



DELL SCHOLARS

Michael & Susan Dell Foundation

USING 529 PLANS TO SUPPORT SCHOLARSHIP RECIPIENTS

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WHAT IS A 529?

A college savings plan that offers tax and financial aid benefits.

It's named after Section 529 of the Internal Revenue Code which references tax-free status for 'qualified tuition programs'.

529 earnings are not taxed when used for qualified education expenses, including:

- Tuition and fees
- Books and supplies
- Room and board
- Technology (computers, software, internet access)
- Does NOT include transportation costs

Anyone can invest in any state 529 plan, and they can be used to pay for qualified expenses at nearly all colleges nationwide.

- You could live in New York, invest in the Florida 529 plan, and your child/fund beneficiary could attend college in Colorado
- Some states offer state income tax incentives to investors (i.e. tax credits and or tax deductions)

4 STEPS TO DETERMINING IF A 529 IS

1. WHAT'S YOUR WHY?



Our why – reduce displacement + decrease fund transfer period

Awarding scholarship dollars within cost of attendance, but also solving for unforeseen displacement

Funds available to Scholar next day for electronic withdrawal to a Scholars' linked bank account (withdrawal process is 2 to 3 days). Funding process completed in less than a week

2. GATHER DATA/INSIGHTS



Survey scholarship recipients on current process(es) + think about your current procedural pain points

Ask yourself what you can do to:

- Address pain points
- Improve funding process
- Meet your WHY

4 STEPS TO DETERMINING IF A 529 IS

3. PEOPLE POWER – WHAT DO YOU HAVE?



529s are complex financial systems. Do you or your team have technical know how? Does your team have someone who can serve as a program lead? Are you willing to learn on the fly?

What Dell Scholars leverages:

- Point of contact/program lead
- Technical lead (built out infrastructure to enable fund transfer)
- Communication lead (assists with messaging to Scholars on 529 account initiation, best practices, procedural fixes, etc.)
- Chatbot with questions and answers to every conceivable 529 related question

4. LANDSCAPE ASSESSMENTS –



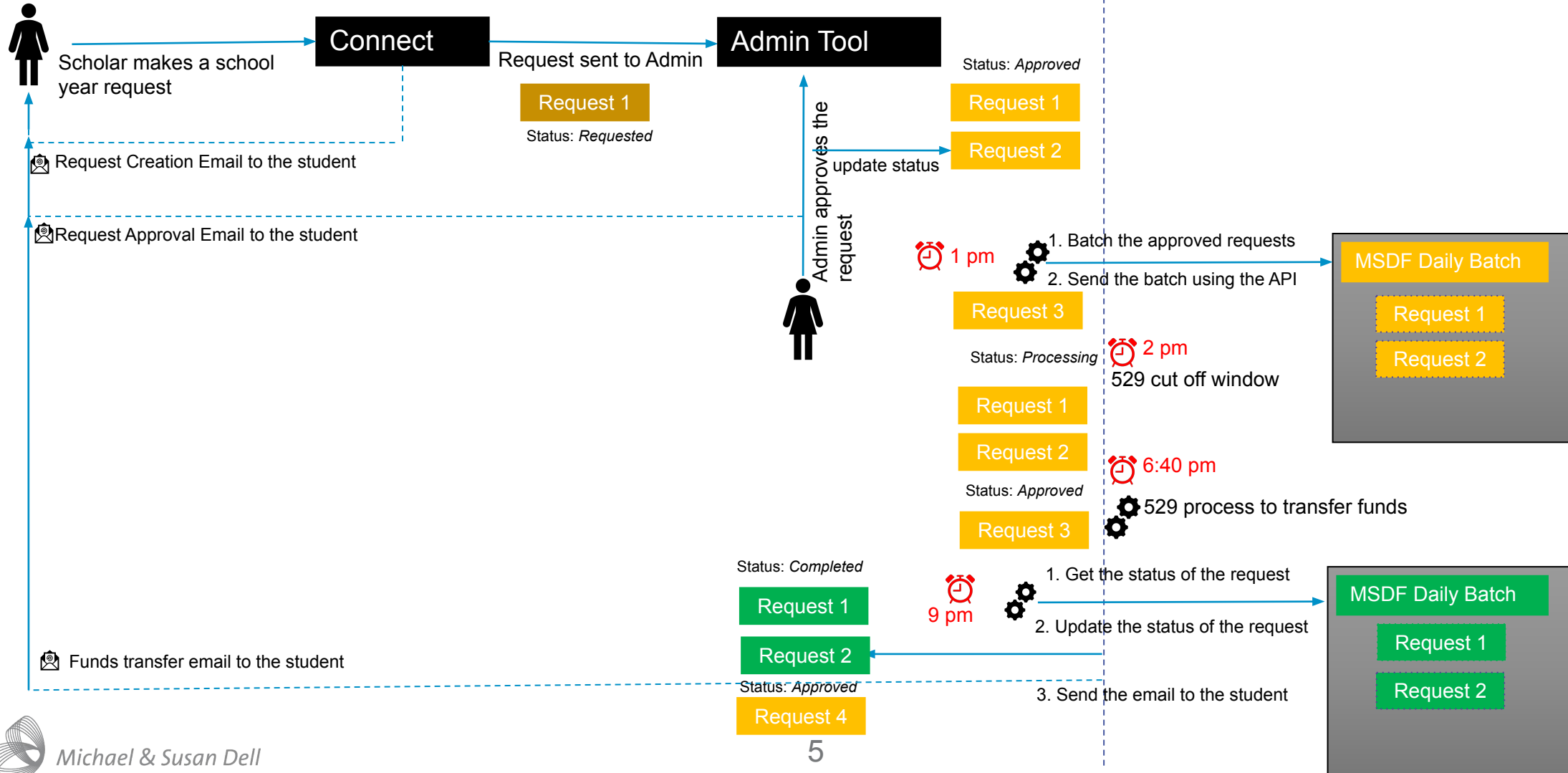
Set up demos + do your research

- Set up demos/info calls – 50 states plus D.C.
- Research fund management design/cost
- Research if there is tax/other advantage – are all of your scholars located in one state?

529 FUND TRANSFER PROCESS



529 Provider





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