

## Matching Grant Program

### Terms & Conditions for Program Year 2020-2021

The application period for the 2020-2021 Matching Grant Program begins October 5, 2020.

#### **General:**

The Program is available to any individual who opens a CollegenInvest 529 College Savings Account, or any current Account Owner of a CollegenInvest Account, and contributes to their CollegenInvest Account between January 1, 2021 and December 31, 2021.

The Account Owner must meet certain eligibility criteria as outlined in these Terms and Conditions including the required Income Eligibility Guidelines.

The Beneficiary of such CollegenInvest Account(s) to which contributions have been made must also meet certain Program eligibility requirements.

Any Matching Grant awarded will be based on the contributions made by the Account Owner between January 1, 2021 and December 31, 2021 and is subject to the available funding for the Program.

No more than one application per Beneficiary will be accepted for a Matching Grant in connection with contributions to their CollegenInvest Account(s). Account Owners can submit separate applications for multiple Beneficiaries.

Matching Grants will be limited to an aggregate of \$500 in contributions to the CollegenInvest Account(s) for the same Beneficiary during the current Program Year.

There is no guarantee that funding for this program in subsequent years will be available. If a determination is made and funding established by CollegenInvest for subsequent years, current Participants may be eligible to re-apply for Matching Grants for up to five (5) awards based on eligibility criteria applicable during those years.

#### **Defined Terms:**

**Account Owner** – The individual who owns and controls a CollegenInvest Account. For the Matching Grant Program, this individual must meet the eligibility requirements specified in these Terms and Conditions.

**Application Period** – The time frame CollegenInvest will accept applications for the Matching Grant Program. The application period begins October 5, 2020. The application period ends December 31, 2020, and may close earlier if the program has reached the maximum number of eligible Participants based on the level of funding for the program year.

**Awardee** – An Applicant that meets all the requirements of the CollegenInvest Matching Grant Program and is awarded a grant.

**Beneficiary** – The individual named in the account who will receive the benefits of the CollegenInvest Account, usually a student, child, or grandchild. For the Matching Grant Program, this individual must meet the eligibility requirements specified in these Terms and Conditions.

**CollegelInvest** – CollegelInvest is a not-for-profit division of the Colorado Department of Higher Education, responsible for administering Colorado’s 529 college savings program. CollegelInvest manages and administers the Matching Grant Program.

**CollegelInvest Account** – An account or accounts in any plan offered under the CollegelInvest 529 College Savings Program administered by CollegelInvest. These plans currently include the Direct Portfolio College Savings Plan, Scholars Choice College Savings Program, Smart Choice College Savings Plan, and the Stable Value Plus College Savings Plan.

**CollegelInvest Matching Grant, or Matching Grant, or Award** – A grant of funds awarded under the Program by CollegelInvest to a qualified Matching Grant Applicant.

**CollegelInvest Matching Grant Program, or Program** – The program as described in these Terms and Conditions, as such Terms and Conditions may be amended from time to time by CollegelInvest.

**Contributions** – Eligible contributions are contributions made by the Account Owner during the contribution period. Upromise, gift & rollover contributions do not qualify.

**Contribution Period** – The time frame CollegelInvest will match up to \$500 of contributions made to the CollegelInvest Account owned by you. The contribution period is from January 1, 2021 to December 31, 2021.

**Household** – The number of people in your house you claim on your Federal taxes only to include the number of Parents/Guardians plus the number of dependent children under the age of 18. If married and filing separately, household will include both parents and both complete tax forms.

**Income Eligibility Guidelines** – The income requirements applicable to Matching Grant Applicants under the Program as outlined in these Terms and Conditions. These requirements are based on the federal poverty levels and Colorado median family income published by the U.S. Department of Health and Human Services.

**Matching Grant Account** – A separate account owned and maintained by CollegelInvest for the Beneficiary of a CollegelInvest Account into which Matching Grant Funds will be deposited and applied in accordance with these Terms and Conditions.

**Matching Grant Applicant, or Applicant** – A CollegelInvest Account Owner applying for a CollegelInvest Matching Grant who meets the eligibility criteria outlined in these Terms and Conditions.

**Matching Grant Funds** – The funds awarded by CollegelInvest as a Matching Grant.

**Participant** – An Applicant that may be awarded a CollegelInvest Matching Grant.

**Program Year** – The period running October 5, 2020 to December 31, 2021.

**Matching Grant Applicant Eligibility:**

The Applicant must be a Colorado resident and the parent (or legal guardian) of a child for which they can claim/declare as a dependent for tax purposes.

The Applicant must also meet the Income Eligibility Guidelines set forth below and provide verification of the Applicant’s family Adjusted Gross Income (AGI) by submitting their complete 2019 Federal Income

Tax Return (or a Non-Taxable Income Form) acceptable to CollegenInvest. The Application Form and documentation of the Applicant's 2019 family AGI are due to CollegenInvest at the time of application.

