

STATE OF FLORIDA

STANLEY G. TATE FLORIDA PREPAID COLLEGE PROGRAM

BUSINESS RULES

October 1, 2016

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Section 0

BACKGROUND FOR BUSINESS RULES

0.01 Definitions

In addition to the definitions from the Master Contract provided in Section 1, the following definitions are used in the Business Rules:

0.02 Revisions and Maintenance

At a minimum, the Records Administrator provides the Board with proposed changes to the Master Contract and Business Rules within 15 days of the beginning of each calendar quarter. At any time, the Board may direct the Records Administrator to submit an update of the Business Rules to deal with matters not then addressed by the Business Rules or to change how a specific matter will be handled by the Records Administrator.

0.03 Meeting

After proposed revisions have been submitted to the Board and as soon as is practicable, the Records Administrator meets with the Board to discuss the proposed revisions.

0.04 Board Approval

All proposed revisions to the Master Contract and Business Rules are subject to the prior written approval of the Board and shall not be implemented until after approval of the Board. Proposed revisions to the Master Contract must go through the Administrative Rule process pursuant to Sections 120.536 and 120.54, Florida Statutes. As a result, modification may require up to 6 months to implement.

0.05 Version

Upon approval by the Board, the updated Master Contract and Business Rules supersede any previous versions and are considered the most recent version of the Master Contract and Business Rules. If there is a conflict between the Master Contract published on the Board's website and the Master Contract Language in the Business Rules, then the language of the Master Contract published on the Board's website controls.

0.06 Color Coding

Current Master Contract Language is in **BLUE**.

Proposed Master Contract Language is in **PURPLE**.

Current Business Rules Language is in **BLACK**.

Proposed Business Rules Language is in **RED**.

Master Contract and Business Rule Language not in effect current is in **YELLOW**.

Section 1

DEFINITIONS

1.01 Account Owner

“Account Owner” means the person who is designated on the Application as the “account owner,” unless the owner of the Contract was subsequently changed, and who is the owner of record. There may only be one Account Owner for the Contract. The Account Owner must be 18 years old or older and must be a United States citizen or resident alien with a valid Social Security Number.

1. Business Organization or Trust (BOT) as Account Owner

Due to complications with the proper transfer of ownership upon dissolution of business organizations and construction of trusts, the Board no longer accepts the naming of a Business Organization or Trust (BOT) as an Account Owner on the Application.

a. Opening a New Plan

i. Pre-Existing BOT

A pre-existing BOT may maintain existing Plans and may open new Plans without Board approval.

ii. New BOT

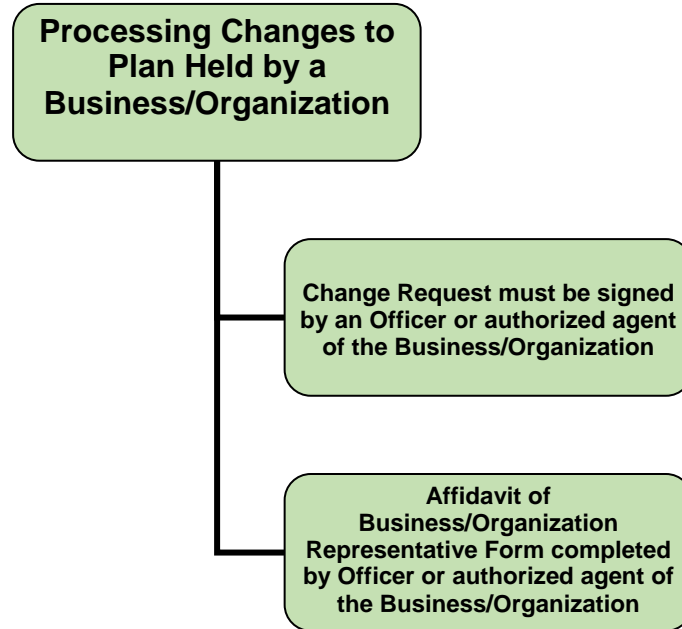
A new BOT may Special Petition the Board to permit the purchase of a Plan. As part of the consideration, the Board will require the BOT to provide sufficient document to demonstrate the proper construction of the BOT, designation of a BOT representative, and instructions in case of dissolution.

b. Additional Processing Requirements

Change requests received on Plans owned by a BOT require special due diligence measures that necessitate special processing requirements.

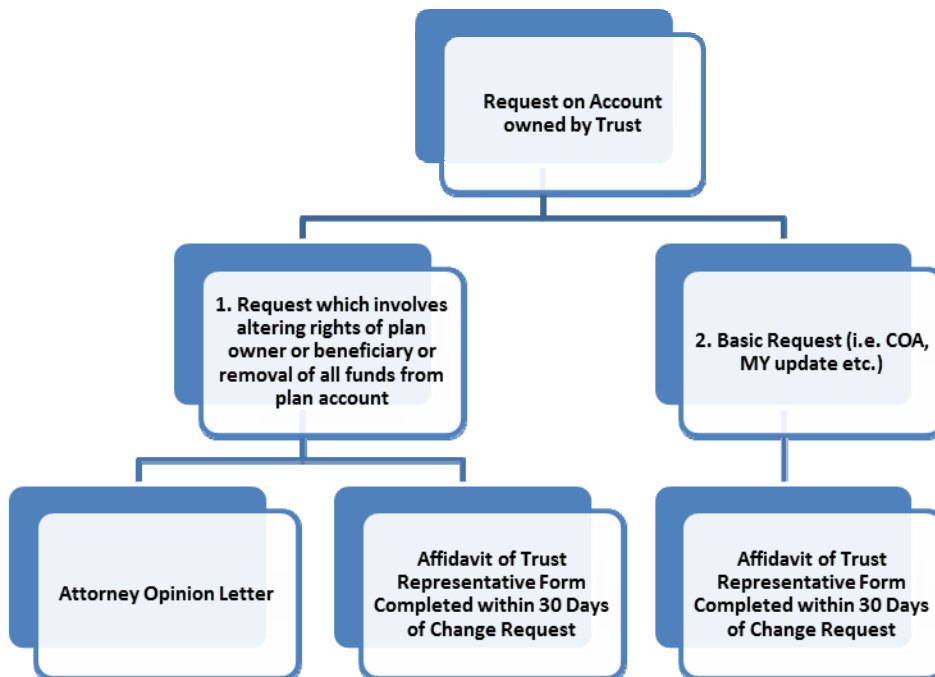
i. Special Processing Requirements for a Business Organization

A notarized affidavit of authority for the BOT representative is required to be completed within 30 days of any request requiring a signature of the BOT representative. The Program will utilize the secretary of state website to confirm the status of the business organization when a request is received for a Contract or Plan to ensure requests are not processed for a business organization that has been dissolved or no longer exists.



ii. Special Processing Requirements for a Trust

The additional process requirements for requests from a trust are:



1.02 Additional Tax

“Additional Tax” means the same as that term is defined in Section 529 of the Code, which applies a 10% additional tax to any Non-Qualified Withdrawal. Residents of states other than Florida may have a state income tax which applies an additional tax to any Non-Qualified Withdrawal.

1.03 Application

“Application” means the form used by the Board to collect the information specified in Rule 19B-4.001, Florida Administrative Code, for purchase of a Contract or Plan in the Program.

1. Overview of Information Requested on Application

The Program provides potential customers with an overview of the information requested on the Application as a convenience to expediting the enrollment process (e.g., advising that Social Security Numbers are required).

2. Board Approval

Annually, the Board requests and approves additions, deletions and modifications to the Application.

1.04 Beneficiary

“Beneficiary” means the person for whom a Contract, and all Plans therein, is purchased, as defined in Section 1009.97(3)(f), Florida Statutes, and Section 529 of the Code. A specific Beneficiary must be named in the Contract. The Beneficiary must be a United States citizen or a resident alien with a valid Social Security Number. For newborns, the Social Security Number is not required when the Application is submitted, but it must be provided shortly thereafter or the Plan(s) will be subject to termination pursuant to paragraph 9.03.

1.05 Board

“Board” means the Florida Prepaid College Board.

1.06 Code

“Code” means the Internal Revenue Code of 1986, as amended.

1.07 Contract

“Contract” means the advance payment contract and is the complete and exclusive contract between the Account Owner and the Board related to the Program and any Plan(s) purchased for the Beneficiary by the Account Owner at any time. The Contract consists of the Application(s); this Master Contract, as amended from time to time by the Board; and the most recent Participation and Payment Schedule. The applicable provisions of part IV, Chapter 1009, Florida Statutes, rules contained in Chapter 19B, Florida Administrative Code, and Section 529 of the Code, each as amended from time to time, shall apply to the Contract and are incorporated by reference. The Contract supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Contract.

1.08 Co-Purchaser

“Co-Purchaser” means the same as Survivor and these terms may be used interchangeably.

1.09 Dormitory Fee

“Dormitory Fee” means the fee charged by a State University for residence in a double-occupancy, air-conditioned dormitory room.

1.10 Effective Date

“Effective Date” means the date(s) for the Contract and Plan(s) used for date-specific eligibility, benefits and requirements. The Effective Date of the Contract is the last day of the enrollment period for which the Application was accepted. The Effective Date of each Plan within a Contract is the last day of the enrollment period in which the Plan(s) was purchased.

1.11 Eligible Educational Institution

“Eligible Educational Institution” means an accredited, postsecondary educational institution offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree or another recognized postsecondary degree, including certain proprietary institutions and postsecondary vocational school and certain institutions in foreign countries, provided such institution must be eligible to participate in U.S. Department of Education student aid programs. Institution of higher education must qualify under Section 529 of the Code as an Eligible Educational Institution.

1. Verification of Eligibility

To pay a postsecondary educational institution for the first time, the Program must confirm that the institution is eligible to participate in the U.S. Department of Education student aid program. Also, annually, the list of Eligible Educational Institutions is compared to the Free Application for Federal Student Aid (“FAFSA”) [listing](#) to ensure continue eligibility.

1.12 Florida College

“Florida College” means any public postsecondary educational institution in the Florida College System as defined in Section 1000.21(3), Florida Statutes.

1.13 Local Fee

“Local Fee” means: (a) the activity and service, health, and athletic fees authorized in Section 1009.24(9) – (12), Florida Statutes, charged by a State University; or (b) the Beneficiary activity and service fee authorized in Section 1009.23, Florida Statutes, and charged by a Florida College. The technology fee authorized in Section 1009.23(10), Florida Statutes, charged by a Florida College is also covered by Local Fee Plans purchased after July 1, 1999.

1.14 Matriculation Year

“Matriculation Year” means the first year that the Beneficiary may begin using Contract benefits.

1.15 Maximum Account Balance

“Maximum Account Balance” means the limit on the total value of Plans and Florida 529 Savings Plan accounts for the Beneficiary.

1.16 Member of the Family

“Member of the Family” means the same as defined in Section 529 of the Code, which includes:

- (1) a son or daughter, or a descendant of either;

- (2) a stepson or stepdaughter;
- (3) a brother, sister, stepbrother, or stepsister;
- (4) the father or mother, or an ancestor of either;
- (5) a stepfather or stepmother;
- (6) a son or daughter of a brother or sister;
- (7) a brother or sister of the father or mother;
- (8) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or
- 9) the spouse of the Beneficiary or the spouse of any individual described in (1) through (8) above.

1. Expansion of Definition

A child includes a legally adopted child and a brother or sister includes a half-brother or a half-sister.

1.17 Non-Qualified Withdrawal

“Non-Qualified Withdrawal” means a withdrawal or refund from the Contract, other than the usage of Plan benefits at an Eligible Educational Institution; a refund due to death, disability, or Scholarship; or a rollover. The earnings portion of the withdrawal is subject to state and federal income taxes and the Additional Tax.

1.18 Notarized Request

“Notarized Request” means an authorization requiring the notarized signature of the Account Owner and, for Contracts with an Effective Date after February 1, 2009 and for Contracts where the Account Owner and Survivor irrevocably elected to have the Contract subject to such requirements, the notarized signature of the Survivor(s). The original document must be received by the Board prior to processing.

1. Facsimile

A Notarized Request may be accepted as an original document via facsimile.

1.19 Participation and Payment Schedule

“Participation and Payment Schedule” means the document provided by the Board to the Account Owner which identifies the Account Owner, Survivor(s), Beneficiary, Plan(s) purchased, and payment information.

1.20 Plan

“Plan” means the Florida Prepaid College Plan(s) which has been purchased by the Account Owner for the Beneficiary of the Contract. To the extent offered by the Board, more than one Plan may be purchased and included in a Contract.

1.21 Program

“Program” means the Stanley G. Tate Florida Prepaid College Program which is established under Section 1009.98, Florida Statutes, and is also marketed as the Florida Prepaid College Plan.

1.22 Projected College Enrollment Year

“Projected College Enrollment Year” means the year that the Beneficiary is projected to begin using Contract benefits based on the information about the Beneficiary’s age or grade contained in the Application.

1.23 Purchaser

“Purchaser” means the same as Account Owner and these terms may be used interchangeably.

1.24 Qualified Higher Education Expenses

“Qualified Higher Education Expenses” means the tuition, fees, room and Board, and the cost of books, supplies and equipment permitted under Section 529 of the Code and required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, including undergraduate and graduate schools. Room and Board expenses are subject to limitations under Section 529 of the Code.

1.25 Qualified Tuition Program

“Qualified Tuition Program” means the Program established by the State of Florida under which an Account Owner may prepay certain Qualified Higher Education Expenses for the Beneficiary and which meets the other requirements of Section 529 of the Code.

1.26 Redemption Value

“Redemption Value” means the balance of the Plan(s) and consists of valid payments received by the Board for the Plan(s) less any fees, usage, withdrawals, and refunds.

1.27 Registration Fee

“Registration Fee” means:

- (a) the tuition fee authorized in Section 1009.24(4), Florida Statutes, financial aid fee authorized in Section 1009.24(7), Florida Statutes, and Capital Improvement Trust Fund fee authorized in Section 1009.24(8), Florida Statutes, charged by a State University; or
- (b) the tuition fee, authorized in Section 1009.23(3), Florida Statutes, the fee for capital improvements authorized in Section 1009.23(11), Florida Statutes and the financial aid fee authorized in Section 1009.23(8), Florida Statutes, charged by a Florida College.

1.XX Request

“Request” means an authorization, which includes all necessary information required by the Program, submitted by the Account Owner either online at www.MyFloridaPrepaid.com or in a writing signed by the Account Owner.

1.28 Residency

“Residency” means that a Beneficiary must have been domiciled in Florida at least 12 consecutive months prior to and including the date the Application or change of Beneficiary request is signed. A Beneficiary under the age of one year must have been born and continuously domiciled in Florida from birth through the date the Application is

signed. A Beneficiary may be a resident of another state if the non-custodial parent has been domiciled in Florida at least 12 consecutive months prior to and including the date the Application is signed.

1.29 Restricted Contract

“Restricted Contract” means a Contract that has restrictions. The Contract may be restricted as a result of a court order. In most cases, no Contract changes or refunds may occur without a court order or until the Beneficiary reaches the age of eighteen.

1.30 Scholarship

“Scholarship” means financial or in-kind award or grant given to the Beneficiary for study, training, or research, and which does not constitute compensation for personal services.

1.31 State University

“State University” means any university in the State University System as defined in Section 1000.21(6), Florida Statutes.

1.32 Survivor

“Survivor” means the person who is designated on the Application as the “Survivor,” unless the Survivor was subsequently changed or was designated after submission of the Application. Survivor does not mean the same as Beneficiary. There may be only one Survivor for the Contract; however, a different Survivor may be named for each combination of 1-Year Florida University Plan and 1-Year University Dormitory Plan, if any, within the Contract. The Survivor must be 18 years old or older and must be a United States citizen or resident alien with a valid Social Security Number. Designation of a Survivor is optional.

