

2023-2024

# BY DEGREES FOUNDATION

## 529 SAVINGS ACCOUNT PROGRAM INFORMATION BOOKLET



## 01



## ABOUT THE BY DEGREES FOUNDATION

We believe all students deserve to learn, grow, explore, engage, and experience. Partnering with Findley Elementary, Harding Middle, and North High Schools, we are committed to working alongside your children and family to ensure goals are set and dreams are reached.

We are a 501(c)(3) nonprofit that has worked in Des Moines since 1990 to help more students graduate from high school and attend postsecondary education. In 2014, we began our partnership with Findley Elementary and have since expanded to support the entire K-12 network from Findley Elementary to Harding Middle and North High.



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## 02

## OVERVIEW



**Every student should have the opportunity to pursue postsecondary education. We are here to provide all Findley students with the tools and knowledge to make this possible.**

Our 529 savings account program celebrates achievements and incentivizes future-focused behaviors. All Findley Elementary students, regardless of grade level, are able to have a free 529 savings account opened in their names, owned by and financed through the fundraising efforts of By Degrees. *To participate in this **free program**, families or guardians of Findley Elementary students must [complete the By Degrees 529 Savings Account online enrollment form](#). More information on the enrollment process is provided on page 3 of this booklet.*

## WHAT IS A 529 SAVINGS ACCOUNT?

A tax-advantaged account specifically used to save for postsecondary expenses. Funds in a 529 savings account are invested and grow tax-deferred, meaning no taxes are paid on the earnings while the account accumulates money. Withdrawals from these accounts are also tax free when used for approved postsecondary expenses.

529 savings accounts are just one way to save for postsecondary education. Throughout your student's time at a By Degrees partner school, we will work with you to understand postsecondary costs, how you can save and prepare for them as a family, and the numerous educational pathways that can lead to future success in life and career.

## WHAT WILL A BY DEGREES 529 SAVINGS ACCOUNT PAY FOR?

A By Degrees 529 Savings Account can be used for qualified expenses at accredited, not-for-profit postsecondary programs, including:

- tuition and fees
- books
- supplies
- computers
- equipment required by your qualified postsecondary educational institution for enrollment or attendance (e.g. tools, class materials, etc.)

## WHAT IS A QUALIFIED POSTSECONDARY PROGRAM?

Any nationally accredited, not-for-profit program that comes after high school and participates in federal financial aid programs for students. This includes technical and trade schools, 2-year and 4-year degrees, as well as postgraduate studies.

## 03

## ENROLLING

To participate in the By Degrees 529 Savings Account Program, families or guardians of Findley Elementary students must complete the [complete the By Degrees 529 Savings Account online enrollment form](#). Findley Elementary students are eligible to enroll in the program at any point during their time at Findley. Students will only begin to earn milestones during the year in which they enroll.

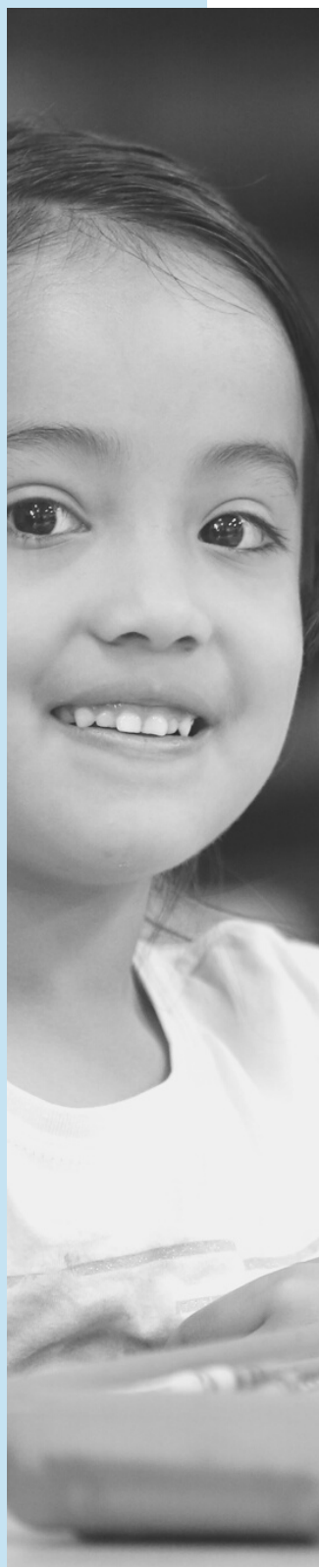
**The Enrollment Form is available online at <https://signup.my529.org/setup/Questionnaire.aspx?ref=C4EFCD8D-E897-4806-8FBF-521600824435>. Please note: the link is clickable and directs you to the my529 online enrollment form website.**