If the Applicant and their spouse or partner filed separate 2019 returns, a copy of the spouse's, or partner's, 2019 return must also be submitted at the time of application.

The CollegenInvest Matching Grant Program will match a Participant's contributions to their CollegenInvest Account only if the Participant's 2019 family AGI for the prior year is 400 percent or less of the 2020 Federal Poverty Level based on family size. Each year, the Income Eligibility Guidelines for new Matching Grants will be reviewed and revised based on current Census information. Income verification based on updated Income Eligibility Guidelines will be required for each year that a Participant applies for additional Matching Grant Awards.

If your family's Adjusted Gross Income (AGI) is less than the amount listed for the number of dependent children and the number of parents/guardians in the household, you could be eligible for the CollegenInvest Matching Grant Program.

2020 Federal Poverty Guidelines	
Household Size	Eligible Adjusted Gross Income (AGI)
2	\$68,960 or less
3	\$86,880 or less
4	\$104,800 or less
5	\$122,720 or less
6	\$140,640 or less
7	\$158,560 or less
8	\$176,480 or less

Note: The Income Eligibility Guidelines above are for Matching Grant Applicants with respect to contributions made between January 1, 2021 and December 31, 2021 and are based on the federal poverty levels for 2020. CollegenInvest will update Income Eligibility Guidelines for the Program on a regular basis, based on the most up to date guidelines from the U.S. Census Department.

#### **Beneficiary Eligibility:**

The Beneficiary must be a Colorado resident and must not be older than 8 years of age at the time of the initial application by the Applicant. Furthermore, the Beneficiary must be a U.S. citizen, legal permanent resident, or is otherwise lawfully present in the U.S. pursuant to federal law. Colorado law requires verification of the lawful presence in the United States of all persons 18 years of age or older before providing public benefits.

If Matching Grant Funds have been budgeted by the CollegenInvest Board of Directors and are available, funds for the benefit of a Beneficiary may be received for no more than five (5) awards. A Participant

must submit a new application for each Program Year. Furthermore, the Beneficiary must be under the age of 18 years as of Dec 31 of the Program Year for which the Applicant is applying for a subsequent Matching Grant. A Beneficiary may only be eligible for one Matching Grant award per year. In the event of two Matching Grant Applicants with the same Beneficiary, only the first application received in good order and processed by CollegenInvest will be accepted.

**Conditions and Amount of Award:**

If all of the eligibility criteria have been met and the application is eligible to continue to the next phase, the Applicant will be notified that they are eligible from CollegenInvest. Receipt of this communication indicates to the Applicant that they can open or contribute to an existing CollegenInvest college savings account for the specified Beneficiary, and their contributions are eligible to be matched up to \$500. All such Matching Grants to be awarded will be subject to the availability of funds budgeted by the CollegenInvest Board of Directors. Funds may not be available for a Matching Grant that has been awarded if the CollegenInvest Board of Directors does not budget for the Program in a particular year.

CollegenInvest will award a Matching Grant to match the Applicant's contributions to his or her CollegenInvest Account(s) for a particular Beneficiary up to the first \$500 contributed in aggregate during the applicable Program Year. Matching Grant funds will be awarded by March 31, 2022 for the 2020-2021 Program Year.

**Duration of Eligibility for Participant and Beneficiary:**

In the event the Matching Grant Program is funded, a Participant may be eligible for up to a total of five (5) years of Matching Grant awards, including the initial year of participation, if the following conditions are met:

The Beneficiary specified on the Application Form was not older than 8 years of age at the time of the initial application, and is under the age of 18 years of age as of Dec 31 of the year for which the Applicant is applying for a subsequent Matching Grant.

The Account Owner must re-apply for a Matching Grant each Program Year.

The Participant's family AGI continues to fall within the Income Eligibility Guidelines each Program Year.

The Participant continues to meet the other eligibility requirements applicable to a Matching Grant Applicant.

The Participant has contributed to his or her CollegenInvest Account between January 1 and December 31 of the Program year in which his or her application for a CollegenInvest Matching Grant has been approved.

**Application for a CollegenInvest Matching Grant:**

Account Owners who may be eligible to receive a Matching Grant for the current Program Year must submit a Matching Grant Application Form to CollegenInvest. Only one Application Form per Beneficiary. An Account Owner may apply for multiple Beneficiaries with separate CollegenInvest Account(s), by submitting a separate Application Form for each Beneficiary.

By applying for the Program, you agree to receive communications about the Program and your status from CollegenInvest by mail, email or phone.