1. Business Organization or Trust (BOT) as Survivor

Due to complications with the proper transfer of ownership upon dissolution of business organizations and construction of trusts, the Board no longer accepts the naming of a Business Organization or Trust (BOT) as a Survivor on the Application.

a. Pre-Existing BOT

A pre-existing BOT may maintain existing Plans and may be named as a Survivor on new Plans without Board approval.

b. New BOT

A new BOT may Special Petition the Board to permit being named as a Survivor. As part of the consideration, the Board will require the BOT to provide sufficient document to demonstrate the proper construction of the BOT, designation of a BOT representative, and instructions in case of dissolution.

c. Additional Processing Requirements

Change requests received from a BOT listed as the Survivor of a Plan require special due diligence measures that necessitate special processing requirements. The additional processing requirements that apply to Plans owned

by a BOT shall be followed for change requests received from a BOT listed as the Survivor of a Plan.

1.33 Tuition Differential Fee

“Tuition Differential Fee” means the fee charged by a State University pursuant to Section 1009.24(16), Florida Statutes.

1.34 Vocational-Technical School

“Vocational-Technical school” means an applied technology diploma program or vocational certificate program conducted by a Florida College or an area technical center operated by a district school board.

Section 2

PARTICIPATION IN THE PROGRAM

2.01 Enrollment Periods.

Periodically, the Board may announce an enrollment period, which shall be published on the Board's website ([www. MyFloridaPrepaid.com](http://www.MyFloridaPrepaid.com)). The terms and features of the Program and Plans in subsequent enrollment periods may differ from the terms and features described in this Master Contract. No representation is made or assurance given that there will be additional enrollment periods, or the enrollment periods will take place annually. The Board may limit the number of Contracts or Plans that may be purchased in any given enrollment period, current or subsequent, although there are no plans currently for any such limits. The terms and features of any enrollment period may change as necessitated by alterations to state law.

1. Upcoming Enrollment Period

The 2016-2017 enrollment period is from October 15, 2016 to February 28, 2017.

2. Pended Enrollment

The Board may accept Applications between Enrollment Periods – this time period is referred to as Pended Enrollment. The Applications received during Pended Enrollment are processed, but not formally accepted, (i.e., pended) until the first day of the next Enrollment Period declared by the Board.

2.02 Residency.

(a) Requirement

Documentation proving Residency is required whenever a Beneficiary is named in a Contract and occurs when: (1) an Application is submitted; or (2) the Beneficiary is changed pursuant to paragraph 8.02.

(b) Acceptable Documentation in General

Residency may be shown by submitting documentation indicating that the Beneficiary is, and has been, a resident of Florida for the past 12 months. Typical types of documentation include:

- (1) voter's registration card;
- (2) driver's license;
- (3) certificate of domicile;
- (4) homestead exemption;
- (5) utility bills at the same residence;
- (6) professional or occupational license;
- (7) proof of full-time Florida employment; and
- (8) Florida vehicle registration.

1. Length of Residency

Generally, the Beneficiary must be, and have been, a Florida resident for the most recent 12 months, including the date the Application was submitted initially.

a. Exception Through Official Change Period

Proof of residency may be accepted for any continuous 12-month period ending with any date between the beginning of the enrollment period and the end of the official change period, which is the first payment due date.

(c) Acceptable Documentation by Age/Grade

There are additional types of documentation which may show Residency depending on the age or grade of the Beneficiary. For a Beneficiary under the age of one, Residency may be shown by submitting a birth certificate indicating the Beneficiary was born in Florida. For a Beneficiary between the age of one and kindergarten enrollment, Residency may be shown by submitting a progress report from a preschool or day care center indicating 12 months of residency. For a Beneficiary enrolled in kindergarten through the 12th grade, Residency may be shown by submitting a school report card or transcript from a Florida public or private school.

1. School Report Cards

To show continuous residency for 12 months, the school report cards of the prior and current school years are required.

(d) Parent's Proof of Residency

For a Beneficiary in 12th grade or below, Residency also may be shown by:

- (1) showing that the Beneficiary's parent or legal guardian could meet the Residency requirement by submitting documentation described in (b); and
- (2) confirming the Beneficiary does in fact satisfy the Residency requirement.

(e) Existing Beneficiary Exception

A Beneficiary with an active Contract meets the Residency requirement for the purchase of a supplemental or replacement Contract or Plan.

1. Active or Depleted Plan

A Beneficiary with an active or depleted Contract meets the Residency requirement for purposes of a change of Beneficiary.

2.03 Disclosure of Contract or Plan(s).

The Board may disclose, without identifying the Account Owner or status of the Contract or Plan, the existence of a Contract and the type of Plan(s) purchased for the Beneficiary to either limit or reject an Application by the Account Owner or a different potential account owner.

2.04 Submitting an Application.

(a) Requirements

The Application submitted to the Board must be completed according to the Application instructions. A valid email address is required to access your Contract online and

receive Program communications. A separate Application is required for each Beneficiary. The Application may be completed online at www.MyFloridaPrepaid.com.

1. Online Applications

a. Potential Customers

If a potential customer does not have existing log-in credentials, then the potential customer must establish log-in credentials prior to starting the online Application. Log-in credentials require:

- i. Name
- ii. E-mail address
- iii. Username
- iv. Password
- v. Creation of Security Question(s)

b. Existing Customers

Account Owners are able to submit an Application for new Contracts or to add new Plans to existing Contracts from the same log-in credentials used to manage all of the Account Owner's Contracts.

c. Saved / Incomplete Online Applications

Applicants are able to begin and save an Application for completion at a later time. If the incomplete online Application is not completed by the end of the enrollment period, then the Applicant will have to begin a new Application in the following pended enrollment or enrollment period.

d. Processing Pended Applications

Applications received during Pended Enrollment are still processed to ensure they are in Good Order and are loaded in the system for view by the applicant. The only unique aspect of an Application received during the Pended Enrollment period is that a price will not be assigned to the Plan(s) until the beginning of the next Enrollment Period.

e. Residency Documentation

Applicants are able to submit the Parent's driver's license information as proof of Florida residency in the Application. Other proof of residency may be accepted in the Application and/or in electronic format.

f. Review

Applicants are able to review and edit any and all information on the Application immediately prior to submission.

2. Paper Applications

Paper Applications are available upon request and include the information and acknowledgements required in an online Application plus an authorization for a third-party data entry of all required information.

3. Retention of Applications

All online and paper Applications, whether in Good Order or not, are date stamped, scanned, reviewed, indexed, and logged/noted in the database according to a template approved by the Board.

4. Correction Letter for Missing or Invalid Information

If an Application (or a response to a request for additional/corrected information regarding an Application) is not in Good Order, then the Board requests missing/corrected information through a "Correction Letter."

a. Contents

The Correction Letter includes:

- i. Acknowledgement of receipt of an Application;
- ii. A copy of the Application (if a paper Application); and
- iii. The requested missing/corrected information.

b. Reason

The Correction Letter requests missing or corrected information required to complete an Application.

c. Timing

A Correction Letter is mailed within 7 days after the Application is received. If no response is received by the Board within 30 days, then two additional correction letters are sent 30 days apart.

d. Quality Control

A sample size of 10% of all outgoing correction letters (limited to a maximum of 10 correction letters per day) must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

e. Board approval

The Board approves the Correction Letter template annually. Board approval is not required for any specific Correction Letter unless the information requested in that Correction Letter was not requested in the Application.

(b) Offer to Purchase

Applications are offers to purchase Plan benefits for a Beneficiary for up to the price of the selected Plan type and payment option.

2.05 Application Acceptance.

(a) Acceptance by the Board

A Contract is established once the Board confirms acceptance of the Application by issuing the initial Participation and Payment Schedule to the Account Owner in writing

or by electronic mail. A Plan is purchased once the Board confirms the purchase by issuing an initial or updated Participation and Payment Schedule reflecting the Plan.

1. Pended

b. No Acceptance Until Next Enrollment Period

The acceptance of an Application received during Pended Enrollment occurs at, and is subject to the rules and features of, the next Enrollment Period, if any.

c. Pended Letter

i. Contents

The Pended Letter includes:

- 1) Acknowledgment of receipt; and
- 2) Advice that acceptance occurs during the next enrollment period.

ii. Reason

Due to the loading of Plan(s) without a price, a Welcome Pack cannot be sent until pricing is loaded. Therefore, a pended letter is sent to the applicant within 7 days after the Application is received in Good Order that the Application has been received and the prices for the upcoming Enrollment Period will apply.

iii. Timing

A "Pended" is provided within 7 days after the Application is received in Good Order.

iv. Quality Control

A sample size of 10% of all outgoing Pended Letters (limited to a maximum of 5 per day) must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

v. Board Approval

Board approval is required before mailing the first Pended Letters of the Pended Period.

2. Welcome Pack

Once all Application criteria have been met (i.e., the Application is in Good Order) during an Enrollment Period, the Board accepts the Application by sending the Account Owner a "Welcome Pack."

a. Contents

The Welcome Pack includes:

- i. Welcome Letter, including a link to the Master Contract;
- ii. Participation and Payment Schedule, including a link to the Master Contract;

- iii. Missing Application Fee Letter (if Application Fee is missing or has not been paid in full); and
- iv. ACH form (if paper Application submitted).

b. Reason

The Welcome Pack is the Board's formal acceptance of the Application during an Enrollment Period.

c. Timing

A "Welcome Pack" is mailed within 7 days after the later of: 1) the Application is received in Good Order; or 2) the beginning of the Enrollment Period.

d. Quality Control

A sample size of 10% of all outgoing Welcome Packs (limited to a maximum of 25 welcome packs per day) must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

e. Board Approval

Board approval is required before mailing the first Welcome Packs of the Enrollment Period.

3. Reporting

The following reports will be produced after daily processing of Applications:

a. Daily Receipt Log

The Daily Receipt Log reflects the number of requests received to open new Contracts and Plans and the number of Contracts and Plans established in the database for each receipt date. The Daily Receipt Log for the previous day(s) is provided to the Board no later than 10:00 a.m. on the next Business Day during the Enrollment Period and once a week during Pended Enrollment.

b. Statistics by Plan Type and Payment Option (RPT03-A)

c. Batch Edit Statistics (RPT03-B)

d. Application Roster (RPT03-C)

e. Corrected Applications (RPT04)

f. Applications Requiring Corrections (RPT05 Run & YTD)

g. YTD Totals from Contract Tables (RPT8)

h. Correction Summary Report (RPT07)

i. Application Posting Transaction Summary (APPLBAT)

j. Summary of Accounts Input Load (LOADACCT)

k. Accounts Input Load Report (AINLOAD)

- I. Projected Revenues by Payment Option (MGTRPT22)**
- m. Summary Report by Receipt Date**
- n. Allocation Summary Report by Receipt Date**
- o. Report by Receipt Date**
- p. Generated Account Numbers**
- q. Financial Allocation Report by Receipt Date**
- r. ACH Contribution by Receipt Date**

(b) Order of Processing

If more than one Application is received on behalf of the same Beneficiary, then the Board shall process each Application in the order of receipt.

(c) Partial Processing

If one or more Plans have been purchased by one or more Account Owners for the same Beneficiary, the Board may accept the Application only to the extent that the Beneficiary is eligible for additional prepaid benefits.

(d) Rejection

If the Beneficiary is not eligible for additional prepaid benefits, the Board will reject the Application.

2.06 Maintenance of Contact Information.

The Account Owner is responsible for notifying the Board of any change in contact information, including e-mail addresses, mailing addresses, and phone numbers, of the Account Owner, Survivor(s), and Beneficiary.

1. Authorization

The Account Owner may maintain the Contract information online, in writing or by phone. Unless otherwise indicated by the Account Owner, change of address requests initiated by the Account Owner are processed according to the following logic:

- a. If the Survivor's address is the same as the original address indicated for the Account Owner, the Survivor record is also updated to reflect the new address information.
- b. If the Survivor is the Account Owner on another Plan that has been terminated for more than one year, the Survivor address will be updated per the original request of the Account Owner.
- c. If the Beneficiary's address is the same as the original address indicated for the Account Owner, the Beneficiary's record is also updated to reflect the new address information.
- d. Survivor and Beneficiary address information that is different from the original address information for the Account Owner remains unchanged.

2. Multiple Contact Points

The Account Owner, Survivor and Beneficiary each may have up to two e-mail addresses, mailing addresses, and phone numbers.

3. *Skip Tracing*

Skip-tracing procedures are performed quarterly on all Account Owner, Survivor, and Beneficiary records marked as having an invalid address.

4. *NCOA & Address Standardization Processing*

All Account Owner, Survivor, and Beneficiary records are subject to updates obtained from the Post Office approved National Change of Address (NCOA) database. NCOA updates are performed semiannually.

Section 3

ACCOUNT RIGHTS

3.01 Rights of Account Owners.

(a) Ownership

The Account Owner is the owner of the Redemption Value.

(b) Rights Under Joint Approval

For Contracts with an Effective Date after February 1, 2009:

- (1) the Account Owner, together with the Survivor(s), must authorize changes in the Beneficiary, Account Owner, and Survivor(s); voluntary termination requests; and refund requests associated with involuntarily terminated Contracts or Plans;
- (2) the Account Owner may, without the consent or authorization of the Survivor(s), make all other Contract changes, authorizations, and refund requests; and
- (3) the Account Owner and Survivor each will enjoy a right of Survivorship for each other for the Plan(s) on which the Survivor was named.

(c) Rights Under No Joint Approval

For Contracts with an Effective Date prior to February 1, 2009:

- (1) the Account Owner may, without the consent or authorization of the Survivor, make all Contract changes, authorizations voluntary termination requests, and refund requests;
- (2) the Account Owner may remove the Survivor from a Contract without the consent of the Survivor;
- (3) the Account Owner and Survivor together may irrevocably elect to change the Account Owner's rights to be the same as those in (b) by submitting a request containing the notarized signatures of the Account Owner and the Survivor; and
- (4) the Account Owner and Survivor each will enjoy a right of Survivorship for each other.

(d) Good Order

All requests and authorizations by the Account Owner must include all necessary information required by the Board in order to process that request or authorization. The Board may request additional information, documentation or authorization before processing any request or authorization.

1. Online Account Management

The Account Owner may submit online any and all requests and authorizations that do not require notarization using the same log-in credentials used to manage all of the Account Owner's Contracts.

2. Request for Additional Information, Documentation or Authorization

If any request or authorization is not received in Good Order, then the Program will communicate with the Account Owner to obtain the necessary information, documentation or authorization before processing the request or authorization (e.g., a Notarized Request is not properly notarized).

a. Contents

The communication includes:

- i. Acknowledgement of receipt of a request or authorization;
- ii. A summary explaining deficiencies in the request or authorization; and
- iii. The additional information, documentation or authorization required.

b. Timing

Communication is attempted within 2 Business Days after the request or authorization is received. If no response is received within 14 days, then the request or authorization is denied for failure to provide the additional information, documentation or authorization required.

c. Quality Control

A sample size of 10% of all outgoing communications (limited to a maximum of 10 communications per day) must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

d. Board approval

The Board approves the communication template(s), if any, annually. Board approval is not required for any specific communication.

(e) Access to Information

The Account Owner may obtain and update information regarding the Contract. All official notices from the Program will be directed only to the Account Owner. Refunds will be made payable to the Account Owner only.

1. Authorization

Account Owners may update all contact information on the Contract.

2. Access to Information

The Account Owner may obtain and update information regarding the Contract. For online access to information, the Account Owner may use the same log-in credentials used to manage all of the Account Owner's Contracts.

3.02 Account Owners Acting in a Custodial Capacity.

(a) Custodial Capacity

The rights of an Account Owner are limited where the Account Owner acts in a custodial capacity pursuant to a court order appointing a guardian or pursuant to the Beneficiary's right of Survivorship while the Beneficiary is under 18 years of age.

1. UTMA/UGMA

A Plan may be identified as UTMA/UGMA. If so identified, all current and future funds in that Plan will be considered UTMA/UGMA. Pursuant to the structure and limitations of UTMA/UGMA law, the Account Owner rights will be restricted as an Account Owner acting in a Custodial Capacity.

(b) Limitation on Changes

The Account Owner may not:

- (1) change the Account Owner without providing documentation acceptable to the Board indicating authority to do so;
- (2) change the Beneficiary; or
- (3) designate a Survivor.

