



FamilyFutures is a nonprofit 501c3 that receives no public funds.

FamilyFutures

- Engages students using individual savings accounts as teaching tools
- Engages families to support student learning through group and individual offerings

FamilyFutures has two coordinated strategies to engage students and families to develop personal responsibility for life-long-success.

- **MyFuture Accounts:** individual custodial savings accounts for students that grow in step with financial knowledge and activities aligned with state-mandated college and career preparation from Kindergarten through Graduation
- **Financial Education:** group and individual activities for parents and other adults to develop and apply knowledge that maximizes the value of income and assets to insure financial stability

FREQUENTLY ASKED QUESTIONS: THE DETAILS

[MYFUTURE ACCOUNTS](#)

1) What is a MyFuture account?

The MyFuture account is Rappahannock's version of a Children's Savings Account (CSA). CSA most often refers to a long-term savings account opened for a very young child—at birth or by kindergarten age—into which a third party, such as a nonprofit, a foundation, a parent, or others, can deposit funds that are to be disbursed for

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postsecondary education or career expenses. In Rappahannock, deposits align with state-mandated college and career readiness activities beginning in kindergarten. FamilyFutures is the custodian of the account for each student.

2) What makes up a MyFuture account?

MyFuture accounts have two types of deposits:

- A “Seed” deposit, which is the first amount used to open the individual MyFuture account. In Rappahannock, the seed is \$100. This deposit is made when students enroll in RCPS kindergarten.
- Incentives, which are additional deposits made to individual MyFuture accounts when students accomplish program benchmarks aligned with school requirements. For example, a young student might go on a field trip to a campus or local business; an older student might meet a personal learning objective set with a teacher or do some kind of community service. For younger account holders, in Kindergarten through grade 3, incentives may also be deposited when parents or caregivers achieve their own selected goals in support of student and household financial stability. Examples might be setting and adhering to a household budget, paying down debt or starting an emergency savings account on their own. The maximum a student and family could earn in any year is \$100, for a potential total of \$1400 by the time a student is ready to graduate.

3) Where does the money come from?

Seed money and subsequent incentives come from foundations and private donors. No public funds are involved in Rappahannock’s MyFuture accounts or financial education services.

4) Does every student get a savings account?

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The long-term vision is that over time all students in Rappahannock County have personal MyFuture accounts. This universal approach is called “opt out.” FamilyFutures wants to ensure that all students have equal access to a basic nest egg for education or career goals. Families and caregivers, of course, may establish separate, additional savings for their children. FamilyFutures provides information on other saving options for parents.

5) When would MyFuture accounts be opened?

Opening accounts proceeds in stages, subject to resource availability.

- Stage 1: Seed MyFuture accounts with \$100 each for all students enrolled in RCPS Kindergarten in a year, including adopted children and children in care.
- Stage 2: Seed MyFuture accounts for each new RCPS Kindergartener enrolling annually until all grades have an account; and deposit earned incentives that align with individual student progress in career and college preparation as they rise through the grades.
- Stage 3: Seed MyFuture accounts and deposit incentives, subject to resources, for:
 - Home schooled students
 - Other students resident in Rappahannock County: e.g. older siblings, students who move into the county, students enrolled in other schools

6) Is the account in the student’s name?

To maximize the number of students with access to the savings we use custodial accounts. FamilyFutures is the custodian for each MyFuture account established in an insured financial institution. The student is the beneficiary of that custodial account. FamilyFutures will track and report to students the amounts accumulated in the name of each student. Parents may not access MyFuture accounts or seed or incentive deposits. FamilyFutures uses student school identification numbers to track each account. No personally identifiable information is shared except with the students themselves or parents or caregivers of record.



7) Can anyone contribute to a specific student's account?

Because of the complexities of tracking different kinds of deposits, parents or others may not make deposits to MyFuture accounts. However, parents or others, are also encouraged to open savings accounts for their students. If they open accounts at Oak View National Bank, these accounts will receive the same interest rate as the MyFuture custodial accounts held by FamilyFutures: 4% on balances up to \$1,000. These accounts, unlike a Virginia 529 college savings account (see below), may be used to support student aspirations other than postsecondary education or training. Community organizations that wish to support MyFuture savings may make gifts to FamilyFutures and restrict those gifts to use for seed or incentives, but not for individual students.

8) Are there other investment options available for postsecondary education?