**Application period and process:**

Application Forms for the current Matching Grant Program will be accepted beginning October 5, 2020. Applications will be accepted up to December 31, 2020 for contributions which will be made to a CollegenInvest Account during the current Program Year. The application period may close earlier if the program has reached the maximum number of eligible Participants for this Program Year. Matching Grant Applicants must complete the online Application Form, upload their federal income tax return for the previous calendar year or other evidence acceptable to CollegenInvest (in the event that no federal tax return has been filed). Eligibility for an award will be determined by CollegenInvest based on the Application Form and tax return information provided to CollegenInvest by the Applicant.

If the Applicant's Application Form is approved and the Applicant awarded, the Applicant will be notified and a separate Matching Grant Account, owned by CollegenInvest, will be set up in the name of the Beneficiary listed in the Application Form (see additional details below about the Matching Grant Account). A Matching Grant Award contributed by CollegenInvest to this account will be determined by the aggregate amount contributed to the Applicant's CollegenInvest Account(s) during the correlating Program Year, not to exceed \$500. The Applicant can make contributions to multiple accounts for the same Beneficiary during the current Program Year, but it is the responsibility of the Applicant to notify CollegenInvest that they are using multiple accounts to qualify for the full \$500 award.

Matching Grant Funds will be deposited to Matching Grant Accounts for awarded 2020-2021 applications by March 31, 2022. Matching Grants are subject to the availability of budgeted funds and Matching Grant Awards will be awarded in the order that the application and all applicable tax forms were received, processed and approved during the application period.

If the Matching Grant Applicant or Beneficiary is deemed ineligible and the application is rejected, the Applicant will be notified by CollegenInvest.

Any Account Owner who fails to apply or Participant who fails to re-apply for Matching Grant Funds by the deadline shall be ineligible to receive Matching Grant Funds for contributions made to the CollegenInvest Account for the current Program Year. However, the Account Owner or Participant may apply for future Matching Grant Funds provided that eligibility requirements (see Matching Grant Applicant Eligibility section) continue to be satisfied.

**Payments from Matching Grant Account:**

Payments from Matching Grant Account will be made directly to institutions of higher education as defined by Section 529 of the Internal Revenue Code, without exception, upon receipt by CollegenInvest of a properly authorized request for payment from the Participant. Payments will be available from Matching Grant Funds and any applicable earnings in the Matching Grant Account. Such payments shall be applied solely toward qualified 529 expenses at an institution of higher education as defined by Section 529 of the Internal Revenue Service Code (as amended periodically) and are considered qualified withdrawals. If, at the time of a qualified withdrawal request, the Participant request would leave a minimal amount in the account CollegenInvest will disburse all funds and close the account.

**Participant's CollegenInvest Account vs. Matching Grant Account:**

Once accepted into the CollegenInvest Matching Grant Program and receiving Matching Grant Award there will be, at a minimum, two (2) active accounts for the Beneficiary:

**Ownership and Investment of Participant's CollegenInvest Account:**

The Participant opens, owns and otherwise maintains control of his/her CollegenInvest account as the Account Owner. The Participant chooses investment options and determines when and if funds are disbursed according to Section 529 of the Internal Revenue Code. His or her CollegenInvest Account is governed by the rules set forth in the Plan Disclosure Statement for the particular plan in which the Participant (as Account Owner) has invested.

**Ownership and Investment of Matching Grant Account:**

The Matching Grant Account is a separate account opened, owned and otherwise maintained by CollegenInvest and is governed by the rules and regulations set forth in these Terms and Conditions. The Applicant verifies that he/she has read the CollegenInvest Matching Grant Program Terms and Conditions when applying for Matching Grant Funds and agrees to all the conditions for the Matching Grant Account set forth by CollegenInvest. Matching Grant Funds are deposited into a Matching Grant Account for a designated Beneficiary and are invested by CollegenInvest. CollegenInvest is the Account Owner of this account and the Matching Grant Funds in such account are wholly owned and maintained by CollegenInvest for such Beneficiary. Matching Grant Funds deposited into a Matching Grant Account will be invested in the CollegenInvest Stable Value Plus College Savings Plan. Please see the CollegenInvest Stable Value Plus College Savings Plan Description for more details. As CollegenInvest will be the Account Owner for the Matching Grant Account, neither the Participant nor the Beneficiary will have any direction over the Matching Grant Account or how it is invested. CollegenInvest, at its sole discretion and without notice to or approval from the Beneficiary or Participant, reserves the right to change investment options for the Matching Grant Account. See details below outlining additional differences between accounts.

**Changes in Beneficiary of Participant's CollegenInvest Accounts:**

The Participant may change the Beneficiary for his/her CollegenInvest Account subject to the restrictions set forth in Section 529 of the Internal Revenue Code as set forth in the applicable CollegenInvest Plan Disclosure Statement(s). See the Plan Disclosure Statement for the Plan you are invested in for more details.