(c) No Termination

The Account Owner may not voluntarily terminate, or request a refund from, the Contract, or any Plan(s) therein.

(d) Beneficiary Becomes Account Owner

At the age of 18, the Beneficiary becomes the Account Owner, unless the court order specifies otherwise.

3.0x Account Owners of Plans with UGMA/UTMA Funds.

(a) The rights of an Account Owner acting in a custodial capacity for a minor under UGMA/UTMA are limited by the applicable UGMA/UTMA laws and by the Program with respect to those funds. The Account Owner solely is responsible for ensuring compliance with all UGMA/UTMA requirements.

(b) All payments received for a Plan with UGMA/UTMA funds will be considered UGMA/UTMA funds.

1. Segregation of Funds

The Program does not comingle UGMA/UTMA and non-UGMA/UTMA money; therefore, a Plan is either UGMA/UTMA or not.

(c) The Account Owner may change the Account Owner only to a successor custodian or the Beneficiary, without providing a court order directing the change. Once the Beneficiary is named the Account Owner, the Plan will be treated as a non-UGMA/UTMA Plan.

1. Beneficiary Reaching Age of Majority

The Program does not automatically make the Beneficiary the Account Owner upon the Beneficiary reaching the age of majority. The Account Owner or the Beneficiary, upon reaching the age of majority, must request a change of Account Owner.

(d) The Account Owner may not: (1) change the Beneficiary; or (2) designate a Survivor.

(e) The Account Owner may not request a refund from the Plan, except a voluntary termination for the benefit of the Beneficiary.

3.03 Account Owners of Restricted Contracts.

(a) Background

A court may order funds to be deposited into a Restricted Contract for the benefit of a specified Beneficiary. Further, a court may order an existing Contract to be a Restricted Contract.

(b) Account Restrictions

The court order may specify any restrictions and terms of distribution for the Restricted Contract.

(c) Responsibility

The parties of the court order bear the ultimate responsibility for following and enforcing the court order.

(d) Creation by Court

To effectuate a Restricted Contract status, the Board must: (1) receive a copy of the complete and executed court order and (2) send confirmation in writing or electronically to the Account Owner that the Contract is now a Restricted Contract. This Restricted Contract status terminates upon completion of the requirement(s) within the court order or upon receipt of a court order superseding or removing the previous court order(s).

(e) Creation by Board

Where the Board receives documentation to raise meaningful doubt about who is the Account Owner or who is entitled to the funds in the Contract or Plan, the Board may effectuate a Restricted Contract status. The Restricted Contract status terminates upon receipt of a court order clarifying the rights of the parties with respect to the Contract or Plan, by mutual agreement of the parties disputing rights regarding the Contract or Plan, or for other good cause shown, as determined by the Board.

3.04 Rights of Survivors.

(a) Rights Under Joint Approval

For Contracts with an Effective Date after February 1, 2009:

- (1) the Account Owner, together with the Survivor(s), must authorize changes in the Beneficiary, Account Owner or Survivor(s), termination requests and refund requests associated with involuntarily terminated Contracts or Plans; and
- (2) the Account Owner and Survivor each will enjoy a right of Survivorship for each other for the Plan(s) on which the Survivor was named.

(b) Rights Under No Joint Approval

For Contracts with an Effective Date prior to February 1, 2009:

- (1) the consent or authorization of the Survivor is not required for the Account Owner to execute Account changes, authorizations, and refund requests;
- (2) the Survivor becomes the owner of the Contract upon the death of the Account Owner;

- (3) the Account Owner and Survivor together may irrevocably elect to change the Survivor's rights to be the same as those in (a) by submitting a request containing the notarized signatures of the Account Owner and the Survivor; and
- (4) the Account Owner and Survivor each will enjoy a right of Survivorship for each other.

(c) No Right of Survivorship

The right of survivorship is not effective whenever:

- (1) the Account Owner is acting in a custodial capacity pursuant to Section 3.02 Account Owners Acting in a Custodial Capacity; or
- (2) the Account Balance is designated as UGMA/UTMA funds pursuant to Section 3.0x Account Owners of Plans with UGMA/UTMA Funds.

(d) Good Order

All requests and authorizations by the Survivor(s) must include all necessary information required by the Board in order to process that request or authorization. The Board may request additional information, documentation, or authorization before processing any request or authorization.

(e) Limited Right to Own or Control

Except as provided herein, the Survivor does not own, control, or have rights to the Contract or Plan(s).

(f) Access to Information

The Survivor(s) may obtain information regarding the Contract or Plan(s) and update his/her own contact information. The Board may provide information regarding the Contract or Plan(s) to, and communicate with, the Survivor(s).

1. Authorization

Survivors may update their own (and only their own) contact information, even if the Account Owner placed a flag or hold on the Plan.

2. Online Access to Information

The Survivor may obtain and update information regarding the Contract using the same log-in credentials used to manage all of the Survivor's Contracts.

(g) Payment of Refunds

Refunds will not be made payable to a Survivor.

3.05 Rights of Beneficiaries.

(a) Right of Survivorship

For Contracts with an Effective Date after September 1, 2013, the Beneficiary will enjoy a right of Survivorship for the Account Owner, which is subordinate only to an effective right of Survivorship by the Survivor(s). If, and for as long as, the Beneficiary is a minor, the exercise of the right of Survivorship requires a parent or legal guardian of the Beneficiary to be the Account Owner acting in a custodial capacity pursuant to Section 3.02 Account Owners Acting in a Custodial Capacity.

(b) No Right of Survivorship

For Contracts with an Effective Date prior to September 1, 2013, the Beneficiary does not enjoy a right of Survivorship. The Contract may be irrevocably changed such that the Beneficiary's rights are the same as those in (a) by submitting a Notarized Request.

(c) Good Order

All requests and authorizations by the Beneficiary must include all necessary information required by the Board in order to process that request or authorization. The Board may request additional information, documentation, or authorization before processing any request or authorization.

1. Online Account Management

The Beneficiary may submit online any and all requests and authorizations that do not require notarization using the same log-in credentials used to manage all of the Beneficiary's Contracts.

(d) Limited Right to Own or Control

Except as provided herein, the Beneficiary does not own, control, or have rights to the Contract or Plan(s).

(e) Access to Information

The Beneficiary may obtain information regarding the Contract, update the Contact information for the Beneficiary, and authorize the transfer of Contract benefits to an Eligible Educational Institution. The Board may provide information regarding the Contract to, and communicate with, the Beneficiary. The Beneficiary may not make any Contract change or termination. Refunds will not be made payable to a Beneficiary.

1. Authorization

Beneficiaries may update their own (and only their own) contact information, even if the Account Owner placed a flag or hold on the Plan.

2. Online Access to Information

The Beneficiary may obtain and update information regarding the Contract using the same log-in credentials used to manage all of the Beneficiary's Contracts.

3.0x Holds and Flags.

(a) Hold Due to Financial Hardship

An Account Owner, Survivor or Beneficiary may request that a Plan be placed on hold for up to 180 days. A hold prevents the assessment of late fees for the Plan during the hold period. However, monthly payments are still due during the hold period and the Plan may be subject to involuntary termination if the payments are not current upon expiration of the hold period. Up to one hold may be requested per calendar year due to financial hardship.

1. Authorization

No signature is required – the request may be made online, in writing or over the phone.

2. Length of Hold

a. Plans with Payments and in Active Status

The hold due to financial hardship is for 180 days less the number of days the Plan is currently delinquent (permits involuntary termination at 210 days of delinquency).

b. Plans without Payments or in Suspended Status

The hold due to financial hardship is 90 days less the number of days the Plan is currently delinquent (permits involuntary termination at 120 days of delinquency).

3. Special Circumstances

Additional holds may be granted due to special circumstances.

a. Payment in the Mail

Customer Service Representatives may grant a hold for 15 days based on a phone call advising the recent mailing of funds to the Board's lockbox.

b. Death of the Account Owner

A hold may be placed on the account for up to 180 days to permit the submission and processing of the necessary documents to transfer ownership of the Contract.

c. Optional Life Insurance Claim

A hold may be placed on the account for up to 180 days to permit the submission and processing of the necessary documents for an optional life insurance claim.

d. Manager Approval

A Manager may grant a hold for up to 90 days based on good cause shown. If a Manager believes that a hold of more than 90 days is warranted, Board approval is required.

(b) Hold to Prevent Usage

A hold may be used by the Account Owner or the Program to prevent an Eligible Educational Institution from invoicing a Plan. However, the Beneficiary may authorize bypassing the hold to permit usage of the Plan at an Eligible Educational Institution.

1. Authorization by Account Owner

The Account Owner may utilize a hold or flag to prevent an Eligible Educational Institution from invoicing a Plan for legitimate reasons.

a. Preserving Hours

To receive the greatest benefit from a 2 + 2 Florida Plan being utilized at a 4-Year University or any Plan being utilized at graduate Eligible Educational Institution, the Account Owner may delay the current use of the Plan.

b. Scholarship

If a scholarship is involved, then the Account Owner may want a scholarship refund rather than the Program paying the Eligible Educational Institution.

c. Account Owner Reimbursement / Account Owner Paid

For a variety of reasons (e.g., timing of new Fall rates or preserving Plan hours), an Account Owner may have already paid the Eligible Education Institution and, therefore, does not want the Program to pay the Eligible Education Institution again for the term.

d. Beneficiary Drop or Withdrawal

The Beneficiary may have dropped classes or withdrawn from the Eligible Education Institution and the Account Owner does not want the Program to pay the Eligible Education Institution for the term.

2. Authorization by the Program

The Board may utilize a hold or flag to prevent an Eligible Educational Institution from invoicing a Plan due to the receipt of a court order or notice of legal action or dispute involving the Contract.

3. Bypass by Beneficiary

The Beneficiary may request online, in writing or over the phone to suspend or remove a hold or flag that is preventing usage.

4. Alternative for Account Owner

If the Account Owner desires to prevent usage of a Plan by the Beneficiary, then the Account Owner must perform a change of Beneficiary for the Contract / Plan.

5. Length of Hold

A hold to prevent usage may be for any duration within the benefit period as specified by the Account Owner or the Program.

(c) Flags

Flags are used to grant or restrict any or all information, access or modifications for a Contract or Plan to comply with a court order or protect the Contract or Plan from unauthorized access or modification.

1. User-Defined Flags

A flag may grant or restrict any or all information, access or modifications for a Contract or Plan with respect to a specified Account Owner, Survivor and/or Beneficiary.

2. Divorce Decrees/Court Orders.

If a divorce decree/court order expressly requires the Program to take an action, then a flag is added to the Contract or Plan and the divorce decree/court order is forwarded to the Board's attention for review and guidance.

3. Account Owner Protecting Against Unauthorized Access or Modification

An Account Owner may request a password be required as part of his/her authorization process. The password will be required for all transactions requiring the Account Owner's signature not performed online. The password does not prevent the Survivor or Beneficiary from exercising their rights (e.g., a Beneficiary may authorize a Transfer Form without the password).

4. Program Protecting Against Unauthorized Access or Modification

The Board may authorize a flag on a Contract or Plan to grant or restrict information, access or modification due to authorizing a non-party due to a power of attorney, pending processing of a death of Account Owner, possible identify theft, or notice of legal action or dispute involving the Contract.

a. Pending Processing of a Death of Account Owner

If a person advises the Board that the Account Owner is deceased, then the Plan is flagged and placed on hold for 60 days to allow for the processing of the change of Account Owner. The duration of the flag and hold will be extended to accommodate document submission, legal review and processing. The flag and hold are removed if the Account Owner is alive (verify mailing address, telephone number(s) and SSN) or after the change of Account Owner has been processed.

5. Length of Flag

A flag may be for any duration specified by the Account Owner or the Program. If a duration is not specified, then the flag begins immediately and shall remain in effect until removed by the party instituting the flag.

Section 4

PLAN TYPES

4.01 General.

(a) One Contract per Account Owner-Beneficiary

An Account Owner may have only one active Contract for a specific Beneficiary.

(b) Multiple Contracts per Beneficiary

A specific Beneficiary may be named in only one active Contract, unless all Contracts for that Beneficiary only contain up to four 1-Year Florida University Plans and up to one 2-Year Florida College Plan. Under this exception, a maximum sum of 120 credit hours may be purchased for a named Beneficiary in one or more Contracts.

(c) Participation and Payment Schedule

The Participation and Payment Schedule specifies the quantity of benefits purchased for each Plan in the Contract.

(d) Plan Prices

Pricing for each type of Plan is determined based upon the prices approved by the Board for each respective Plan for the enrollment period during which the Board accepted the Account Owner's Application for the Beneficiary, provided: (1) the payments required for such Plan(s) are received by the Board as required by the Participation and Payment Schedule; and (2) each such Plan(s) is not subsequently voluntarily or involuntarily terminated.

(e) Age Restriction

A Plan may be purchased only for a Beneficiary who is under the age of 21 on the first day of the enrollment period and has not completed the eleventh grade.

4.02 4-Year Florida University Plan.

The purchase of a 4-Year Florida University Plan prepays the Registration Fees, Tuition Differential Fee and Local Fees, for 120 semester credit hours at a State University. The 4-Year Florida University Plan initially became available for purchase during the 2010-2011 enrollment period.

4.03 2 + 2 Florida Plan.

The purchase of a 2 + 2 Florida Plan prepays the Registration Fees and Local Fees for 60 lower division semester credit hours at a Florida College and the Registration Fees, Tuition Differential Fee and Local Fees for 60 semester credit hours at a State University. The 2 + 2 Plan initially became available for purchase during the 2010-2011 enrollment period.

4.04 4-Year Florida College Plan.

The purchase of a 4-Year Florida College Plan prepays the Registration Fees and Local Fees for 60 lower division semester credit hours at a Florida College and for 60 upper division semester credit hours at a Florida College. The 4-Year Florida College Plan initially became available for purchase during the 2010-2011 enrollment period.

4.05 2-Year Florida College Plan.

The purchase of a 2-Year Florida College Plan prepays the Registration Fees and Local Fees for 60 lower division semester credit hours at a Florida College. The 2-Year Florida College Plan initially became available for purchase during the 2010-2011 enrollment period.

4.06 1-Year Florida University Plan.

The purchase of a 1-Year Florida University Plan prepays the Registration Fees, Tuition Differential Fee and Local Fees, for 30 semester credit hours at a State University. The 1-Year Florida University Plan initially became available for purchase during the 2014-2015 open enrollment period.

4.07 Tuition Plan.

There are three separate types of Tuition Plans:

(a) 4-Yr University Tuition Plan

The 4-Yr University Tuition Plan prepays the Registration Fees for 120 semester credit hours at a State University.

(b) 2 + 2 Tuition Plan

The 2 + 2 Tuition Plan prepays the Registration Fees for 60 lower division semester credit hours at a Florida College and the Registration Fees for 60 semester credit hours at a State University.

(c) 2-Yr FL College Tuition Plan

The 2-Yr FL College Tuition Plan (formerly the two-year community college tuition plan) prepays the Registration Fees for 60 lower division semester credit hours at a Florida College.

(d) Limitations

The amount paid per semester credit hour to a State University for Registration Fees may vary, depending upon the Effective Date of the Tuition Plan. Tuition Plans do not cover Local Fees, the Tuition Differential Fee or other institutionally imposed fees. Tuition Plans are not available for purchase after January 31, 2010.

4.08 Tuition Differential Fee Plan.

There are two separate types of Tuition Differential Fee Plans:

(a) 4-Yr University TDF Plan

The 4-Yr University TDF Plan prepays the Tuition Differential Fee for 120 semester credit hours at a State University and only may be purchased as an addition to a 4-Yr University Tuition Plan purchased on or after February 1, 2007.

(b) 2 + 2 TDF Plan

The 2 + 2 TDF Plan prepays the Tuition Differential Fee for 60 semester credit hours at a State University and only may be purchased as an addition to a 2 + 2 Tuition Plan purchased on or after February 1, 2007.

(c) Limitations

The amount paid per semester credit hour to a State University for the Tuition Differential Fee may vary, depending upon the date the Tuition Differential Fee Plan was purchased. Tuition Differential Fee Plans do not include payment of Local Fees or other institutionally imposed fees.