All By Degrees 529 Savings Accounts are established with my529, a nonprofit, self-sustaining agency within the Utah system of higher education designed to comply with Section 529 of the Internal Revenue Code. Its purpose is to provide a tax-advantaged savings vehicle that helps encourage individuals to save for the costs of higher education. my529 is consistently recognized for its investment options, stewardship, and low fees. It has earned Morningstar's Analyst Rating™ of Gold for twelve straight years and was one of only two 529 plans in the nation to receive this award in 2022.

### REQUIRED ACCOUNT INFORMATION

The following identifying information is required to open an account on behalf of your student beneficiary:

- Student Full Name
- Student Social Security Number OR Taxpayer Identification Number
- Student Date of Birth
- Student/Family Mailing Address

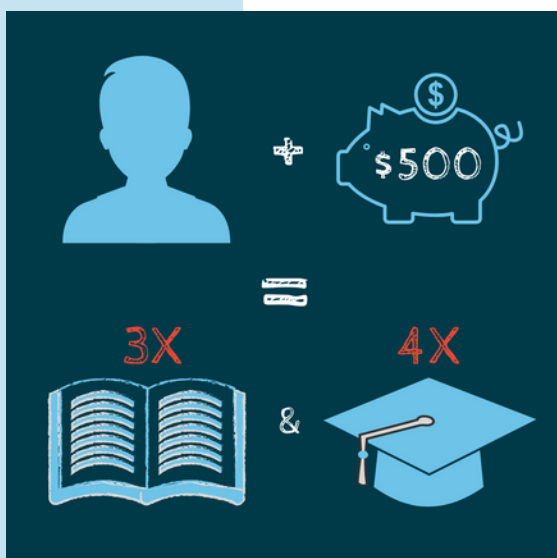


## 04

## FUNDING

All By Degrees 529 Savings Accounts are free to Findley students enrolled in the program. Students can earn up to \$200 annually through achieving various academic, social, and family milestones determined by school and By Degrees staff each year and provided to families at the beginning of the school year. The By Degrees Foundation funds milestones through annual fundraising efforts.

Milestones may only be earned when a student is enrolled at a By Degrees partner school (Findley Elementary, Harding Middle, or North High). If at any time a student no longer attends a By Degrees partner school, their account will be marked inactive but remain open. Any earned money will be accessible upon high school graduation. If a student with an existing account returns to a By Degrees partner school, the account will be reactivated and new milestones can be earned.

**Example Milestones:**

1. Growth in Reading
2. 95% attendance rate
3. Family attendance at School Conferences
4. Attendance at Annual Financial Literacy Workshop
5. Participation in an annual goal-setting session

*DID YOU KNOW: Having just \$500 in a 529 savings account at the time of high school graduation makes a student **THREE TIMES** more likely to attend postsecondary education and **FOUR TIMES** more likely to graduate?*

*(From University of Kansas' Asset & Education Initiative report, July 2013)*



## 05

## WITHDRAWING

Students may use the funds in their By Degrees 529 Savings Account once enrolled in an eligible postsecondary educational institution. By Degrees will work with students to verify enrollment and pay for eligible expenses at their selected postsecondary institutions.

Students have until five years after their high school graduation date to use the funds in their By Degrees 529 Savings Account. If money is not used within that time, all funds in that account (including contributions and earnings) will be transferred back to By Degrees to benefit other students in the program.

### WHAT QUALIFIES AS AN "ELIGIBLE EDUCATIONAL INSTITUTION"?

Eligible educational institutions are defined by the Internal Revenue Code as "any college, university, trade school, or other postsecondary educational institution eligible to participate in a student aid program run by the U.S. Department of Education."

Visit <https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp> for a list of eligible institutions.

Additionally, a By Degrees 529 Savings Account cannot be used at for-profit institutions. Examples of for-profit institutions include University of Phoenix and Waldorf College, among others.

### HOW CAN FUNDS BE USED?

A By Degrees 529 Savings Account can be used to pay for qualified education expenses only. Qualified education expenses include:

- tuition and fees
- books
- supplies
- computers
- equipment required by your qualified postsecondary educational institution for enrollment or attendance (e.g. tools, class materials, etc.)

