

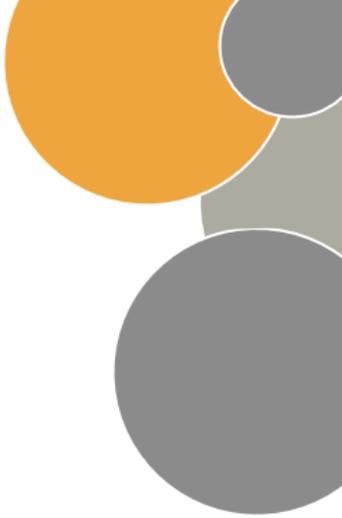
Starts With



SWY 529 Award



APPLICATION
SUCCESS
KIT



01

Get Prepared

Background information and guiding principles

02

Application Submission

Everything you need to know to submit your application

03

What Do I Do Next?

Your guide to next steps in the process

01 | Get Prepared

Starts With You (SWY) Foundation

Founded in 2020, SWY is created to financially support Black Students who are seeking higher education and/or entrepreneurial goals. Our mission is to remove the financial barrier and help Black students pursue their educational or business dreams.

Every year as tuition increases, a dream is deferred. To assist with education cost, SWY provides high school students with scholarships and awards 529 plans to 3rd grade students (see criteria).

This package will provide guidance and additional information around the 529 Award we offer. Submissions opens February 18th of every year. Visit our [website](#) for greater details on the foundation.

What is a 529?

A 529 plan is a tax-advantaged savings plan designed to encourage saving for future educational costs. The plan is named after 'Section 529' of the Internal Revenue Code (IRC), which was added in 1996. 529 plans, legally known as “qualified tuition plans,” are sponsored by states, state agencies, or educational institutions. All fifty states and the District of Columbia sponsor at least one type of 529 plan.

There are two types of 529 plans: prepaid tuition plans and education savings plans. SWY will award the educational savings plans as outlined below. In addition, unlike retirement and other investment accounts As a benefit, investments grow tax-free and can be withdrawn tax-free for educational expenses such as tuition, room and board, and required textbooks.

What is the SWY 529 Award?

SWY 529 Award is a 529 educational account opened through ScholarShare529. We offer this award early in a child's life to have time for the plan to mature. Of the two types of plans, ScholarShare529 is an education savings plans sponsored by the state of California. With the choice between all 50 states, SWY chose the ScholarShare529 plan to help families save for the cost of higher education. This specific award is different than a scholarship, as a 529 plan is a type of savings and investment account in which money grows tax-free if the withdrawals are for qualified education expenses. To learn more about ScholarShare529, check out their website: <https://www.scholarshare529.com/> or learn more through their [webinars](#).

What Can A 529 Plan Be Used For?

A 529 account withdrawals can be used to pay for qualified education expenses including:

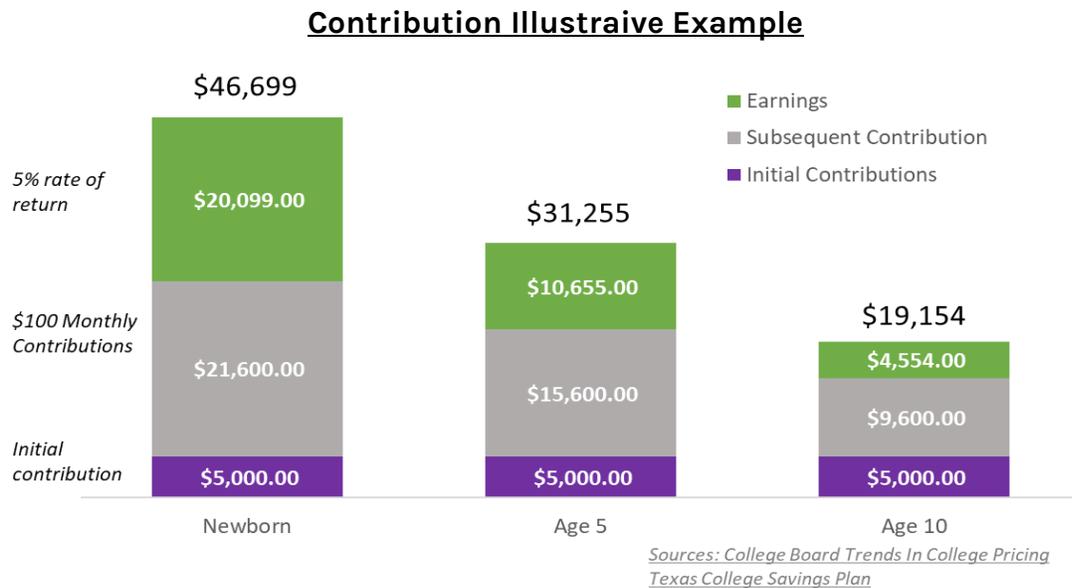


How Does It Work?

As money is contributed it gets divided into an investment portfolio. This portfolio holds stocks, bonds, cash and more. Its goal is to make the most money and get the best return possible. As the expected enrollment year approaches for the student, the investment portfolio risk level is automatically shifted from aggressive to conservative. This investment portfolio bases its investment mix on the date the



student will need the money to pay for his or her qualified education expenses. **As with all investments, growth is not guaranteed as the market can fluctuate; but we do guarantee a minimum \$500 award.** As an example, in the chart, you can see how 529 plan contributions might grow if you start with \$5,000 as a newborn baby and make monthly contributions of \$100 until your student turns 18.



02 | Application Submission Requirements & Criteria

For any submission please make the student meet all the requirements below.