4.09 Local Fee Plan.

There are three separate types of Local Fee Plans:

(a) 4-Yr University Local Fee Plan

The 4-Yr University Local Fee Plan prepays the Local Fees for 120 semester credit hours at a State University and only may be purchased as an addition to a 4-Yr University Tuition Plan.

(b) 2 + 2 Local Fee Plan

The 2 + 2 Local Fee Plan prepays the Local Fees for 60 lower division semester credit hours at a Florida College and the Local Fees for 60 semester credit hours at a State University and only may be purchased as an addition to a 2 + 2 Tuition Plan.

(c) 2-Yr FL College Local Fee Plan

The 2-Yr FL College Local Fee Plan (formerly the community college local fee plan) prepays the Local Fees for 60 lower division semester credit hours at a Florida College and only may be purchased as an addition to a 2-Yr FL College Tuition Plan.

(d) Limitation

The amount paid per semester credit hour to a State University for Local Fees may vary, depending upon the Effective Date of the Local Fee Plan. Local Fee Plans do not include payment of the Tuition Differential Fee or other institutionally imposed fees.

4.10 Dormitory Plan.

(a) Coverage

The Dormitory Plan provides payment for a double-occupancy, air-conditioned dormitory room specified by the State University at which the Beneficiary is enrolled and approved by the Board and is subject to availability. Residence in a State University dormitory is subject to available space and is not guaranteed by the Board.

(b) Limitation with Bundled Plan

A Dormitory Plan may be purchased in conjunction with or added to a 4-Year Florida University Plan, a 2 + 2 Florida Plan, or any 1-Year Florida University Plan(s). A maximum sum of 2 semesters of Dormitory Fees may be prepaid for each year (30 credit hours) of Registration Fees at a State University covered by the eligible Plan(s).

(c) Limitation with Tuition Plan

A Dormitory Plan may be purchased as an addition to a 4-Yr University Tuition Plan or a 2 + 2 Tuition Plan. A maximum sum of 2 semesters of Dormitory Fees may be prepaid for each year (30 credit hours) of Registration Fees at a State University covered by the eligible Plan.

(d) Adoption Exception

A Dormitory Plan may be purchased for a Beneficiary who was adopted from the Department of Children and Family Services without purchasing a 4-Year Florida University Plan or 2 + 2 Florida Plan or having purchased a Tuition Plan for that Beneficiary.

(e) Limitation on Fees

The Dormitory Plan does not cover private dorms, security/damage deposits, meal plans or any other fees.

(f) Limitation on Payments

The amount paid per semester to a State University for Dormitory Fees may vary, depending upon the Effective Date of the Dormitory Plan.

Section 5

PAYMENT OPTIONS AND PAYMENTS

5.01 Payment Options.

Three payment options are available: (1) a lump-sum payment plan; (2) a 55-month payment schedule; or (3) a monthly payment schedule. Payment amounts are determined based on the age of the Beneficiary when each respective Plan is purchased.

1. Exception

The 2-Yr FL College Local Fee Plan can be purchased with only the lump sum payment option.

2. Lump Sum Invoice

Account Owners who have selected the lump sum payment option are issued a lump sum invoice in March following the Enrollment Period.

3. Coupon Books

Account Owners who have selected the 55-month or Monthly payment options are issued a coupon book with seven coupons in April of the enrollment year and four annual sets of coupon books with twelve coupons beginning with October of the enrollment year. ACH (Automated Clearing House) forms will be provided as part of every issued coupon book.

- i. Coupon books are not required if the Account Owner has the online ability to print coupons specific to his or her Plan(s) showing outstanding amount(s) and fee(s) due, if any, for the next payment due date.

4. Payment Option Changes

The Account Owner may submit a Request to change the payment option of a Plan.

a. Before the First Payment Due Date

Account Owners may change the payment option to a lump-sum payment plan; a 55-month payment schedule; or a monthly payment schedule.

b. After the First Payment Due Date

Account Owners may change: 1) a lump-sum payment plan to either a 55-month payment schedule (if one is offered) or a monthly payment schedule; or 2) a 55-month payment schedule to a monthly payment schedule.

5.02 Payment Methods.

(a) Online

Payments may be made through the Board's website (www.MyFloridaPrepaid.com).

1. ACH Payments

Account Owners may make one-time or recurring automatic clearing house (ACH) payments through the Board's website.

2. Timing

Funds are credited to the Plan no later than the next Business Day following the receipt of the funds by the Board.

3. Saving Financial Institution Information for Future Payments

An Account Owner, Survivor or Beneficiary may setup and store financial institution information that can be applied to a one-time payment or a recurring payment by that individual in the future.

(b) Phone

Payments may be made by calling 1-800-552-GRAD (4723) and following the prompts.

1. ACH Payments

Account Owners may make one-time automatic clearing house (ACH) payments through the Board's 1-800 number.

2. Timing

Funds are credited to the Plan no later than the next Business Day following the receipt of the funds by the Board.

(c) Lockbox, ACH or Payroll

Payments may be made by check, Money Order, cashier's checks, automatic payment plan, or payroll deduction.

1. Lockbox Payments

a. General

Anyone may mail a check, Money Order or cashier's check, with or without a coupon, to make a payment on behalf of a Plan.

b. Payment File Verification

The total amount and value of payments received by the lockbox must match the header amount on the transmission for the payment file transmission to be accepted for posting.

c. Report

Once a payment file transmission is accepted, a Transaction Summary report will be produced reflecting the following information:

- i. Date the payments were received
- ii. Date the payments were posted
- iii. Number of items posted to plans
- iv. Number of items posted to suspense
- v. Dollar amount posted to plans
- vi. Dollar amount posted to suspense
- vii. Grand total of items received

- viii. Grand total dollar amount received

2. ACH Payments

a. Initiating

Anyone may initiate and authorize an automatic payment plan on a Plan.

b. Processing

A live entry ACH debit transmission file will be sent to the Board's financial institution to debit the bank accounts at least three Business Days before the 20th of the month. However, bank accounts will not be debited until the 20th of the month or the next available business day. The payments noted on the ACH debit transmission will be posted to the Account Owners' Plans on the 20th of the month or the next available business day.

c. Terminating

Only the Account Owner or a person on the bank account used for the automatic payment plan may terminate the automatic payment plan. The request may be made by phone or letter and it is sufficient for a person to provide the bank account number as confirmation that they are a person on the bank account.

d. Confirmation Letter

A letter will be provided to the Account Owner when an automatic payment plan is added, changed or stopped.

e. Payment File Verification

The total amount and value of ACH payments received by the bank must match the header amount on the transmission for the payment file transmission to be accepted for posting.

f. Report

Once a payment file transmission is accepted, a Transaction Summary report will be produced reflecting the following information:

- i. Date the payments were received
- ii. Date the payments were posted
- iii. Number of items posted to plans
- iv. Number of items posted to suspense
- v. Dollar amount posted to plans
- vi. Dollar amount posted to suspense
- vii. Grand total of items received
- viii. Grand total dollar amount received

3. Payroll Payments

a. Initiating

Anyone may initiate and authorize a payroll payment plan on a Plan. The individual initiates the deduction with his/her employer directly and the employer submits the information to the Program to receive a payroll roster.

b. Payroll Rosters

By the third Business Day of each month, a payroll roster is produced for each participating employer. Payroll rosters may be mailed, faxed or securely transmitted to the corresponding employer in the month following any additions or subtractions to the number of payroll customers or dollar amounts. Contents of the payroll roster must include at least:

- i. Employer name
- ii. Account Owner name
- iii. Account Owner Plan number(s) and/or Social Security Number
- iv. Frequency of payroll deduction payment
- v. Amount of payroll deduction payment

c. Crosswalk

Because the State of Florida and certain employers' payroll deduction files include an SSN and total deduction amount only, these payroll files are run through a "crosswalk" to determine the Plan number and payment posting.

d. Terminating

The contributor may terminate payroll deduction by instructing his/her employer directly to cease making payments to the Program.

(d) U.S. Dollars

Checks must be in U.S. dollars and should be made payable to the Florida Prepaid College Plan.

1. U.S. Dollars

All payments must be made in U.S. dollars.

(e) Limitations

Payments may not be made by credit cards or other means of credit, rollover distributions, third party checks of \$10,000 or more, wire transfers, or traveler's checks.

1. Rollover Distributions

The Prepaid Program does not currently accept rollover distributions of any type. If a rollover check is received for a Plan, then the funds must be returned to the 529 Plan that sent the attempted rollover contribution. The Account Owner will be provided with a copy of the cover letter that was mailed to the 529 Plan.

(f) Returned Funds

The Account Owner is responsible for ensuring that any and all payments to the Program clear his/her bank account. Payments which are denied, stopped or otherwise returned will be removed from the Plan.

1. Lockbox Returns

The bank provides returned checks with a debit advice. Lockbox returns will be posted to the Plans as the debit advices are received from the bank.

2. ACH Returns

a. Return Processing

The bank provides a debit advice noting the Plan number, payment amount, and reason for return. ACH returns will be posted to the Plans as the debit advices are received from the bank.

b. Return Codes

ACH payments may be returned for the following reasons:

| Debit Code | Definition |
|------------|---|
| R01 | Insufficient funds |
| R02 | Account closed |
| R03 | No Account/Unable to locate |
| R04 | Invalid Account Number |
| R05 | Required pre-notification not received |
| R06 | Returned per Originating Depository Financial Institution (ODFI) request |
| R07 | Authorization revoked by customer |
| R08 | Payment stopped |
| R09 | Uncollected Funds |
| R10 | Customer advises not authorized |
| R11 | Check truncation entry reports |
| R12 | Branch sold to another Depository Financial Institution (DFI) |
| R13 | Receiving Depository Financial Institution (RDFI) not qualified to participate or the routing number is invalid |
| R14 | Account holder deceased |
| R15 | Beneficiary deceased |
| R16 | Account frozen |

| | |
|-----|---|
| R17 | File record edit criteria |
| R20 | Non-transaction account |
| R21 | Invalid company identification |
| R22 | Invalid individual ID number |
| R23 | Payment refused by biller |
| R24 | Duplicate entry |
| R28 | Routing/transit check digit error |
| R29 | Corporate customer advises not authorized |
| R31 | Permissible return entry |
| R33 | Return of lost/damaged check (xck) entry |

c. Termination of an Automatic Payment Plan

The ACH return may be associated with an automatic payment plan. First, if applicable, the ACH information is confirmed against the paper form submitted to initiate the automatic payment plan for data entry accuracy. Second, the automatic payment plan is maintained or terminated based on the table below. Third, an ACH form is mailed to the Account Owner based on the table below.

| Debit Code | Definition | Action | New ACH letter? |
|------------|--|---|-----------------|
| R01 | Insufficient funds | Delete after 2 nd consecutive time | YES |
| R02 | Account closed | Delete after 1 st occurrence | YES |
| R03 | No Account/Unable to locate | Delete after 1 st occurrence | YES |
| R04 | Invalid Account Number | Delete after 1 st occurrence | YES |
| R05 | Required pre-notification not received | See Finance Manager | |
| R06 | Returned per Originating Depository Financial Institution (ODFI) request | See Finance Manager | |
| R07 | Authorization revoked by customer | Delete after 1 st occurrence | NO |
| R08 | Payment stopped | Delete after 1 st | NO |

| | | | |
|-----|---|---|-----|
| | | occurrence | |
| R09 | Uncollected Funds | Delete after 2 nd consecutive time | YES |
| R10 | Customer advises not authorized | Delete after 1 st occurrence | NO |
| R11 | Check truncation entry reports | See Finance Manager | |
| R12 | Branch sold to another Depository Financial Institution (DFI) | See Finance Manager | |
| R13 | Receiving Depository Financial Institution (RDFI) not qualified to participate or the routing number is invalid | Delete after 1 st occurrence | YES |
| R14 | Account holder deceased | Delete after 1 st occurrence | NO |
| R15 | Beneficiary deceased | Delete after 1 st occurrence | NO |
| R16 | Account frozen | Delete after 1 st occurrence | NO |
| R17 | File record edit criteria | | |
| R20 | Non-transaction account | Delete after 1 st occurrence | YES |
| R21 | Invalid company identification | See Finance Manager | |
| R22 | Invalid individual ID number | See Finance Manager | |
| R23 | Payment refused by biller | See Finance Manager | |
| R24 | Duplicate entry | See Finance Manager | |
| R28 | Routing/transit check digit error | Delete after 1 st occurrence | YES |
| R29 | Corporate customer advises not authorized | Delete after 1 st occurrence | NO |
| R31 | Permissible return entry | See Finance Manager | |
| R33 | Return of lost/damaged check (xck) entry | See Finance Manager | |

d. Confirmation Letter

After posting the returned payment, a notification letter will be sent to the Account Owner reflecting the reason for the return.

e. Payment File Verification

The total amount and value of ACH returns from the bank must match the header amount on the transmission for the ACH return file transmission to be accepted for posting.

f. Report

Once an ACH return file transmission is accepted, a Transaction Summary report will be produced reflecting the following information:

- i. Date the ACH returns were received
- ii. Date the ACH returns were posted
- iii. Number of items reversed from plans
- iv. Number of items reversed from suspense
- v. Dollar amount reversed from plans
- vi. Dollar amount reversed from suspense
- vii. Grand total of items reversed
- viii. Grand total dollar amount reversed

3. Payroll Returns

If a payment by an employer is returned, then each effected Plan is placed on a hold for 15 days, any NSF fee is waived and the employer is contacted to request replacement funds.

5.03 Application of Funds.

Generally, funds are applied to the Plan(s) specified on the payment. However, based on the status of the Account Owner's Plans or other prepaid contracts, the Board may apply or reapply the funds to these Plans or prepaid contracts to satisfy outstanding payment and fees.

1. General

Payments that are posted incorrectly will be reversed off the Plan and reapplied as required. The full payment may be applied to another Plan or split among several Plans. The payment reversal/reapplication will reflect as a negative number in the payment history detail.

2. Payment Source Identification

Payments, regardless of reversal or reapplication, should always indicate their source (e.g., lockbox, ACH, payroll or manual posting).

3. Payment Posting

The logic for payment posting is as follows:

a. Customer Instructions:

If a customer specifically requests for payments to be posted in a particular manner, then the request, if permissible, will be processed accordingly.

b. Payoff

If the payment equals the amount of one or more outstanding Payoffs, then the payment will be applied to pay off the identified Plan(s).

c. Single Active Plan Identified:

- i. Pay outstanding application fee or reinstatement fee.
- ii. Use the received payment and existing partial from prior payments, if any, to make as many monthly payments as possible to bring the plan Current.
 1. "Current" is defined as follows: if the exception processing date is prior to the 20th of the month, then the previous month and current month must be paid.
 2. If the exception processing date is on the 20th or later in the month, then the current month and following month must be paid in order to be considered "current".
- iii. If the payment does not satisfy making the plan Current, leave any partial on the plan.
- iv. When the plan is Current, divide the remaining payment and existing partial from prior payments, if any, by monthly payment amount. Make as many monthly payments as possible.
- v. If partial remains, apply to any outstanding fees in \$10 increments (NSF first, then late fees).
- vi. Leave any remaining partial on plan.

d. Multiple Active Plans for a Single Beneficiary Identified:

- i. Pay outstanding application fee or reinstatement fee.
- ii. Use the received payment and existing partial from prior payments, if any, to make as many monthly payments as possible to bring all plans current – "current" is defined as follows: if the exception processing date is prior to the 20th of the month, then the previous month and current month must be paid. If the exception processing date is on the 20th or later in the month, then the current month and following month must be paid in order to be considered "current".
- iii. If payment cannot bring all plans equally current, apply payment to make all plans have the same next payment due date, then apply remaining amount to make any additional monthly payments starting with Bundled Plan or Tuition Plan, then Local Fee Plan, then Tuition Differential Fee Plan, and then Dormitory Plan. Leave any remaining partial on the Bundled Plan or Tuition Plan.
- iv. When all plans are current, divide the remaining payment and existing partial from prior payments, if any, by total monthly payment amount.