### IS THERE A TIME LIMIT TO USE THE FUNDS?

Students must use the funds in their By Degrees 529 Savings Accounts within five years of their high school graduation. For example, students who graduate from high school in 2035 must use the funds in their accounts by 2040. Unused funds will revert back to By Degrees.

## 06

## RECEIVING ACCOUNT STATEMENTS

Students and families with established By Degrees 529 Savings Accounts will receive one quarterly account statement for the last quarter of each calendar year. All mailed account statements are sent by our 529 Savings Plan partner, my529.

By Degrees Foundation also sends regular mailed communications to students and families annually. This includes one fall communication and one spring/summer communications. Mailed communications increase as students near high school graduation.

### ACCESSING YOUR STUDENT'S ACCOUNT ONLINE

Families/guardians may sign up to receive view-only online account access at the time of enrollment. *To add view-only account access after enrollment, please email [529@bydegreesfoundation.org](mailto:529@bydegreesfoundation.org).*

Account information such as funds invested and interest earned can be accessed through this online system. Because By Degrees 529 Savings Accounts are owned and financed by the By Degrees Foundation, families/guardians are not able to act on behalf of the account. This means contributions, withdrawals, investment decisions, and any account changes cannot be made by families at any time, under any circumstance.



## 07

## HOW YOU CAN SAVE

*"We opened our own accounts for our kids and save on birthdays and holidays."*

We know that planning for postsecondary expenses is important to you, and we're here to help! Throughout your student's time at a By Degrees partner school, we'll work with you to understand postsecondary costs and how you can save and prepare for them as a family.

One such option is opening your own 529 Savings Account. 529 Savings Accounts can be opened by anyone over the age of 18 and can be used to save for a beneficiary of any age (that's right; you can even open an account for yourself!). Because you cannot contribute to your student's By Degrees 529 Savings Account, this provides you with the option to save on your own while receiving tax benefits.

If you are interested in saving for postsecondary expenses through a 529 Savings Plan, please contact the By Degrees Program Manager at your student's partner school.



# TERMS & CONDITIONS



## 1. Enrollment and Opening Accounts

By agreeing to have the By Degrees Foundation open a 529 Savings Account naming the student as the account's beneficiary, students and families have enrolled and agreed to participate in the By Degrees 529 Savings Account Program.

By Degrees 529 Savings Accounts will be opened with my529. 529 Savings Accounts are owned by the By Degrees Foundation and not by students or students' families. If all of the information required to set up a my529 account is provided, the By Degrees Foundation will name the student as the beneficiary of the 529 savings account. Only the designated student is allowed to use the 529 funds for their postsecondary education expenses.

## 2. By Degrees Foundation Contributions

As part of the 529 Savings Account program, By Degrees endeavors to raise money from third parties to be contributed into students' 529 savings accounts. Continuation of the By Degrees 529 Savings Account Program, with the ability to achieve milestones linked to deposits, is contingent on the By Degrees Foundation's ability to fundraise for 529 Savings Account investments. There is no guarantee that By Degrees will be able to raise funds indefinitely. Note that any funds earned into a By Degrees 529 Savings Account will remain in a student's name and be available to that student for use on qualified educational expenses, regardless of By Degrees' ability to maintain annual investments.

## 3. Withdrawals and Use of 529 Funds

There is a time limit by which students must use the funds in their By Degrees 529 Savings Accounts. This date is five years after a student's anticipated high school graduation date. If the money is not used within that time, all funds in the student's By Degrees 529 Savings Account will be transferred back to By Degrees Foundation to benefit other students in the Program, and will no longer be available to that student.

By Degrees 529 Savings Account funds can be used while students pursue part-time or full-time postsecondary education at any eligible educational institution as defined by the Internal Revenue Code. This includes 2-year, 4-year, and certain vocational and technical institutions that participate in federal financial aid programs for students. Visit <https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp> for a list of eligible institutions. Additionally, a By Degrees 529 Savings Account cannot be used at for-profit institutions.

By Degrees 529 Savings Account funds can only be used for the following qualified higher education expenses: tuition and fees; books; supplies; computers; equipment required by your qualified educational institution for enrollment or attendance. While other 529 Plans may permit funds to be used for K-12 private school expenses or postsecondary room and board expenses, By Degrees 529 Savings Account funds cannot be used for such purposes.

By Degrees 529 Savings Account funds will be transferred directly to eligible educational institutions as a scholarship so that students and families do not have to pay a tax on these funds.