In the event of a change for the Participant's CollegenInvest Account of the Beneficiary which was designated in connection with the Application, the Beneficiary for the Matching Grant Account will be changed to the Beneficiary that matches the named Beneficiary on the Participant's CollegenInvest Account, provided that the new Beneficiary meets the Beneficiary eligibility requirements for the Matching Grant Program. In the event that the new Beneficiary for such CollegenInvest Account does not meet the eligibility requirements for the Matching Grant Program, the established Matching Grant Account will be revoked.

**Withdrawals from Accounts:**

The Participant may make withdrawals from his/her ColleeInvest Account in accordance with applicable ColleeInvest plan guidelines. See Plan Disclosure Statements for the Plan you are invested in for more details.

ColleeInvest will disburse the funds in the Matching Grant Account only for qualified 529 expenses to a qualified higher education institution as defined by Section 529 of the Internal Revenue Code.

**Investment Options for Accounts:**

The Participant can choose any investment option available under the ColleeInvest plan for his/her ColleeInvest Account. See the Plan Disclosure Statement for the Plan you are invested in for more details.

Neither the Participant nor the designated Beneficiary of the Participant's ColleeInvest Account has the authority to choose the investment options for the Matching Grant Account. ColleeInvest will invest all amounts in a Matching Grant Account for the Beneficiary in the ColleeInvest Stable Value Plus College Savings Plan. ColleeInvest, at its sole discretion and without notice to or approval from the Beneficiary or Participant, reserves the right to change investment options for the Matching Grant Account at any time.

**Revocation of Matching Grant Account:**

In the event there is no qualified withdrawal from the ColleeInvest Account established for the Beneficiary within four (4) years after the Beneficiary is eligible for such withdrawal (typically 18 years of age), ColleeInvest shall revoke the total amount of the value of the Matching Grant Account. No payments will be made from a Matching Grant Account later than six (6) years after the Beneficiary is eligible for such a qualified withdrawal from the ColleeInvest Account, regardless of whether qualified withdrawals have been made during that six (6) year period, and any funds remaining in the Matching Grant Account after that period shall be revoked. Appeals for exceptions to this term or for reinstatement of the Matching Grant Account may be submitted to ColleeInvest in writing and any determination for an exception or reimbursement will be made by ColleeInvest in its sole discretion.

**Public Assistance Consequences:**

Determining the effect of the Matching Grant Account and the Participant's ColleeInvest Account on eligibility for public assistance programs is the responsibility of the Participant/Account Owner. The Participant/Account Owner should consult a qualified advisor to determine how a college savings plan and/or an award such as a Matching Grant may affect eligibility for state and/or federal benefits. ColleeInvest makes no representation in regard to the effects of a Matching Grant Account or ColleeInvest Account on eligibility for public assistance programs.

**Tax Advantages and Consequences:****Participant's ColleeInvest Account**

To learn about tax advantages and consequences for any ColleeInvest Account, please refer to the Plan Disclosure Statement for the applicable ColleeInvest plan in which you are invested.

**CollegInvest Matching Grant Account**

While no formal ruling has been made by the Internal Revenue Service, since a separate Matching Grant Account is established on behalf of a Participant's Beneficiary and CollegInvest is considered the Account Owner of this account it is likely that there is no federal tax liability to the Participant or the Beneficiary with respect to the Matching Grant Account before withdrawals are made.

However, the Internal Revenue Service could take the position that Matching Grants are subject to federal income taxation in the year the grant is awarded. Withdrawals from the Matching Grant Account used to pay tuition, fees, books, supplies and equipment required for enrollment or attendance at a qualifying educational institution will likely not be subject to federal income tax, but any amounts used to pay for room and board expenses would likely be subject to federal income tax. Although room and board expenses are qualified expenses under Section 529 of the Internal Revenue Code (with limitations), CollegInvest has chosen to prohibit the use of Matching Grant Funds for room and board expenses to avoid creating potential income tax liability for the Beneficiary.

Matching Grant Applicants, Participants and Beneficiaries should consult a qualified tax professional regarding the federal and/or state tax treatment of Matching Grants and college savings plan investments and earnings.

**Income and Program Eligibility Verification:**

In the event CollegInvest determines that any false information was provided by the Participant with respect to his or her Program eligibility, including satisfaction of the Income Eligibility Guidelines, CollegInvest shall have the right to immediately revoke the Matching Grant Account without the consent of or prior notice to the Participant or the Beneficiary. The selection of Matching Grant Program Participants will be conducted by CollegInvest personnel whose decisions shall be final.

**Updated Terms and Conditions:**

To meet the demands of the CollegInvest Matching Grant Program, CollegInvest reserves the right to and may periodically make adjustments to the Program's Terms and Conditions including, but not restricted to, the Income Eligibility Guidelines, Matching Grant award caps, contribution matching ratios, and investments for Matching Grant Accounts.