Total monthly payment amount is defined as the summation of the monthly payment amounts for the multiple plans. Make as many full monthly payments as possible.

- v. If partial remains, apply to any outstanding fees in \$10 increments as evenly across all plans as possible (NSF first, then late fees).
- vi. If partial remains, then apply remaining amount to make any additional monthly payments starting with Bundled Plan or Tuition Plan, then Local Fee Plan, then Tuition Differential Fee Plan, and then Dormitory Plan. Leave any remaining partial on the Bundled Plan or Tuition Plan.

e. Multiple Active Plans for Multiple Beneficiaries Identified:

- i. Pay outstanding application fees or reinstatement fees.
- ii. Use the received payment and existing partial from prior payments, if any, to make as many monthly payments as possible to bring all plans for all Beneficiaries Current.
- iii. If payment cannot bring all plans equally current, apply payment to make all plans for all Beneficiaries have the same next payment due date, then apply remaining amount to make any additional monthly payments to the first Beneficiary starting with his/her Bundled Plan or Tuition Plan, then Local Fee Plan, then Tuition Differential Fee Plan, and then Dormitory Plan. Leave any remaining partial on the Bundled Plan or Tuition Plan.
- iv. When all plans for all Beneficiaries are current, divide the remaining payment and existing partial from prior payments, if any, by total monthly payment amount. Total monthly payment amount is defined as the summation of the monthly payment amounts for the multiple plans for all Beneficiaries. Make as many full monthly payments as possible.
- v. If partial remains, apply to any outstanding fees in \$10 increments as evenly across all plans for all Beneficiaries as possible (NSF first, then late fees).
- vi. If partial remains, then apply remaining amount to make any additional monthly payments for the first Beneficiary starting with Bundled Plan or Tuition Plan, then Local Fee Plan, then Tuition Differential Fee Plan, and then Dormitory Plan. Leave any remaining partial on his/her Bundled Plan or Tuition Plan.

f. Only Terminated or Paid-in-full Plans Identified:

If the only identified Plan(s) are terminated or paid-in-full, then the payments received will be posted to the plans until they can be reapplied to a different plan or refunded to the Account Owner. Payments received on terminated and paid-in-full plans will be reported and processed weekly.

g. No Plans Identified:

- i. Payments received with invalid plan numbers or no plan number are posted to the suspense plan (plan number 1999999999).
- ii. A check copy provided by the lockbox is reviewed to determine if the funds can be applied to the proper plans following the payment posting logic.
- iii. Payments that cannot be identified will remain in the suspense account until the correct plan is identified.
- iv. If the correct plan is not identified or the funds are not refunded, the payment will escheat as an unclaimed refund.

4. Exceptions

a. Definition

An Exception is a payment that:

- i. Is greater than a monthly payment, plus any outstanding fees such as late fees, NSF fees, and/or application fees.
- ii. Is not equal to a monthly payment plus multiples of \$10.00.
- iii. Does not satisfy a full monthly payment, resulting in a "partial" payment.
- iv. Is not equal to a multiple of the monthly payment amount and does not meet the above criteria.

b. Processing

Exceptions are researched on a daily basis to ensure the payment posting logic is being applied correctly and, if not, are reapplied based on the payment posting logic above.

5. Reversals

a. Payment Reversal with Reapplication

If the plan number is provided, the reapplied payment will be posted to the FPCP account and will appear on the Exception Report.

b. Reversals from Suspense

Payments with missing or invalid plan numbers are posted to the suspense account and will be researched on a daily basis.

- i. When the correct FPCP plan number(s) has been identified, the payment will be reversed from suspense and reapplied to the appropriate Plan(s) in accord with the rules provided above.
- ii. If, based on research, a payment posted to suspense is identified as a non-FPCP item; the payment will be reversed.
 1. If the funds were posted to suspense as a check, a manual check will be cut to the maker.

2. If the funds posted through eBox (electronic), the bank will be requested to reverse the transaction and return the payment to the maker.

6. Manual Processing to Pay an Account in Full

Plans that require a manual process to be paid-in-full must be reviewed and initialed by two authorized staff resources designated in advance by the Finance Manager. A record of the approval will be scanned into the document management tool.

7. Reports

a. Suspense Report

A Suspense Report will be produced daily reflecting the following information for each payment posted to the suspense account:

- i. Payment amount
- ii. Account Owner name if available (if not available the field is left blank)
- iii. Intended Plan number (if provided)
- iv. Total number of suspense items
- v. Total suspense amount

b. Exception Report

An Exception Report will be produced daily detailing payments which meet the definition of Exceptions. The following information will be included for each item on the report:

- i. Account Owner's last name
- ii. Account Owner's SSN
- iii. Plan number received with payment
- iv. Cross-reference plan number (Bundled Plan, Tuition Plan/Tuition Differential Fee Plan/Local Fee Plan/Dormitory Plan)
- v. Monthly payment amount for each plan number
- vi. Amount posted
- vii. Unpaid fees due
- viii. Overpaid/partial paid amount
- ix. Late amount
- x. Payoff amount
- xi. Next payment due date

5.04 Payment Due Date.

Payments are due on the 20th day of each month, beginning in April after the close of the enrollment period during which the Plan(s) was purchased.

5.05 Default.

Failure to make payment within 15 days of a due date will result in default by the Account Owner and suspension of the Beneficiary's Contract benefits.

1. *Delinquency Letter*

The Delinquency Letter is provided to the Account Owner and details the current Account status, outstanding amount, including fees, and Plan change options.

a. Plans with No Payments

If the Plan has not received a payment and is 90 days or more delinquent, the Delinquency Letter is provided to both the Account Owner and Survivor and includes a final notice that the Plan will be involuntarily terminated within 30 days if payment is not received.

b. Plans with Payments

If the Plan is 180 days or more delinquent, the Delinquency Letter is provided to both the Account Owner and Survivor and includes a final notice that the Plan will be involuntarily downgraded or terminated within 30 days if payment is not received.

c. Plans in the Matriculation Year

If the Plan is in its Matriculation Year, the Delinquency Letter includes a notice that the Plan must be current for the Beneficiary to utilize the Plan benefits.

2. *Timing*

Plans with payments that become 15 or more days delinquent will be sent a delinquency letter and will be assessed a late fee on the next Business Day following the 9th of each month.

3. *Exception for First Payment Date*

A delinquency letter will be sent, but the late fee will not be assessed for missing the first payment (April) on a new plan.

4. *Exception for Lump Sum Payment Schedule*

Delinquency letters will be sent for each month a Plan on a lump sum payment schedule is delinquent, but the Plan is assessed only one late fee (May).

5. *Exception for Local Fee and Tuition Differential Fee Plans*

If a Tuition Plan and the related Local Fee and/or Tuition Differential Fee Plans are all delinquent, only one late fee will be assessed against the Tuition Plan.

6. *Exception for De Minimis Amount*

- 4. If the delinquency amount is less than \$10.00 and there are one or more remaining payments owed, then a delinquency letter will not be sent and a late fee will not be assessed.**
- 7. Exception for Plans on Payroll Deduction**
- 5. Plans on payroll deduction with payments that become 45 or more days delinquent will be sent a delinquency letter and will be assessed a late fee on the next Business Day following the 9th of each month.**
- 8. Exception for Plans on Hold Due to Financial Hardship**
- 6. A delinquency letter will be sent, but the late fee will not be assessed during the hold period.**

5.06 Prepayment.

A lump-sum or partial prepayment may be made on a 55-month or monthly payment schedule with no prepayment penalty. A lump-sum or partial prepayment prepays in advance the monthly payments equal to the amount of the lump-sum or partial prepayment, but does not change the total amount due for the Plan.

5.07 Lump-Sum Payoff.

(a) No Prepayment Penalty

A Plan purchased under a 55-month or monthly payment schedule may be prepaid in full at any time with no prepayment penalty. A lump-sum payoff may be requested at any time and may reduce the total amount due for the Plan.

1. Payoff Amount

Generally, a lump-sum payoff is the amount of principal outstanding (the remaining payments less the associated financing charge).

a. Prior to First Payment Due Date

If the payoff is requested prior to April 20th, then the lump-sum payoff equals the lump-sum payment option amount.

b. Zero or Negative Payoff

If the payoff amount is equal to or less than \$0, the Plan will be placed in a paid-in-full status and any monies overpaid into the Plan will be refunded to the Account Owner.

2. Date

A lump-sum payoff is calculated based on the Account Owner remitting the payoff amount in 21 days.

3. Grace period

If the payoff amount is received within 30 days from the payoff calculation, then the lump-sum payoff will be honored.

(b) Automatic Payoff

The Board may initiate a lump-sum payoff on behalf of a Plan where the amount received is sufficient to satisfy the payoff.

5.08 Maximum Account Balance Limit.

(a) Notice

The Board periodically reviews the Maximum Account Balance and publishes the amount on the Board's website (www.MyFloridaPrepaid.com).

(b) Subject to Change

The Maximum Account Balance may be lower than other Qualified Tuition Programs and lower than previously published amounts for the Program.

(c) Implementation

If the Board receives an Application for a Contract or a Plan for a Beneficiary or a change of Beneficiary request and the sum of all payments required for the Plan(s) in the Contract for that Beneficiary and the account balance for all Florida 529 Savings Plan accounts for that Beneficiary exceed the Maximum Account Balance limit, the Board will notify the Account Owner that the Board cannot accept the Application or process the change of Beneficiary request, as applicable.

1. Social Security Number

For purposes of determining whether a Beneficiary meets or exceeds the Maximum Account Balance, the Program utilizes the Social Security Number on file for aggregation of all Account Balances.

Section 6

FEES

6.01 Application Fees.

An application fee of up to \$50 per Plan may be required in conjunction with the purchase of a Plan.

1. Fee Waivers

The Application Fee is waived if an Account Owner: 1) provides an active promotion code; 2) advises the Program in writing that the Plan was opened in error; and 3) terminates the Plan prior to the first payment due date.

6.02 Insufficient Funds Fee.

A fee of up to \$20 will be assessed for each payment returned for insufficient funds.

1. Returned Check

Only one \$20.00 Insufficient Funds (NSF) fee will be assessed for each check that is returned for non-sufficient funds.

a. Payment Intended for One Plan

If a check is submitted to pay for one specific Plan, then a \$ 20.00 NSF fee will be assessed to the specific plan for which the check was submitted.

b. Payment Intended for Multiple Plans

If a check submitted to pay for a combination of plans, then a \$20.00 NSF fee will be assessed to the first Plan identified in this order: Bundled Plan, Tuition Plan, Dormitory Plan, Local Fee Plan, and Tuition Differential Fee Plan.

2. Letter

After posting a returned payment due to insufficient funds, a notification letter will be sent to the Account Owner reflecting the reason for the return and the assessment of the \$20.00 NSF charge.

3. Fee Waivers

The \$20.00 NSF fee is waived under the following conditions:

- a. Termination correspondence is received prior to the ACH sweep, but the termination is processed after the ACH sweep has been created.
- b. Termination correspondence is received after the ACH sweep was created but on or before the 20th of the month.
- c. The NSF fee was assessed due to a financial institution error.
- d. The Board or a manager approves the waiver of the NSF fee due to extenuating circumstances.

6.03 Late Payment Fee.

A fee of up to \$10 will be assessed for each Plan payment not received by the Board within 15 days of the date due.

1. Fee Waivers

a. Authorization

No signature is required – the request may be made online, in writing or over the phone by the Account Owner, Survivor or Beneficiary.

b. Limitations

Late fees may be waived in the following circumstances:

- i. There is good cause shown or observed for the waiver:
 1. The late payment was in suspense or posted to the wrong Contract or Plan.
 2. The Board's financial institution made an error.
 3. There was a time lag, or difficulties encountered, in initiating payroll deduction or ACH, including the accumulation of late fees due to this issue.
 4. The Account Owner received incorrect information from a customer service representative.
 5. Supervisor approval based upon a good payment history or financial/medical hardship of the Account Owner.
- ii. The late fee being waived is the first delinquency fee ever assessed to the plan (First time courtesy fee waiver).
- iii. If outstanding (unpaid) late fees on the Plan exceed \$70, then waive down to \$70.
- iv. If outstanding (unpaid) late fees on the Plan are \$50 or less on a matriculating or otherwise paid-in-full Plan, then waive down to \$0.

6.04 Termination Fee.

A fee of up to \$50 per Plan or 50 percent of the amount paid to the Board for the Plan, whichever is less, may be assessed upon the termination of any Plan. The termination fee will be waived for refunds requested as the result of the death or disability of the Beneficiary.

1. Assessment

The termination fee is assessed only against a Bundled Plan or Tuition Plan terminated during a two-year period beginning after the first payment due date (all other Plans and all other time periods before or after this two-year period are not assessed a termination fee).

2. Fee Waivers

The termination fee is waived for Plans if the Account Owner is terminating to upgrade a Plan for the same Beneficiary (e.g., customer is terminating a Tuition Plan to upgrade to a new Bundled Plan).

6.05 Reinstatement Fee.

A \$50 fee will be assessed to reinstate each downgraded and terminated Plan in the Contract. The reinstatement fee(s) must be paid at the time of reinstatement.

1. Assessment

The reinstatement fee is assessed to restore a Plan that was downgraded, or reinstate a Plan that was terminated, after the first payment due date.

2. Exception for Timely Restoration or Reinstatement

If the Plan is restored or reinstated within 30 days of downgrade or termination, then the reinstatement fee is not assessed.

3. Exception for Both Restoration and Reinstatement

If the both a restoration and reinstatement are performed on the same Plan, then only one reinstatement fee is assessed.

4. Reinstatement Fee Waivers

The reinstatement fee will be waived under the following circumstances:

- a. The Account Owner was not advised of his/her options in lieu of downgrading or terminating the Plan(s).
- b. The Plan was downgraded or terminated due to a processing error.
- c. The Plan was escheated.
- d. The Plan was downgraded or terminated while an Optional Life Insurance claim was being processed.

6.06 Termination Fee for Residency Fraud or Material Misstatement.

A fee of up to \$250 or 100 percent of the amount paid for a Contract, whichever is less, will be assessed if the Board determines that an Account Owner has made fraudulent statements relating to the residency of an allegedly qualified Beneficiary or material misstatements on the Application or any document submitted by the Account Owner with respect to the Contract or Plan.

6.07 Fee Changes.

The Board may add, remove, increase, or decrease the fees charged in the Program.

6.08 Payment by Credit Card.

Notwithstanding paragraph 5.02(e), the Board may accept a credit card payment for the fees in this section.

6.09 Payment Required Before Usage.

All outstanding fees must be paid prior to the use of Contract benefits.

6.10 No Refund of Fees.

The Board may apply the existing balance and future payments towards outstanding fees. Fees collected by the Board are non-refundable.

Section 7

USE OF BENEFITS

7.01 General.

(a) For Contract benefits to be available, all payments and fees for each Plan in the Contract must be current. The Board must have a valid Social Security Number and current contact information for the Beneficiary on file. Contract benefits are not available until the summer semester of the Matriculation Year unless otherwise provided herein.

1. Definition of Current for Purposes of Matriculation

To matriculate, a Plan must be less than two months delinquent and have outstanding fees of less than \$20.00.

2. Missing SSN Letter

If the Board does not have a valid Social Security Number for the Beneficiary on file by March of the Matriculation Year, a letter is sent to the Account Owner requesting the Social Security Number.

3. First Time in College Letter

Within the six months prior to the summer semester of the Matriculation Year, a First Time in College Letter is provided to the Beneficiary, which describes how Plans are used at in-state, private and out-of-state Eligible Educational Institutions.

4. Matriculation File

A list of eligible Beneficiaries and their associated Plan benefits is created twice a week for Eligible Educational Institutions to download.

a. January Through March

Plans must have a Matriculation Year less than or equal to the prior year.

b. April Through December

Plans must have a Matriculation Year less than or equal to the current year.