The By Degrees Foundation will determine further guidelines for withdrawals and fund usage and will communicate the guidelines to students by their senior year of high school.

## 4. Failure to Satisfy Program Requirements

A student's receipt of a designated By Degrees 529 Savings Account and their continued participation in the By Degrees 529 Savings Account Program are subject to meeting all requirements as set forth in this By Degrees 529 Savings Account Program informational booklet, these Terms and Conditions, and any other informational material shared in connection with the 529 and By Degrees Foundation Programs.

## 5. Consent to Collection and Use of Information

Students and their families understand and agree that By Degrees Foundation and my529 may use information relating to their participation in the 529 Savings Account Program for a number of purposes, including but not limited to: program operations, servicing, evaluation, analysis, and may also use this information for raising awareness of creating educational and education scholarship opportunities provided by the By Degrees Foundation, my529, or others.

We take the security of students' and families' personal information very seriously. Given the sensitive nature of information needed to open and administer 529 accounts, By Degrees Foundation and my529 use a secure system to transmit private information between parties.

Students and their families agree and give consent that By Degrees Foundation and my529, along with their service providers, may collect information about students through the my529 website and other channels to administer and service the 529 Savings Accounts. This personal information may include collection of usernames, passwords, self-selected answers to security questions, and other information that may identify students.

Students and their families also understand and agree that By Degrees Foundation and my529 may disclose such information to third parties, such as higher education institutions in which students have been admitted or enrolled. Third parties receiving such information may disclose it to other third parties for purposes related to the 529 Savings Account Program. Identifiers such as name, password, self-selected answers to survey and security questions, and other information that may identify students will be removed whenever it is not absolutely necessary. Information gathered may be published in aggregate form.

## 6. Program and Participant Changes

Students and families agree to keep By Degrees Foundation informed of all changes to contact information and other information they have provided to participate in the 529 Savings Account Program so that students' and By Degrees Foundation's records are accurate and complete at all times during Program participation.

By Degrees Foundation reserves the right to add, delete, or change these Terms and Conditions, at its sole discretion, as needed, by providing written notice to all participants. my529 may change its program rules at any time.

## 7. No Tax Advice

Nothing contained in the 529 Savings Account Program materials, in any my529 materials, or on the websites of By Degrees Foundation or my529 is intended to constitute tax advice. The tax consequences of participating in the 529 Savings Account Program will depend on a family's particular tax circumstances. Families are responsible for obtaining their own tax advice with respect to participating in the 529 Savings Account Program and to having a 529 Savings Account designated on a student's behalf.

## 8. No Investment Advice

Nothing contained in the 529 Savings Account Program materials, in any my529 materials, or on By Degrees Foundation or my529 websites is intended to constitute investment advice, nor does By Degrees Foundation or my529 give advice or offer any opinion or recommendation on the suitability of any investment strategy, including the Target Enrollment Date investment options in which the 529 Savings Accounts are invested. Any investment decision a family makes for a 529 savings account that a family may choose to open and own will be based solely on the family members' own evaluation of the merits of a particular investment decision in light of financial circumstances and investment objectives.

## 9. Impact on Potential Financial Aid

Based on current federal rules, funds in the By Degrees 529 Savings Account should not impact a student's eligibility for federal financial aid. The federal government establishes eligibility for federal financial aid. These rules may change before students begin postsecondary studies. Also, state financial aid policies and the policies of individual postsecondary institutions may vary.

## 10. Impact on Federal Benefits

Based on current By Degrees 529 Savings Account Program guidelines, funds in By Degrees 529 Savings Accounts will not affect a student's or family's eligibility for federal tax benefits since neither students or families can directly access the funds in the 529 savings accounts designated on a student's behalf. These rules may change before students begin their postsecondary studies.

## 09

FREQUENTLY ASKED  
QUESTIONS

## ENROLLMENT

**1. Who is eligible to receive a By Degrees 529 Savings Account?**

The By Degrees 529 Savings Account Program is open to all students at Findley Elementary, regardless of grade level or when the student begins enrollment.

**2. What information will families need to provide to By Degrees Foundation and my529 to open a 529 Savings Account?**

The following identifying information is required to open an account on behalf of your student beneficiary: Student Full Name, Student Social Security Number OR Taxpayer Identification Number, Student Date of Birth, Student/Family Mailing Address, Family/Guardian Telephone Number.