Yes. Virginia has a top-rated 529 Plan, which is a savings plan that helps families save for future qualified higher education expenses, such as tuition, books, fees. In a 529 account, your money can grow free from federal taxes, and be used to fund qualified higher education expenses. Virginia taxpayers also enjoy the benefit of a state income tax deduction on contributions made to their 529 account. You can open an account with as little as \$10.00. A 529 can be set up for anyone, and the beneficiary can be changed to another family member at any time without penalty. Virginia 529 can be used at any eligible educational institution, around the country and world, public or private. The money may also be used at professional or graduate school. For more information, please visit virginia529.com.

9) How will I know how much is in the account?

FamilyFutures tracks deposits into the accounts and works with the financial institution to distribute quarterly statements that show the balance for each student's account.



Statements are delivered to the schools for mailing: FamilyFutures does not have individual student's names or addresses, only the students' identification numbers.

10) Who sees how much is in the account?

The school system mails the individual statements to the student on behalf of FamilyFutures. Parents or caregivers on record with the school system may see these statements. Only the student or the parent/caregiver can share information with other parties. For security, the statements themselves do not show the full account number. Statements are produced using the student's school identification number.

11) When can the student use the money?

Money in the account is paid out on behalf of the student to a third party, such as a postsecondary educational institution, after the student's high school graduation according to FamilyFutures procedures. FamilyFutures will also disburse funds for career or employment-related expenses, such as licensing, uniforms, or tools or for a long-term purpose, such as a retirement account, health insurance, or savings. Disbursement will be according to the graduating student's approved plan for using the funds.

12) What if parents do not want their students to have accounts?

MyFuture accounts are opened for the student and held for the student with FamilyFutures as custodian. Parents may choose not to participate in activities that will earn their students additional deposits, but students will be able to earn additional deposits without parent involvement. Parents may not close an account or access funds.

13) What happens if students leave the area?



The student still has access to the account for its intended purposes upon graduation, but new incentive-based contributions would be suspended, as the student would not be participating in subsequent incentive activities identified with the schools. Students who return to the county may pick up with the incentivized activities in place for their grade and continue to accumulate savings. Students who do not return, if they remain in contact, could use existing funds for the allowable purposes per program guidelines and as described in the graduating student's plan. For students out of contact, FamilyFutures will hold the account open until such time as the student reaches age of 21 or three years after graduation. If the student does not contact FamilyFutures and provide a plan, account seed and incentive dollars, plus interest, and any other deposits will be returned to FamilyFutures to support other students and families.

MyFuture account holders who are taken into care and placed outside the county may still earn their incentives. Rappahannock schools receive educational progress reports on such students, and FamilyFutures will make additional deposits using information from the schools on student progress elsewhere.

14) Are there any limits on withdrawals?

Savings, from seed and incentives and or other deposits, are paid to third parties per program policy: for example, to an educational institution; an employment-related vendor such as a licensing agency; or for uses that promote financial security, such as starting retirement, health insurance, or emergency savings by the student, according to the graduating student's approved plan. The dollars belong to the student, not the parent or caregiver.

15) When does the student take over the account?

If a student uses the accumulated savings for an allowable purpose, usually those funds are paid to a third party according to the student's plan. If, for some reason, the student does not use the funds for an allowable purpose, FamilyFutures may, after review of the



student's request and financial plan, transfer the balance to a personal savings or checking account or investment, such as a CD, owned by the student after age 18. Alternatively, any balances in the account (seed, incentives, interest) could be paid out to support the student establishing a strong financial foundation, such as a retirement account, improving credit, health insurance, business capitalization, home down payment or other uses with long-term financial benefits that are explained in the student's financial plan.

16) What about students who come into RCPS or become county residents at a later age?

In general, FamilyFutures intends to open accounts for students when they enter Kindergarten. FamilyFutures will open accounts for students who come into the schools later, in accordance with their age. For example, a student who comes into the first grade when the other first graders have their accounts and are earning incentives could receive an account with the \$100 seed and begin to work on earning an additional \$100 in incentives in that year and through graduation. Having lost a year, such students would not end up with the same total balance as students who began in Kindergarten. The policy applies to resident students who are adopted or fostered. Subject to funding availability, FamilyFutures may recognize opportunities to catch up on incentive opportunities the new student missed in Kindergarten or later years.