5. Rates for Eligible Educational Institutions

The Board provides the rate(s) payable to an Eligible Educational Institution as required for timely processing. Rates may vary by Eligible Educational Institution, type of Eligible Educational Institutions (e.g., State University, State College, or out-of-state), Eligible Educational Institution subdivision (e.g., campus, department, degree, or class), fees covered (e.g., Technology Fee), term (e.g., semester, trimester or quarter), year, and Prepaid Plan (e.g., Approved Payment Amount and bundled vs. traditional). A rate of \$0.00 may be approved by the Board.

6. Invoice Processing

Eligible Educational Institutions may submit invoices via mail, email, online, or batch file.

a. Roster

After an invoice is processed, a roster will be produced that details how the invoice was processed, including the individual and aggregate details of the names, Account numbers (if identified), hours billed, amount billed, hours paid, amount paid, warnings and rejections.

i. Warnings:

Warnings are preset thresholds triggered during processing an invoice for a specific Beneficiary, but do not prevent processing. The following are warnings:

- 1) Hours Billed > Hours Paid
- 2) Amount Billed > Avail Dollars
- 3) Amount Paid Limited by Amount Billed
- 4) Hours Billed > Max 25 hours
- 5) Hours Consumed > Max Consumed Hours 15
- 6) Amount Billed \neq Amount Paid
- 7) Amount Paid Limited by Plan Paid Amount

ii. Rejections:

Rejections are preset thresholds triggered during processing an invoice for a specific Beneficiary that prevent processing. The following are rejections:

- 1) Beneficiary not found
- 2) Delinquent Account
- 3) Plan/Account Terminated
- 4) Matric Year > Current Year
- 5) Plan on Hold
- 6) Duplicate Beneficiary SSN in database
- 7) No pay rate on table
- 8) Local Fee Type Missing
- 9) Local Fee Errors
- 10) Tuition Differential Fee Type Missing/Invalid
- 11) Tuition Differential Fee Errors (including exempt)
- 12) No Transfer Authorization
- 13) Plan Depleted
- 14) Invalid Transfer Authorization Provided
- 15) No plan rate on table
- 16) Dormitory Plan not found

- 17) Dormitory Plan prepayment error
- 18) Dormitory Plan final pay error

(b) Contract benefits are not payable until a Beneficiary is financially obligated to the Eligible Educational Institution, which generally occurs after the drop/add period at the beginning of a semester.

(c) To the extent covered by and payable under the Contract, the Tuition Differential Fee and Local Fee will be paid to an Eligible Educational Institution only with the payment for Registration Fees.

1. Clarification for Payment of Registration Fees

Registration Fees will not be paid if the Beneficiary's Local Fee Plan and/or TDF Plan are not eligible for payment.

2. Exception for Tuition Differential Fee

If the Eligible Educational Institution to be paid is not eligible to receive a TDF payment, then the Registration Fees and Local Fees may be paid to the Eligible Educational Institution regardless of the TDF Plan eligibility.

(d) To use the Contract benefits before the Projected College Enrollment Year, the Account Owner must provide written notice to the Board. If the early matriculation is due to a change of Beneficiary, the Contract must be paid in full to use the Contract benefits.

(e) Until the Plan is paid in full, the amount payable by the Board shall not exceed the amount paid to date for the Plan.

~~(f) Contracts purchased during the 2014-2015 Enrollment Period may not be used before the summer semester of 2016.~~

7.02 Use of Benefits at State Universities and Florida Colleges.

(a) Contract benefits will be paid to any State University or Florida College the Beneficiary attends without authorization by the Account Owner or Beneficiary.

(b) The Board will transfer the amount payable under the Beneficiary's Plan(s) for that State University or Florida College by credit hour or semester enrolled, as applicable.

(c) To use a Dormitory Plan, the Beneficiary must file a complete and timely housing application with the applicable State University and must comply with all housing authority rules and regulations. Each year, the State Universities determine which dormitories will be available for use by Beneficiaries. Not all dorms at each State University are available. The Board cannot guarantee that any Beneficiary will receive a dormitory room assignment.

(d) A Dormitory Plan may be used for other university-held housing approved by a State University. Amounts transferred for the actual housing fees cannot exceed the amount otherwise payable under the Beneficiary's Plan to that State University. If the State University at which the Beneficiary is enrolled does not offer any approved double-occupancy dormitory rooms, the Board will pay up to the average cost of a double-occupancy, air-conditioned dormitory room in the State University System of Florida payable under the Beneficiary's Contract towards a dormitory room at the State University.

(e) The Board will pay the first housing prepayment invoice received each academic year on behalf of the Beneficiary. The Beneficiary is responsible for any other housing prepayments for that academic year to any Eligible Educational Institution.

7.03 Conversions of Benefits for Use at State Universities and Florida Colleges.

(a) The Board will convert: (1) State University Plan benefits to be used at a Florida College; (2) Florida College Plan benefits to be used at a State University; (3) Upper Division Florida College Plan benefits to be used for Lower Division enrollment at a Florida College; and (4) Lower Division Florida College Plan benefits to be used for Upper Division enrollment at a Florida College.

(b) The conversion calculations will be based upon the sum of each Plan's respective coverage for Registration Fees, Tuition Differential Fee and Local Fees payable under the Beneficiary's Plan for the credit hours enrolled.

For example, if the lower division Florida College fee rate is two-thirds of the State University rate at the time of matriculation, then three Florida College semester credit hours will be used to pay for two State University semester credit hours. Or, if the State University fee rate is one and one-half times the lower division Florida College rate, two State University semester credit hours will be used to pay for three Florida College semester credit hours.

(c) A Dormitory Plan may be transferred to Florida College housing that is operated by a Florida College or Florida College direct-support organization. Funds transferred to a Florida College or Florida College direct-support organizations shall not exceed the lesser of the actual fees or the average statewide fees associated with State University housing, payable under the Beneficiary's Dormitory Plan.

7.04 Use of Benefits at In-State Private Colleges and Universities, Out-of-State Colleges and Universities, and Vocational-Technical Schools.

(a) In addition to Florida Universities and Florida Colleges, the Account Owner or Beneficiary may authorize the use of Contract Benefits at any other Eligible Educational Institution.

(b) The Board will transfer an amount not to exceed the current average rates payable under the Beneficiary's Plan(s) to a State University or Florida College. Amounts transferred cannot exceed the actual tuition or housing fees of the Eligible Educational Institution.

1. Invoices in Foreign Currency

If a conversion calculation of an invoice in foreign currency is clearly for more than what will be paid, the invoice can be processed. If the invoice amount is close to or less than what will be paid, the invoice needs to be submitted in US Dollars. A foreign Eligible Educational Institution will only be paid by check in US Dollars.

(c) The Account Owner or Beneficiary may select between two payment options to transfer the Contract benefits under his paragraph: (1) under the restricted payment option, the Board will transfer 15 semester credit hours of benefits per semester invoice or, if invoiced by credit hours, the number of credit hours taken by the Beneficiary; or (2) under the unrestricted payment option, the Board will transfer the number of semester

credit hours of benefits required to pay the amount invoiced up to the total value of the Plan(s). The unrestricted payment option may cause the Plan(s) to deplete faster than if the restricted payment option was selected.

(d) Only one semester of Dormitory Plan benefits may be used each semester.

7.05 Use of Dormitory Benefits During the Summer Term.

(a) The Dormitory Plan is intended to cover the fall and spring terms. Generally, the cost of housing during the summer is less than the fall and spring. The difference between using the Dormitory Plan during the summer and either fall or spring may represent a significant reduction in benefits received.

(b) Notwithstanding (a), the Account Owner may authorize the use of the Dormitory Plan during summer terms by submitting a signed request to the Board. The Board also may require the Account Owner to submit a written waiver.

(c) The Board will pay the actual housing fees for the double-occupancy, air-conditioned dormitory room at the State University or transfer the amount payable under the Beneficiary's Plan for that State University or other university-held housing approved by a State University. Amounts transferred for the actual housing fees cannot exceed the amount otherwise payable under the Beneficiary's Plan to that State University for the prior fall or spring terms, whichever is higher.

7.06 Graduate-Level Courses.

Unused Contract benefits may be applied toward comparable graduate-level tuition, mandatory fees, and housing fees based on the type of Plan with remaining benefits. The Board will transfer an amount not to exceed the amount payable under the Beneficiary's Plan for undergraduate-level courses at that Eligible Educational Institution. Amounts transferred cannot exceed the actual tuition or housing fees of the Eligible Educational Institution.

7.07 Order of Benefits Utilized.

The Board will utilize available Plan benefits from the Beneficiary's Contract(s) for any invoice from an Eligible Educational Institution for the Beneficiary in the following order: lower division Florida College Plan benefits first; then upper division Florida College Plan benefits; and then State University Plan benefits. Where the same type of Plan benefits are available for the Beneficiary in more than one Contract, the Board will begin with the earliest purchase date.

7.08 Use of Fractional Benefits.

(a) If any conversion or payment calculation results in the use of a fractional credit hour of Plan benefits, the Board will deduct a whole credit hour when the usage is equal to or greater than .50 and will not deduct a credit hour when the usage is less than .50.

(b) Fractional benefits are not calculated for the Dormitory Plan. If a Dormitory Plan is used during a semester, the Board will deduct a whole semester of Plan benefits from the Dormitory Plan.

7.09 Credit Restores.

If use of Plan benefits results in a credit balance at the Beneficiary's Eligible Educational Institution, the Eligible Educational Institution may issue a refund to the Beneficiary.

Generally, the Board does not accept these payments back and will not credit the Beneficiary's Plan.

1. Exceptions

The Program will accept credit restores to active or depleted Plans under the following circumstances:

- a. There was an invoicing error.
- b. The Beneficiary has a medical withdrawal.
- c. The Beneficiary dropped the courses and the Eligible Educational Institution is returning the payment.
- d. The Eligible Educational Institution changes the Beneficiary's invoice amount (i.e. due to fee waivers) and is returning the payment.

2. Terminated Plans

Credit restores are not accepted on terminated Plans. If the Eligible Educational Institution returns the payment on a terminated Plan, the funds will be returned to the Eligible Educational Institution.

7.10 Benefit Period.

(a) Benefits of a Plan are valid for a 10-year period from the Projected College Enrollment Year.

1. Extensions

Account Owners, Survivors, and Beneficiaries may request an extension of the benefit period online, in writing or over the phone in the calendar year that the benefit period expires.

a. Factors

Factors the Board considers for granting an extension of the benefit period for up to two years are:

- i. Time spent by a Beneficiary in active duty as a member of the U.S. Armed Services;
- ii. Prior extensions;*
- iii. Prior Beneficiary changes;*
- iv. Recent Plan usage;*
- v. Available alternatives; and*
- vi. Financial and medical hardships.*

b. Protocol:

The following chart should be used to determine whether to approve or deny an extension request.

Business Rules for the Stanley G. Tate Florida Prepaid College Program

| 2016 Extension Request Protocol | | | | | |
|---------------------------------|-----------------------------------|--|---|--|---|
| | 1 st Extension Request | 2 nd Extension Request | 3 rd (+) Extension Request | Extension Request Where There Has Been A Previous 10 Year Extension | Active Duty Military Requests |
| Previous Extension Time | 0 Years | More than 1 year* & less than 10 years | More than 2 years & less than 10 Years | 10 Years | Does not count as a prior extension. |
| Approval Conditions | All Requests Approved | Deny unless at least <u>one</u> of the following conditions is met: i. Usage occurred during 1 st extension; ii. Current Enrollment with documentation/proof; or iii. Per Manager discretion for "good cause" shown: a. Medical Hardship b. Disability** c. Some factor(s) other than "free will" prevented usage by beneficiary | Deny unless <u>both</u> of the following conditions are met: i. Usage occurred during the most recent extension & ii. Proof of Current Enrollment | Deny unless <u>all three</u> of the following conditions are met: i. Recent Usage within current or last full academic year ii. Current Enrollment iii. Remaining Hours can reasonably be depleted within 2 years (e.g., 30 credit hours or less as a general rule <u>or</u> where unrestricted option would deplete total unused hours within 2 years) | Approved with official documentation (e.g. DD-214) establishing a time-certain of ACTIVE DUTY military service. <i>By statute, active duty military service acts more as a "tolling" mechanism on the running of the Benefit Period. As such, it is treated differently than other extension requests and additional years granted for active duty military service do not count as a prior extension.</i> |
| | | If a request for reconsideration is received after a denial, it should be sent to the Board <u>if</u> the request is accompanied by some documentation establishing that a factor(s) other than "free will" prevented usage by the beneficiary. The reconsideration request should be accompanied by a cover memo that summarizes the background/history of prior extensions, if any, and includes supporting documentation related to same. | | | If a request for reconsideration is received after a denial, it should be sent to the Board. |
| Approved Extension Time Period | 2 Years | 2 Years | 1 Year Increments | 2 Year "Final" Extension | Extension years for active duty will be granted on a one-to-one basis |

* If a request is received on a plan where a one year courtesy extension was granted internally per Manager Discretion, it should be handled as if no previous extensions have been granted.
 ** If Usage was not possible due to disability and no further extensions are available, A.O. should be advised of right to receive a Disability Refund.

c. Benefit Extension Requests to Permit a Beneficiary Change

The Matriculation Year of the new Beneficiary must be on or before the Expiration Year of the benefit period. The same factors and protocol for extension requests are utilized to determine whether to approve or deny an extension request.

d. Extensions for Processing

The benefits period may be extended by one year to permit sufficient time to receive additional documentation or permit processing in the following circumstances:

- i. Notification that the Account Owner or Beneficiary is deceased.
- ii. Receipt of a voluntary termination request requiring additional information.

(b) Time spent by the Beneficiary as an active duty member of the U.S. Armed Services while named as the Beneficiary of the Contract will be added to this period once evidence of military service is provided to the Board.

(c) On December 31st of the last year in the benefit period, the Contract shall be terminated and the Redemption Value will be escheated to the Florida Prepaid College Trust Fund.

1. Notification

7. The Board attempts to notify Account Owners that the benefit period is expiring and the Redemption Value will be escheated on December 31st.

a. 1-Year Notice

8. Each December, the Program provides a 1-Year Notice to Account Owners with a Plan set to expire the following December 31st. The 1-Year Notice provides instructions for requesting a refund of the Redemption Value or donating that refund to the Foundation.

b. 1-Year Posting on Website

9. Beginning with the December that is one year prior to the expiration of benefits, the Program begins posting the name, city and state of the Account Owner on MyFloridaPrepaid.com. The website provides instructions for requesting a refund of the Redemption Value or donating that refund to the Foundation.

c. 60-Day Notice

10. Each October, the Program provides a 60-Day Notice to Account Owners with a Plan set to expire on December 31st. The 60-Day Notice provides instructions for requesting a refund of the Redemption Value or donating that refund to the Foundation.

2. Escheatment

On December 31st, expiring Plans are involuntarily terminated and the refunds are marked as escheated. A notification of escheatment is provided to the Account Owner.

3. Reversals

11. Before the escheatment is final and the Account Owner is not entitled to a refund pursuant to Section 1009.98(4)(k), Florida Statutes, the Board provides a grace period for Account Owners who respond to escheatment notifications after the escheatment processing. The following chart should be used to determine whether to approve or deny a reinstatement or refund request.

| 2016 Escheatment Reversal Protocol | |
|------------------------------------|---|
| Time Since Date of Escheatment | Approved Actions |
| ≤ 1 Year | <ul style="list-style-type: none"> • Verify if plan may be extended (See 2016 Extension Request Protocol above) • Add the account number to the weekly list of Approved Escheatment Reversals and send the Forward to Board Letter • Process the Reinstatement & Extension on the plan (once the refund status has been changes from P to H) • Send a Usage Statement |
| ≤ 2 Years | <ul style="list-style-type: none"> • Confirm that notarized request has been received, request from account owner if not on file • Add the account number to the Approved Escheatment Reversals list and send the Forward to Board Letter • Process the Reinstatement & Voluntarily Cancel the plan once reinstated (once the refund status has been changes from P to H) |
| > 2 Years | <ul style="list-style-type: none"> • All requests are to be automatically denied without Board approval • Submit an SLR to send a manual letter to the account owner to advise of the denial |

Section 8

ACCOUNT CHANGES

8.01 General.

Unless otherwise provided herein, all Contract changes must be in writing, signed by the Account Owner, and received by the Board. The Board is not responsible for the validity of documentation related to Contract changes. If acceptable to the Board, Contract changes will take effect as of the date a change is processed by the Board.