**3. Will information be shared with third parties?**

By Degrees will only use the information provided by families for program-related purposes, such as opening a my529 account and withdrawing funds to support postsecondary education. *By Degrees will not share students' or families' personal information with third parties for commercial purposes.*

**4. What if a student does not have a social security number or tax identification number?**

At this time, students must have a valid social security number or tax identification number to participate in the By Degrees 529 Savings Account Program.

**5. Will families have to pay to open a By Degrees 529 Savings Account?**

No. The By Degrees 529 Savings Account Program is completely free to all Findley students and their families. Families are not required to contribute money to their students' By Degrees 529 Savings Account.

**6. How is the money in the By Degrees 529 Savings Account invested?**

All By Degrees 529 Savings Accounts are invested in the my529 Target Enrollment Date investment option. The Target Enrollment Date option has 12 portfolios that take into consideration the target year the account beneficiary will begin taking withdrawals to pay for qualified education expenses. *Please note: All investing is subject to risk. By Degrees and my529 cannot guarantee value preservation or investment growth. For more information on investments, please visit [www.my529.org](http://www.my529.org).*

## CONTRIBUTIONS

**1. How much money is contributed to a By Degrees 529 Savings Account?**

Students can earn up to \$200 annually through achieving various academic, social, and family milestones. Milestones are determined by school and By Degrees staff each year and a list of these milestones is provided to families at the beginning of the school year. The By Degrees Foundation funds contributions through annual fundraising efforts.

**2. When are contributions made to By Degrees 529 Savings Accounts?**

Contributions to established By Degrees 529 Savings Accounts are made in July or August of each year. These deposits include all milestones earned during that school year. Once money is deposited, students and families can expect to receive a mailed statement at the address on file in January. All accounts with view-only online access should see contributions reflected within 5-10 business days of deposit.

**3. Can students earn milestones if they are no longer attending a By Degrees partner school?**

No. Milestones may only be earned when a student is enrolled at a By Degrees partner school (Findley Elementary, Harding Middle, North High). If at any time a student no longer attends a By Degrees partner school, their account will be marked inactive but remain open. Any earned money will be accessible upon high school graduation. If a student with an existing account returns to a By Degrees partner school, the account will be reactivated and new milestones can be earned.

**4. Can families contribute money to By Degrees 529 Savings Accounts?**

No. Only By Degrees Foundation can make deposits into By Degrees 529 Savings Accounts. Families may want to consider opening an individual 529 savings account they directly own. A 529 savings account opened by a family would be owned by an adult member or guardian for the benefit of the student. It would be separate from the By Degrees 529 Savings Account.

## 10

FREQUENTLY ASKED  
QUESTIONS

## ACCOUNT ACCESS

**1. Will students and families receive mailed account statements?**

Yes. Students and families with valid mailing addresses on file will receive one quarterly account statement for the last quarter of each calendar year. All mailed account statements are sent by our 529 Savings Plan partner, my529.

**2. Can families/guardians sign up for online account access?**

Yes. To sign up for view-only online access after submitting online receive view-only online access, families must provide: a Family/Guardian First and Last Name, Family/Guardian Email Address, Family/Guardian Date of Birth, and Family/Guardian Zip Code (to verify identity when creating account).

**3. How do families/guardians sign up for online account access?**

Families/guardians may sign up to receive view-only online account access at the time of enrollment. To add view-only account access after enrollment, please email [529@bydegreesfoundation.org](mailto:529@bydegreesfoundation.org).

**4. What is view-only online account access?**

Because By Degrees 529 Savings Accounts are owned and financed by the By Degrees Foundation, families/guardians may only see account investments and investment growth through an online portal and are not able to act on behalf of the account. This means contributions, withdrawals, investment decisions, and any account changes cannot be made by families at any time, under any circumstance.

**5. Will the online account show the milestones earned by my student?**

Yes, the online account shows a record of milestones earned and the year in which those milestones were earned.

## WITHDRAWALS

**1. When can students begin making withdrawals?**

Students may request withdrawals upon high school graduation and enrollment in a qualified postsecondary institution. Withdrawal requests must be made through a student's view-only online account. More information on account withdrawal is provided as graduation nears.

**2. Which qualifies as an "eligible educational institution"?**

"Eligible Educational Institution" means any accredited college, university, or technical school in the United States or abroad that participates in federal financial aid programs for students. Visit <https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp> for a list of eligible institutions. *Please note: a By Degrees 529 Savings Account cannot be used at for-profit institutions.*

**3. Is there a time limit or deadline that students have to use funds in their By Degrees 529 Savings Account?**

Students must use funds in their By Degrees 529 Savings Accounts within five years of their anticipated high school graduation year. For example, students with an anticipated high school graduation year of 2025 must use the funds in their accounts by 2030. Unused funds will revert back to By Degrees.