17) Would having these savings accounts affect eligibility for public benefits?

With a custodial account, the public beneficiary does not own the account and has no access to it. Therefore, it has no effect on qualifying for public benefits. There is nothing for the beneficiary or the program to report to the state or IRS for parent or child.

18) Would these savings accounts affect eligibility for Federal financial aid for postsecondary education?



The effect on federal financial aid for postsecondary education varies, depending on parents' and students' income and assets, but a low-income student will always be better off with some savings vs. none. Federal financial aid regulations are always changing. The financial educator and the college navigator embedded in the schools will coordinate dissemination of information on current state and federal financial aid regulations with school staff and other partners.

19) Can the parents use the money for emergencies or other purposes?

Parents or other parties do not have access to MyFuture account savings. FamilyFutures financial coaches will offer parents (and others) opportunities to develop their own budgets and savings to be able to foresee and handle emergencies. For example, the financial coaches will share information and tools on budgeting and reducing the cost of financial services and help families to identify ways they can make small deposits over time to create savings for emergencies or for other goals, such as home purchase or car repair.

FINANCIAL EDUCATION

Financial education is the second strategy FamilyFutures uses to improve financial stability for students and their families. FamilyFutures supports students and their parents, as well as other adults, through topical workshops, individual coaching, and referral to other services, such as free tax filing. There are two financial coaches, one of whom is also the financial education coordinator in the schools.

1) What is financial education?



Financial education includes a wide range of activities. In general, the goal of financial education is to share information and tools to help individuals or families to manage their resources. Few families, of any income level, have strong money-management skills. Even families with comfortable incomes often do not have savings to cope with unexpected expenses or have not planned for future events such as losing a job, retirement, chronic illness. Even positive events, such as having a baby, buying a home, or students attending college may be financially very stressful.

2) What does the FamilyFutures financial educator do?

The financial educator is both a teacher, working with a group, much like a classroom teacher, and a personal coach. Sometimes one approach is better than the other. The financial educator has several focus areas:

- i) Working with school staff and other partners to help students develop their own skills and set personal goals so that they graduate with a financial and knowledge base from which to pursue their life objectives;
- ii) Working with parents or caregivers to hone their financial decision-making skills and identify ways they can support their students' progress and goals;
- iii) Coaching adults to develop their own short- and long-term financial goals and the skills and knowledge to achieve those goals.

2) What is the difference between financial education and financial coaching?

Financial education usually takes place in a group setting, where participants receive information and explanations of financial topics. There may be some activities, such as workbooks or role playing, but participants are engaged as a group or sometimes small teams. Often individuals do not want to share details of their financial situation or be very specific in their questions. Thus, financial education tends to offer very useful but generalized information.



Financial coaching is a confidential, one-on-one activity. There is no predetermined content or curriculum. The individual's priorities set the agenda. Individuals work with a financial educator (coach) to figure out their current financial situation; identify goals, such as savings, debt reduction, or improving credit; and to identify and take steps to achieve the goals. The coach will provide advice on resources and tools and help participants define what they will do to achieve their goals; but it is the participants' responsibility to take action.

3) Who is eligible for financial education or financial coaching?

FamilyFutures offers financial education and coaching at no cost to any Rappahannock resident who wants to take advantage of the services.

4) How do I know my financial questions and circumstances and personal information will be secure?

One of the performance requirements for the financial educator is maintaining strict confidentiality related to participants' personal information. Records of services rendered and outcomes for coaching use program numbers, not names. No information such as social security numbers or financial account numbers will ever be requested. For group sessions, participants will need to give names and contact information for records and evaluation, but how much specific information is shared is up to the individual.

5) How will I find out about financial education or coaching?



FamilyFutures will work with the schools and other community organizations and media to spread information as widely as possible on financial coaching. For example,

- a) Publicize workshop dates and topics through school social media and messages sent home with students; through civic organizations, churches, and public service offices; through the Rappahannock News and other media; and through community bulletin boards and local businesses.
- b) Offer information on coaching opportunities and how to make an appointment through the same outlets and contact individuals directly based on referrals from the schools, Benevolent Fund, Food Pantry, and public agencies.
- c) Anyone can contact FamilyFutures for financial coaching or to learn about a financial resources, with no obligation: info@family-futures.org.

To comment on these questions, or raise new questions,

please contact FamilyFutures at:

info@family-futures.org or 540-987-3336