8.02 Change of Beneficiary.

(a) The benefits and rights of the Contract or Plan may be transferred to an eligible substitute Beneficiary by submitting a Notarized Request. Any such request must verify that the proposed substitute Beneficiary: (1) is a Member of the Family of the original Beneficiary; and (2) meets the Residency requirement at the time of substitution.

1. No Address Specified

If the Beneficiary's address fields are left blank on the Notarized Request, then the Account Owner's address is used.

(b) If the Matriculation Year for the substituted Beneficiary is more than three years before or after the Projected College Enrollment Year, the Board may assess a payment at a level determined necessary to ensure the actuarial soundness of the Program.

(c) A change of Beneficiary does not affect when the Plan benefits will expire pursuant to paragraph 7.10.

(d) A Plan only may be transferred to another prepaid contract for which the account owner of that prepaid contract could, notwithstanding the age of the recipient Beneficiary, purchase the same plan type during an Open Enrollment Period.

8.03 Change of Account Owner.

(a) Ownership of the Contract may be transferred to a new Account Owner by submitting a Notarized Request. Any such request must also be signed by the person who will become the new Account Owner.

1. Terminated Account

A change of Account Owner may be performed on a terminated account.

(x) To effectuate a change in Contract ownership after the death of the Account Owner, the Survivor will be required to submit to the Board a copy of the death certificate or other proof of death that is acceptable to the Board and a Request including the notarized signature of the Survivor.

(x) If the rights of the Beneficiary allow and either no Survivor was designated or the Survivor predeceased the Account Owner, then the Beneficiary may effectuate a change in ownership of the Account after the death of the Account Owner. The Beneficiary will be required to submit to the Board certified copies of the death certificate or other legally recognized proof of death of the Account Owner and, if applicable, of the Survivor that is acceptable to the Board and a change of ownership Request including the notarized signature of the Beneficiary or, if applicable, the Parent acting in a custodial capacity pursuant to 3.02.

(x) To effectuate a change in ownership of the Account after the death of the Account Owner where no rights of survivorship exist, the Board will accept: (1) a court order; (2) a notarized, written request from the personal representative of the Account Owner's estate, a copy of the death certificate of the Account Owner and letters of administration issued to the personal representative; or (3) other documentation acceptable to the Board to effectuate the requested change.

2. *Death of Account Owner Without Successor Survivor or Beneficiary*

The following protocol applies:

| Question: Has an estate been opened? | | | |
|---|---|--|--|
| YES | | NO | |
| <p>Letters of Administration (LOA)</p> <p>1.) The LOA has to be certified by Court and have a "certified" stamp from the Probate Division.</p> <p>2.) The certified copy of LOA has to be dated within 90 days of signature of the request.</p> <ul style="list-style-type: none"> If the LOA issue date is outside of the 90 day window, the FPCP needs to receive a certified copy of the LOA. If the estate is closed or the personal representative has been discharged, the requestor has to contact the attorney who handled the estate to re-open the estate. If the refund value is less than \$3,000.00, a Deceased Account Owner Information Form must be mailed to the requestor and the request may be processed via stipulation and release form or joint stipulation and release form (J/S). The J/S will include a sworn attestation clause requiring notarization. For LOA received from states other than Florida, ISI should request an "attorney letter" from the attorney representing the estate stating that the personal representative has the authority to act in the manner requested. The attorney letter should be dated within 90 days of the signature of a given request. | <p>Order of Summary Administration (OSA)</p> <p>1.) A copy of the OSA has to be certified and certification date must fall within 90 days of signature of the request.</p> <p>2.) The OSA has to address the FPCB Prepaid or 529 Investment plan with specific instructions.</p> <ul style="list-style-type: none"> If the OSA issue date is outside of the 90 day window the FPCP needs to receive a certified copy of the OSA. If the OSA does not specifically mention the plan, the OSA needs to be amended. If the OSA is not specific or if the estate is closed, it needs to be re-opened and amended. | <p>If the refund value is \$3,000.00 and above, an estate must be opened.</p> <ul style="list-style-type: none"> When a deceased Account Owner owns multiple contracts, the combined refund value of all contracts needs to be considered. When a deceased Account Owner owns multiple contracts and the beneficiary of one of the contracts wants to become the Account Owner of his/her contract, only the refund value of his/her contract needs to be considered. If the refund value for this contract is less than \$3,000.00, the request may be processed using a Stipulation or Joint Stipulation. | <p>If the refund value is less than \$3,000.00 a Deceased Account Owner Information Form must be mailed to the proposed new Account Owner as the COP/DOP request may be processed via Stipulation or Joint Stipulation and release form (J/S).</p> <ul style="list-style-type: none"> The J/S will include a sworn attestation clause requiring notarization. If the request is processed via a J/S, the COP/DOP form does not have to be returned to the requestor to correct an incomplete notary section as long as all necessary information is included on the form (because the J/S will be required to contain a sworn & notarized attestation for all parties to the J/S, including the requestor). |
| <p><i>Note: If Letters of Administration were previously accepted on a related plan, the above steps have to be followed. LOA do not have perpetual existence and a Personal Representative can be discharged if an estate closes, so it can never be assumed that LOA previously accepted will remain valid indefinitely. When sending information regarding the processing of a COP/DOP request to the FPCB, the information for all related plans/contracts needs to be included.</i></p> | | | |

(b) If the person who will become the new Account Owner already has an active contract for the same Beneficiary, all Plans within this Contract will be irrevocably transferred to the new Account Owner's existing prepaid contract. Unless the Notarized Request specifies otherwise, the Survivor designation on the transferred Plan(s) will remain in effect. This transfer does not constitute a termination.

8.04 Designation of Survivors.

If a Contract or Plan does not have a Survivor, the Account Owner may designate one by submitting a signed request with the full legal name, Social Security Number, and complete contact information for the Survivor to the Board.

1. No Address Specified

If the Survivor's address fields are left blank on the signed request, then the Account Owner's address is used.

8.05 Change of Survivors.

(x) Survivors may be changed or removed by submitting a Notarized Request. The Survivor may not be changed by will or codicil.

(x) To effectuate a change in Survivor due to the death of the Survivor, if the Account was established on or after February 1, 2009 or if the Account Owner and Survivor had elected to have the Account subject to the requirements applicable to Accounts established on or after February 1, 2009, the Account Owner will be required to submit to the Board a certified copy of the death certificate or other legally recognized proof of death that is acceptable to the Board and a change/removal of survivor request including the notarized signature of the Account Owner.

1. No Address Specified

If the Survivor's address fields are left blank on the Notarized Request, then the Account Owner's address is used.

8.06 Application Corrections.

(a) The Account Owner of a Plan for which a payment is not yet due pursuant to paragraph 4.01 may submit a signed request to: (1) Change the Plan type selected on the Application; (2) Change the payment option selected on the Application; or (3) Terminate the Plan(s) selected on the Application, provided no payments have been received.

(b) Additional fees or payments may be assessed.

(c) Under no circumstances will the Board consider an upgrade of any Plan after the official change period.

8.07 Downgrade.

(a) A 4-Year Florida University Plan, 2 + 2 Florida Plan, 4-Year Florida College Plan, 2-Year Florida College Plan, and 1-Year Florida University Plan only may be changed to one of those Plans which was offered at the time of purchase for a lower cost for the same payment option. For this calculation, Plans may not be aggregated.

(b) The Tuition Plans, Tuition Differential Fee Plans and Local Fee Plans may only be changed to one of those Plan types which was offered at the time of purchase for a lower cost.

(c) A Dormitory Plan may be changed to another Dormitory Plan which provides for prepayment of fewer semesters of Dormitory Fees.

(d) Requests to downgrade a Plan must be received prior to the Beneficiary using Plan benefits.

(e) A downgrade may result in an overpayment refund

1. Calculation of a Downgrade:

- a. New Plan Total = New Payment Amount multiplied by the New Number of Payments
- b. New Balance Due = New Plan Total minus Total Amount Received
- c. New Number of Payments Made = Total Amount Received divided by New Payment Amount
- d. Next Payment Due Date = New Number of Payments Made minus Number of Payments Required to be Made as of Plan Change Date

8.08 Effect of Downgrade.

(a) Downgrade to the 2 + 2 Florida Plan for a Beneficiary automatically downgrades the Dormitory Plan to four semesters. Downgrade to the 4-Year Florida College Plan or 2-Year Florida College Plan for a Beneficiary terminates the Dormitory Plan.

(b) Downgrade to the 2 + 2 Tuition Plan for a Beneficiary automatically downgrades the Dormitory Plan to four semesters. Downgrade to the 2-Yr FL College Tuition Plan for a Beneficiary terminates the Dormitory Plan.

(c) Downgrade to the 2 + 2 Tuition Plan for a Beneficiary automatically downgrades the TDF Plan to a 2 + 2 TDF Plan. Downgrade to the 2-Yr FL College Tuition Plan for a Beneficiary terminates the TDF Plan.

(d) Downgrade of a Tuition Plan automatically downgrades the Local Fee Plan to the same Plan type as the Tuition Plan.

8.09 Restoration.

A Plan without usage may be restored to a previous Plan type or payment schedule within 180 days of downgrade by paying all applicable reinstatement fees, any delinquent amounts owed on the Plan and any amounts previously refunded to the Account Owner.

1. Authorization

Anyone may request a restoration online, in writing, or over the phone or may submit the funds necessary to restore one or more Plans, but the Account Owner retains all rights related to ownership and control of the Plan(s) restored.

2. Limitation

The Plan may be restored to either the same Plan type or payment schedule (or any Plan type or payment schedule to which he/she could have downgraded to even if that Plan type or payment schedule was not originally selected at purchase) than the Plan type or payment schedule maintained at any point during the past 180 days.

3. Plans with a Payoff

When a Plan with a payoff was downgraded and is now being restored, the restoration will apply the same payoff attributes when calculating the total amount due for a restoration request.

4. Time to Submit Payment

Upon approval of a restoration request, the Account Owner has until the last day of the month which is 2 months from the date of the restoration request. (Example: If the date of the restoration request is May 15th, then the due date for the payment is July 31st).

a. Grace Period for Payment

A grace period of 20 days (i.e., until the next month's payment date) is permitted in order to receive and process the funds.

b. De Minimis Exception

The restoration will be honored for payments short by \$10.00 or less than the amount due. The Account Owner will be notified that he/she must pay the shortage.

5. Grace Period for Restoration Request

To accommodate hardships and special circumstances, the time to request a restoration may be extended for the following reasons:

a. Time

The time to submit payment may be added to the 180-day period (i.e., treat the request as being received on the 180th day and give until the last day of the month which is 2 months from the date of the restoration request). No additional time will be granted to submit the payment (i.e., the time to submit payment is reduced by the amount of time the restoration request exceeds the 180-day period); however, the grace period of 20 days for payment will be honored.

b. Money

The time to request a restoration may be extended by the amount of time that the Account Owner has sufficient funds on the Plan (e.g., a refund on hold) to keep the desired Plan type or payment schedule current.

6. Denial

If a restoration request is received after the grace period for restoration requests, then the request is denied.

7. Audit Trail

The correspondence, communications, restoration payment amount, and restoration of the Plan must be captured in the audit trail. Restoration does not affect or remove the audit trail for the downgrade.

Section 9

TERMINATION, REFUNDS AND REINSTATEMENT

9.01 General.

Refunds will be made payable to the Account Owner only. The Board will issue a refund, if applicable, within 45 days of receipt of a valid request.

1. Clearing of Contribution Included in Refund

If the refund will be funded in part or whole by a recent contribution, then the refund will not be processed until the recent contribution has cleared for 10 days, if received by ACH, or 15 days if received by lockbox.

2. Non Valid Address (NVA)

If the address of the Account Owner is NVA, then the refund request is processed and the refund is held until an updated address is received. The Program will attempt to reach the Account Owner by phone or email for an updated address.

3. Refund Roster

A refund roster is produced semiweekly detailing each termination and refund processed for payment. For each type of termination or refund for each Plan, the following information will be provided

- a. Account Owner's name
- b. Account Owner's address
- c. Beneficiary's name
- d. Plan number(s)
- e. Plan type
- f. Payment type
- g. Termination fee
- h. Total fees
- i. Refund reason
- j. Refund amount
- k. Refund date

4. Stop Payment of Refund Check

The Program may stop pay a check for good cause shown (e.g., receipt of notice regarding a court order, divorce settlement or litigation; a processing or calculation error; or a change of address subsequent to the check issuance). The refund will be placed on hold.

5. Voiding of Refund Check

The Program may void any check returned to the Program or which has not cleared within 180 days. The refund will be placed on hold.

6. *Fraudulent Check Claim Processing*

If the Account Owner disputes the deposit and clearance of a refund check, then the Program will provide the Account Owner with a fraud packet from the issuing bank.

7. *Releasing a Check on Hold*

To receive a refund on hold, an Account Owner must submit the same authorization as required to initially generate that type of refund (e.g., an involuntary termination refund requires a Notarized Request while an overpayment refund requires a Request).

9.02 Voluntary Termination.

(a) A Contract or Plan may be terminated at any time and for any reason by submitting a Notarized Request.

1. *Voluntary Termination Letter*

Once all termination criteria have been met (e.g., the request has been properly notarized), the Board sends a Voluntary Termination Letter to confirm that the Plan(s) is being terminated.

a. Content

The Voluntary Termination Letter advises:

- i. the Account Owner and Survivor that the Plan(s) is being terminated;
- ii. the amount of the Redemption Value; and
- iii. the opportunity to reinstate with the same or downgraded Plan(s).

b. Timing

The Program provides the Account Owner and Survivor a Voluntary Termination Letter at least 5 Business Days before payment of the Redemption Value to the Account Owner to inform the Survivor of the Account Owner's action and permit the Account Owner time to rescind the termination request.

c. Quality Control

A sample size of 10% of all outgoing Voluntary Termination Letters (limited to a maximum of 5 termination letters per day) must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

d. Board Approval

The Board approves the Voluntary Termination Letter template annually.

2. *Exception for Zero Redemption Value*

Any Plan with a Redemption Value of \$0.00 may be terminated by the Account Owner with a signed request.

(b) The Account Owner will receive a refund for the Redemption Value.

1. Reduction for Usage

The first deduction in calculating the Redemption Value is the basis of any usage, which is calculated:

(Plan paid amount less any overpayment) x credit hours or semesters used

Credit hours or semesters purchased

If more than one type of credit hour was purchased, the ratio of the current average rates payable for those credit hours is used to determine the Plan paid amount for each type of credit hour.

2. Overpayment Included

Any overpayment amount on the Plan at time of termination is included in the Redemption Value after the reduction for usage and prior to the collection of outstanding fees.

3. Order of Collecting Outstanding Fees

The order for collecting outstanding fees is: termination fee, then unpaid NSF fees, then unpaid late fees, and then all other outstanding fee.

4. Limitation on Collecting Outstanding Late Fees

A maximum of \$70 in outstanding late fees per Plan will be deducted when determining the Redemption Value.

5. Transferring Redemption Value to Another Plan

An Account Owner may elect to transfer the Redemption Value to another Plan instead of receiving a refund.

9.03 Involuntary Downgrade or Termination.

(a) If the full amount of a payment is not received by the Board within 120 days after the first payment due date or within 210 days after any subsequent payment due date or if supporting information requested on the Application is not received by the Board within 120 days after the first payment due date, then the Board may: (1) where received payments for a Plan are sufficient to make the Plan current if the Plan is downgraded to a different Plan type and/or payment option, the Board may downgrade the Plan accordingly; (2) where received payments for a Contract are sufficient to make one or more Plans current if one or more Plans are downgraded to a different Plan type and/or payment option, the Board may downgrade the Plans within the Contract accordingly; or (3) terminate the Plan.