**4. How can a By Degrees 529 Savings Account be used?**

A By Degrees 529 Savings Account can be used to pay for qualified education expenses only. Qualified education expenses include: tuition and fees, books, supplies, computers, and equipment required by a qualified postsecondary educational institution for enrollment or attendance (e.g. tools, class materials).

**5. Can withdrawals be made for non-educational expenses if families need money before students attend postsecondary institutions?**

No, By Degrees 529 Savings Account funds can only be used for students' qualified higher education expenses. These accounts are set up and funded specifically to help students pay for postsecondary expenses.

**6. What if a student does not attend an eligible educational institution?**

Postsecondary institutions that are not deemed eligible educational institutions cannot receive funds from By Degrees 529 Savings Accounts. If the money is not used at an eligible educational institution within five years of a student's anticipated high school graduation year, all funds in the account (contributions and earnings) will be transferred back to By Degrees.

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# FREQUENTLY ASKED QUESTIONS

## GENERAL QUESTIONS

**1. What if a student already has a 529 savings account?**

Great! The existence of another 529 or other savings account in a student's name does not affect their ability to receive a By Degrees 529 Savings Account. The student's family can continue to save for postsecondary education through the previously existing savings account. The two accounts will remain separate.

**2. What impact will By Degrees 529 Savings Account funds have on financial aid or scholarship eligibility?**

Based on current federal rules, savings in a By Degrees 529 Savings Account should not impact a student's eligibility for federal financial aid. The federal government establishes eligibility for federal financial aid. These rules may change before your student starts postsecondary education. Also, state financial aid policies and the policies of individual institutions may vary. Individual families should contact a financial aid office for specific advice.

**3. What impact will By Degrees 529 Savings Account funds have on federal assistance?**

Under current program guidelines, to the best of our knowledge, the money in a By Degrees 529 Savings Account will not affect your eligibility for federal benefits, since neither you nor your student can directly access this money. These rules may change before your child starts postsecondary education, and rules may be different in different states.

**4. Should a family report the funds in a By Degrees 529 Savings Account as income on their taxes?**

Since neither families nor students own or may directly access By Degrees 529 Savings Account funds, the money in the account does not need to be claimed as family income on taxes. When the funds are transferred from the By Degrees 529 Savings Account to an eligible educational institution, they will be transferred as a tax-free scholarship, so they will not need to be claimed as income by students or their families.

**5. Can a student enroll in the By Degrees 529 Savings Account Program mid-way through the school year?**

Yes. Students are eligible to enroll in the By Degrees 529 Savings Account Program mid-way through the school year, or at any time during their enrollment at Findley Elementary. Students who enroll mid-way through the school year will be able to achieve milestones during the year of enrollment. They will not receive funding for any previous year's milestones.

**6. What happens to the money in a By Degrees 529 Savings Account if a student moves out of a By Degrees partner school prior to starting postsecondary education?**

If at any time a student no longer attends a By Degrees partner school or moves out of state, their account will be marked inactive but remain open. Any earned money will be accessible upon high school graduation and can be used for eligible educational expenses up until five years after the student's anticipated high school graduation year.

If a student with an existing account returns to a By Degrees partner school, the account will be reactivated and new milestones can be earned.

*Please note: By Degrees Foundation will make every effort possible to locate graduated students with inactive accounts. However, By Degrees cannot guarantee this contact and it is therefore up to the family to notify By Degrees of any address or information changes.*

## CONTACT US

*By Degrees Foundation*  
PO Box 41070  
Des Moines, IA 50311

For questions or information on account access, please email [529@bydegreesfoundation.org](mailto:529@bydegreesfoundation.org) or call 515.650.8230. You may also contact the Program Manager at your school:

**Findley Elementary: Billy Kirby**  
phone: 515.343.9631  
email: [william.kirby@dmschools.org](mailto:william.kirby@dmschools.org)

**Harding Middle: Cari Long**  
phone: 515.249.1152  
email: [cari.long@dmschools.org](mailto:cari.long@dmschools.org)

**North High: Alejandra Maldonado**  
phone: 515.809.7255  
email: [alejandra.maldonado@dmschools.org](mailto:alejandra.maldonado@dmschools.org)

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