policy

The Treasurer's Office does not collect personally identifiable information about participants unless they choose to provide such information. Any personal information provided to the Treasurer's Office is protected by security practices. Non personal information related to visits to the Program's website may be automatically collected and temporarily stored. The Treasurer's Office does not disclose, give, sell or transfer any personal information without prior authorization or as required by law.

Security for State Funds

In accordance with the Missouri Revised Statute Section 30.270.1 in regards to *Security For Safekeeping of State Funds*, 1st Financial Federal Credit Union agrees to pledge securities for any deposits in relation to the College Kids Children's Savings Account Program (Program) over the NCUA insured amount of \$250,000.

Authorized signees for The City of St. Louis Treasurer's Office are:

- A. The Treasurer of the City of St. Louis
- B. The Assistant Treasurer of the City of St. Louis

Confidentiality Agreement

1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office acknowledges that information concerning operations and members are proprietary in nature as well as subject to federal and state confidentiality laws and regulations. 1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office will keep all such information strictly confidential and not disclose such information to any third parties in violation of applicable laws, including the Gramm-Leach Bliley Act (GLBA). 1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office shall not disclose or use Confidential Information supplied to them by Customer for any purpose not expressly permitted by this Agreement. 1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office shall limit the disclosure of Confidential Information supplied to them by Customer to the employees or contractors of 1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office who have a need to know such Confidential Information for purposes of this Agreement, and who are, with respect to the Confidential Information of Customer bound in writing by confidentiality terms no less restrictive than those contained herein. The non-disclosure requirement of the Confidential Information set forth in this section shall be in full force and effect for such time that Customer maintains its confidentiality. 1st Financial Federal Credit Union and The City of St. Louis

Treasurer's Office hereby acknowledges that the unauthorized disclosure or use of Confidential Information in breach of this section could cause Customer immediate, substantial, and irreparable harm. 1st Financial Federal Credit Union and The City of St. Louis Treasurer's Office therefore agrees that Customer will have the right to pursue any and all rights and remedies available at law and equity, including injunctive relief, for such a breach.

Monthly Statements

1st Financial Federal Credit Union agrees to provide a monthly statement to the The City of St. Louis Treasurer's Office including the total deposit amount, number of deposits, and withdrawals for all participating beneficiary accounts.

Termination and Risk Mitigation

This Agreement may be terminated by either party with notice in writing if the other is in material breach of the terms of this Agreement and has failed to remedy the breach (where the breach is capable of being remedied) within 90 days' notice in writing.

This Agreement may also be terminated by either party with 90 days' notice in writing if the other has caused severe reputation risk or financial hardship to the either.

The City of St. Louis Treasurer's Office or 1st Financial Federal Credit Union may terminate the Agreement upon the occurrence of any of the following events:

- A. Both parties agree the Program is not capable of achieving designated Program goals.
- B. The CSLTO stops contributing to the Program or loses funding for the Program.
- C.

Consequences of Termination

In the event of termination, 1st Financial will work with The City of St. Louis Treasurer's Office to transfer all custodial accounts to a new participating financial institution or with the disbursement of account funds to the beneficiary recipients. At the time of account closings, 1st Financial will no longer bear responsibility to open new savings accounts for students in the City of St. Louis School District, provide monthly statements to The City of St. Louis Treasurer's Office or deliver a nightly report regarding account balances. Termination shall not affect any accrued rights or liabilities of either party.

In the event of the termination of the Agreement under this section, The City of St. Louis Treasurer's Office and 1st Financial Federal Credit Union shall both ensure within the best of their ability that there is no disruption to providing service to participants in a professional and competent manner.

IN WITNESS WHEREOF, the Parties have caused this Participation Agreement to be executed by their duly authorized officers as of the date first above written.

1st Financial Federal Credit Union

By: _____

Name: _____

Title: _____

The City of St. Louis Treasurer's Office

By: _____

Name: _____

Title: _____