- Student live within the U.S. and is a U.S. citizen or U.S. permanent resident
- Current 3rd grade students (will be entering 4th grade in the upcoming school year).
- Black or African American
- Designated student must have a legal relative (Family member) to serve as secondary beneficiary.

- Student plans to attend a four-year accredited college or university or trade school.
- Letter of recommendation (e.g. teacher, counselor, advisor, principal, aid)
- Commitment to follow up/check in yearly with SWY foundation

Who Can Submit an Application?

We encourage any helpers (**parents, teachers, advocates or family members**) to submit an application for a student! If you are not the student's guardian, we do ask you get their approval before submission.

Submissions

Applications will be submitted through [SWY website](#) or by completing the application at [here](#). No late or incomplete submissions will be accepted. No submission over limitations will be reviewed.

MEDIUM		LIMITS
 Video	→	2 minutes
 Essay	→	500 words
 Drawings	→	1 page
 PowerPoint	→	8 slides

Application Topic

We want you to be as creative as possible! Recipients will be selected based on the overall strength of their application materials compared to the entire applicant pool. You will be asked to illuminate of the topic below:

In one of the following forms, express the Application Topic:

- Video, Essay, Drawings, PowerPoint

APPLICATION TOPIC: Creatively describe how you take an active role in your students' success. Topics can include how you create additional learning opportunities at home, volunteering at your students' school, or keeping your student actively enrolled in extracurricular activities.

Media must be uploaded with complete application no later than: April 26th of the application year.

Tips For A Successful Application

Below is the grading rubric that will be used.

	Creativity & Attractiveness	Grammar	Content
Score of 3	Capture and keep the attention of the audience. Voice is authentic, clever, and entertaining. Work is exceptionally neat and creative in design and layout	Proper use of grammar, punctuation and spelling. No grammatical or mechanical mistakes.	Develops and articulate ideas clearly and fully that's show a deep understanding of the question to convey message. Effective categorization of ideas that flow smoothly throughout.
Score of 2	Captures the attention of the audience but weakens throughout the work. Work is neat and creative in design and layout	A few grammatical or mechanical mistakes that does not distract the audience.	Work is somewhat organized with clarity that leaves questions in the audience mind.
Score of 1	Does not captures the attention of the audience. Show little originality.	Many grammatical and mechanical errors that distracts the audience from understanding the content.	No Clarity or thought in content.



03 | What Do I Do Next?

Timelines & Contacts

- Application Open: February 18th
- Application Closed: April 26th
- Award Recipient Announced: May 31st
- Welcome Call – June
- First Follow up: February 2021

What If I Am Not Selected?

- If you are not selected, you can still open a 529 account through ScholarShare on your own. There is no minimum monthly investment required.
- You can also apply to other Scholarship Foundations, take a look at a list [HERE](#).

Final Checklist!

Here's what you need to make sure you are all set to apply for the SWY 529 Award

- 1 Letter of recommendation from a - teacher, counselor, advisor, principal, or aid
- Review and meet requirements & criteria
- Create your medium (video, essay, PowerPoint, etc.) to answer Application Topic
- Submit the Application!

FAQs!

How much is the scholarship fund?

Initial contribution by the foundation is \$1,200. This money is invested in the market thus one the student has reached an age it could grow or shrink

How do I receive my 529 scholarship funds?

The award will be paid directly to the college you enroll in.

How does a 529 work if SWY is the owner of the account?

You, family, and friends can contribute to an account that SWY controls on behalf of a specific beneficiary. You can withdraw the money tax-free anytime—as long as it's used to pay for qualified educational expenses at any eligible private or public college, university, graduate school, or vocational school anywhere in the U.S. 529 plans can also be used tax-free to cover certain tuition expenses at K-12

What qualifies as expenses?

What you can withdraw—without penalties and taxes



Tuition & related fees



Room & board



Books & supplies



Special services



Computers & related equipment



Repayment of student loans

Calculate your adjusted qualified higher education expenses by subtracting the items below the dotted line from those above it.



Pell grants



Tax-free scholarships



Tax-free employer assistance programs



Lifetime Learning Credit

For full details, see [IRS Publication 970](#), *Tax Benefits for Education*.

Is my investment in a my529 account insured or guaranteed?

Like all investments, funds are dependent upon the market and can change at any time.

What happens if my student doesn't attend college or I have money left in the account?

If your child does not use the funds, they can gift these to the beneficiary identified on the application. The new beneficiary must be an eligible member of the previous beneficiary's family. This change will be subject to board approval and verification they meet initial requirements

What if my child receives a scholarship?

If the account beneficiary receives a scholarship covering qualified expenses, you may withdraw funds from your 529 account equivalent to the amount of the scholarship without incurring the 10% federal tax on the earnings portion. Earnings portion will be subject to federal and state income tax.

How will this affect my FAFSA?

Depending on the educational institution you select, this may have to be disclosed on your FAFSA. Please [click here](#) to learn about federal and state grants and federal loans.

Can I change the beneficiary?

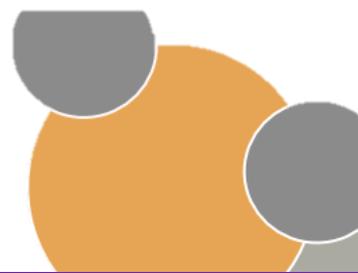
The new beneficiary must be an eligible member of the previous beneficiary's family.

Do I need to own the 529 account to give a gift?

No, anyone can contribute to your child's 529 plan up to \$10,000 per year. You will need to open a 529 account if selected as a winner. The account funds will be transferred over from SWY.

Who can I contact at the foundation?

You can contact us by email at swyfoundation@gmail.com



Good Luck!

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