1. Involuntary Termination Letter

If an Account Owner has not taken sufficient action to resolve the outstanding issues within 30 days following the issue date of a Delinquency Letter advising that the Plan(s) will be involuntarily terminated, then the Board sends an Involuntary Termination Letter to confirm that the Plan(s) has been terminated.

a. Content

The Involuntary Termination Letter advises:

- i. the Account Owner and Survivor that the Plan(s) has been terminated;
- ii. the amount of the Redemption Value, if any, and how the Account Owner may receive the refund; and
- iii. the opportunity to reinstate with the same or downgraded Plan(s), if applicable.

b. Timing

The Program provides the Account Owner and Survivor an Involuntary Termination Letter at the time of termination to advise that the Plan(s) have been terminated and provide refund and reinstatement information.

c. Quality Control

A sample size of 10% of all outgoing Involuntary Termination Letters (limited to a maximum of 5 termination letters per day) must be reviewed for accuracy, correctness, conformity with the Board’s Brand and Style Guidelines, and overall quality.

d. Board Approval

The Board approves the Involuntary Termination Letter template annually.

2. Plans that Violate Program Rules

The Program may involuntarily terminate a Plan immediately under the following circumstances:

- a. The Plan causes the Beneficiary to violate the maximum number of credit hours or semesters permitted by the Program and the Plan cannot be downgraded to avoid the violation.
- b. A Tuition Differential Fee Plan is not associated with a 4-Yr University Tuition Plan or 2 + 2 Tuition Plan.
- c. A Dormitory Plan is not associated with a 4-Year Florida University Plan, 2 + 2 Florida Plan, 4-Yr University Tuition Plan or 2 + 2 Tuition Plan.

| If | Then | |
|---------------------|---|--|
| No dollars received | Terminate plan involuntarily and order letter | No signature of the account owner or Survivor is needed |
| Dollars received | a) Terminate plan involuntarily and order a manual letter (refund request needs to be included) b) dollars may be moved to a related plan for the same Beneficiary and processed as an | The request to transfer funds to a related plan does not need to be notarized. The funds may be transferred to a related account for the same Beneficiary or a different Beneficiary. Make sure that the account owner on the related plan is the same as the account owner on the originating plan |

| | | |
|---------------|--|---|
| | overpayment refund, if so requested by the account owner. Then terminate the plan involuntarily and order letter | If the account owner on the related plan to which the funds are to be transferred is different from the account owner on the originating plan, the request to transfer the funds has to be signed by the account owner and Survivor of the originating plan |
| COB requested | Process the COB if a notarized request is received | The account owner may either open up a new plan for a different Beneficiary or request processing of a COB – the notarized signature of both, the account owner and Survivor are needed to process the COB |

(b) To receive a refund of the **Redemption Value** for an involuntarily terminated Contract or Plan, a Notarized Request must be submitted to the Board.

1. Refund for Redemption Value

The refund calculation for an involuntarily terminated Plan is the same as the refund calculation for a voluntarily terminated Plan.

9.04 Effect of Termination.

(a) Termination of the 4-Year Florida University Plan, 2 + 2 Florida Plan or 1-Year Florida University Plan for a Beneficiary also automatically terminates any associated Dormitory Plan for the Beneficiary and the Contract. Termination of a 4-Year Florida College Plan or 2-Year Florida College Plan for a Beneficiary terminates the Contract.

(b) Termination of the 4-Yr University Tuition Plan or 2 + 2 Tuition Plan for a Beneficiary also automatically terminates any Tuition Differential Fee Plan, Local Fee Plan and Dormitory Plan for the Beneficiary and the Contract. Termination of a 2-Yr FL College Tuition Plan also automatically terminates any Local Fee Plan for the Beneficiary and the Contract.

9.05 Reinstatement.

(a) A Contract may be reinstated to good standing within 180 days of termination by reinstating the 4-Year Florida University Plan, 2 + 2 Florida Plan, 4-Year Florida College Plan, 2-Year Florida College Plan, 1-Year Florida University Plan, or Tuition Plan.

(b) A Plan may be reinstated to good standing within 180 days of termination by paying all applicable reinstatement fees, any delinquent amounts owed on the Plan and any amounts previously refunded to the Account Owner.

1. Authorization

Anyone may request a reinstatement online, in writing, or over the phone or may submit the funds necessary to reinstate one or more Plans, but the Account Owner retains all rights related to ownership and control of the Plan(s) reinstated.

2. Limitation

The Plan may be reinstated to either the same Plan type and payment schedule (or any Plan type or payment schedule to which he/she could have downgraded to even if that Plan type or payment schedule was not originally selected at purchase) than the Plan type or payment schedule maintained at any point during the past 180 days.

3. Plans with a Payoff

When a Plan with a payoff was terminated and is now being reinstated, the reinstatement will apply the same payoff attributes when calculating the total amount due for a reinstatement request.

4. Time to Submit Payment

Upon approval of a reinstatement request, the Account Owner has until the last day of the month which is 2 months from the date of the reinstatement request. (Example: If the date of the reinstatement request is May 15th, then the due date for the payment is July 31st).

a. Grace Period for Payment

A grace period of 20 days (i.e., until the next month's payment date) is permitted in order to receive and process the funds.

b. De Minimis Exception

The reinstatement will be honored for payments short by \$10.00 or less than the amount due. The Account Owner will be notified that he/she must pay the shortage.

5. Grace Period for Reinstatement Request

To accommodate hardships and special circumstances, the time to request a reinstatement may be extended for the following reasons:

a. Time

The time to submit payment may be added to the 180-day period (i.e., treat the request as being received on the 180th day and give until the last day of the month which is 2 months from the date of the reinstatement request). No additional time will be granted to submit the payment (i.e., the time to submit payment is reduced by the amount of time the reinstatement request exceeds the 180-day period); however, the grace period of 20 days for payment will be honored.

b. Money

The time to request a reinstatement may be extended by the amount of time that the Account Owner has sufficient funds on the Plan (e.g., a refund on hold) to keep the desired Plan type or payment schedule current.

6. Denial

If a reinstatement request is received after the grace period for reinstatement requests, then the request is denied.

7. Audit Trail

The correspondence, communications, reinstatement payment amount, and reinstatement of the Plan must be captured in the audit trail. Reinstatement does not affect or remove the audit trail for the termination.

9.06 Overpayment Refunds.

(a) An overpayment may result from: (1) a payment which overpays a Contract or Plan; (2) a payment received for a paid in full Contract or Plan; (3) a change of Plan type pursuant to paragraphs 8.06, 8.07, or 9.03; or (4) a payment received for a terminated Contract or Plan which does not have a current reinstatement authorization or is not eligible for reinstatement.

(b) Overpayments are applied to the Account Owner's Contracts which are not paid in full. If all of the Account Owner's Contracts are paid in full, a refund is available to the Account Owner for the overpayment amount.

1. Automatic Refund

Each week, the Program reviews Plans that are paid in full or terminated to determine whether any overpayment refund should be reapplied to a related Plan or refunded to the Account Owner.

a. De Minimis Exception for Automatic Processing

Amounts of \$10.00 or less that are refunded only at the Account Owner's request.

(c) If payments received for a Plan exceed the amount necessary for the Plan to be current, the Account Owner may request a refund up to the amount by which the Plan is paid in advance.

1. Authorization

The Account Owner may request a restoration online, in writing, or over the phone.

2. Overpayments Cannot Result in Delinquency

An overpayment refund cannot be processed if it will cause the Plan to become delinquent.

a. Exception for Payment in Error

If a payment was payable to a payee other than the Board and the Account Owner requests a refund, then an overpayment refund may be processed, even if it will cause the plan to become delinquent.

3. Audit Trail

The correspondence, communications, overpayment reason and overpayment amount must be captured in the audit trail. An overpayment refund does not affect or remove the audit train for the original payment(s).

9.07 Death or Disability.

(a) If the Beneficiary dies or is disabled, a refund is available for an amount not to exceed the average rates payable under the Beneficiary's Contract to a State University or a Florida College at the time of death or disability.

1. Credit Hours and Semesters Remaining

The amount of a death or disability refund equals the number of credit hours and semesters remaining on the Plan multiplied by the average rates payable for the type of the credit hours or semesters under the Beneficiary's Contract.

2. Minimum Refund

A death or disability refund shall not be less than the Redemption Value calculated as if the Plan was voluntarily terminated with a termination fee waiver.

3. Overpayment Included

Any overpayment amount on the Plan at time of termination is included in the death or disability refund prior to the collection of outstanding fees.

4. Order of Collecting Outstanding Fees

The order for collecting outstanding fees is: unpaid NSF fees, then unpaid late fees, and then all other outstanding fee.

5. Limitation on Collecting Outstanding Late Fees

A maximum of \$70 in outstanding late fees per Plan will be deducted when determining the Redemption Value.

(b) To request a refund due to the death of the Beneficiary, a Notarized Request must be submitted to the Board with a copy of the Beneficiary's death certificate.

(c) To request a refund based on the disability of the Beneficiary, a Notarized Request must be submitted to the Board with a letter from the Beneficiary's physician specifically stating that the Beneficiary's disability prevents the Beneficiary from attending an Eligible Educational Institution.

(d) No Termination Fee will be assessed.

9.08 Scholarship.

(a) If the Beneficiary attending an Eligible Educational Institution is awarded a Scholarship, including, but not limited to, the Florida Bright Futures Scholarship, which pays the same fees covered in the Plan(s), the Beneficiary may use the benefits of the Plan(s) at the Eligible Educational Institution or the Account Owner may request a refund, in semester installments coinciding with the matriculation by the Beneficiary, an amount not to exceed the current rates payable under the Beneficiary's Plan(s) to a State University or a Florida College.

1. Dual Enrollment

If a Beneficiary is dual enrolled in high school and college and is exempt from having to pay the college coursework, then the dual enrollment will be considered a scholarship to the extent of the college coursework taken.

2. Resident Assistant

If the Beneficiary functions as an RA (Resident Assistant) in one of the approved dormitories and is exempt from having to pay the dormitory fee, then the RA position will be considered a scholarship.

3. Enrollment at a U.S. Military Academy

If a Beneficiary attends a United States Military Academy and is exempt from having to pay for the college coursework, then the enrollment at a United State Military Academy will be considered a scholarship.

(b) The Beneficiary's receipt of a Florida Prepaid College Plan(s) from the Florida Prepaid College Foundation or other participating organization operating a scholarship program entitles the Account Owner to a Scholarship refund.

(c) The Account Owner may select between two refund options to utilize Contract benefits under this paragraph: (1) under the restricted refund option, the Board will refund the number of semester credit hours taken by the Beneficiary; or (2) under the unrestricted refund option, the Board will refund the number of semester credit hours of benefits corresponding to the applicable value of the scholarship, up to the total value of the Plan(s). The unrestricted refund option may cause the Plan(s) to deplete faster than if the restricted refund option was selected.

(d) Proof of the scholarship shall be given to the Board each semester, in the form of the institutional scholarship award notification and class schedule for the semester, and a signed, written request from the Account Owner.

(e) Refunds will be based on the order of benefits utilized pursuant to paragraph 7.07. No fees will be assessed for this refund.

1. Benefit Usage

To the extent covered by and payable under the Contract, the Tuition Differential Fee and Local Fee are included with the scholarship refund for Registration Fees.

9.09 Unused Contract Benefits; Withdrawal after Enrollment.

(a) If the Beneficiary does not use all the benefits available under the Plan that was purchased, a refund of the pro rata balance of the total amount paid for the Plan, minus any outstanding fees, may be requested.

(b) If the Beneficiary withdraws or is terminated from postsecondary enrollment during an academic term, the fees paid for that term will not be refunded.

9.10 Unavailable Dormitory.

(a) The Account Owner may request an unavailable dormitory refund if the Beneficiary: (1) attends an Eligible Educational Institution which offers dormitory rooms; (2) submits a timely housing application to the Eligible Educational Institution; and (3) is denied a dormitory room due to insufficient housing capacity. Proof from the Eligible Educational

Institution housing authority of the insufficient capacity shall be given to the Board each semester along with a class schedule for the semester, and a signed, written request from the Account Owner.

1. *Involuntary Denial of Dormitory Assignment*

For an Account Owner to receive an unavailable dormitory refund, the Eligible Educational Institution must have a reasonable opportunity to consider the Beneficiary for a dormitory assignment and then deny the Beneficiary a dormitory assignment. Not applying, unreasonably limiting dormitory options on the application, or denying a dormitory that does not meet the personal preferences or desired living standards of the Beneficiary or Account Owner do not meet the requirements for insufficient housing capacity.

2. *Proof*

The following documentation is proof from the Eligible Educational Institution housing authority of the insufficient capacity:

- a. Unavailable dormitory letter or email from the Eligible Educational Institution's administration to the Beneficiary indicating dormitory unavailability for the semester
- b. A screenshot of a secure website (i.e., Beneficiary is logged in) message indicating dormitory unavailability.

(b) If, as a result of the dormitory unavailability during the fall term, a Beneficiary enters into a contractual housing agreement which also covers the spring term, the Account Owner may request a refund for the spring term by submitting a copy of the contractual housing agreement, a class schedule for the spring term, and a signed, written request.

(c) The refund will equal: (1) for a Beneficiary enrolled at a State University, the average of the housing fees payable under the Beneficiary's Contract to that State University for approved dormitories for the semester during which housing is unavailable; or (2) for a Beneficiary enrolled at an Eligible Educational Institution other than a State University, the statewide average of an eligible double-occupancy, air-conditioned dormitory room payable under the Beneficiary's Contract.

(d) Where a State University does not offer a double-occupancy, air-conditioned dormitory room, the Board will refund the Account Owner the statewide average cost of an eligible double-occupancy, air-conditioned dormitory room payable under the Beneficiary's Contract.

1. *Branch Campus of the State University*

Where a branch campus of a State University does not offer a double-occupancy, air-conditioned dormitory room, the Board will refund the Account Owner the statewide average cost (not the average cost on the main campus) of an eligible double-occupancy, air-conditioned dormitory room payable under the Beneficiary's Contract.

(e) Under no circumstances will the Board consider an unavailable dormitory refund request where a Florida College does not offer a double-occupancy, air-conditioned room.

1. Limited to State Universities

Where an Eligible Educational Institution does not offer a double-occupancy, air-conditioned dormitory room, the Account Owner will be entitled to an unavailable dormitory refund only if the Eligible Educational Institution is a State University.

9.11 Account Owner Reimbursement.

If the Account Owner pays an Eligible Educational Institution for qualified higher education expenses otherwise payable by the Beneficiary's Plan(s), then the Account Owner may request an Account Owner reimbursement refund from those Plan(s). Proof of payment shall be given to the Board each semester, in the form of a receipt from the Eligible Educational Institution indicating the amounts charged and received, class schedule for the semester, and a signed, written request from the Account Owner. With respect to the benefits covered by each Plan, the amount reimbursed will be the lesser of: **(a)** the actual amount billed by and paid to the Eligible Educational Institution; or **(b)** the amount payable under the Beneficiary's Plan. No fees will be assessed for this refund.

9.12 Residency Fraud.

The Board may involuntarily terminate a Contract if it determines that fraudulent statements were used to establish the residency of an allegedly qualified Beneficiary. The termination fee for residency fraud will be assessed. To receive a refund of any remaining balance, a Notarized Request must be submitted to the Board.

9.13 Material Misrepresentation.

(a) If requested, the Account Owner will provide documentation verifying representations made on the Application or any document submitted by the Account Owner with respect to the Contract or Plan.

(b) If the Board determines that either the Account Owner or a prior Account Owner has made any material misrepresentations related to the Contract or Plan, the Contract or Plan may be terminated. Material misrepresentations include, but are not limited to, the Account Owner's Social Security Number; or the Beneficiary's Residency, Social Security Number, birth date, or age/grade at the time of the Application submission.

(c) If the Contract is terminated pursuant to this paragraph, a termination fee of up to \$250 or 100 percent of the amount paid for the Contract, whichever is less, will be assessed. To receive a refund of any remaining balance, a Notarized Request must be submitted to the Board.

Section 10

REPORTING

10.01 Annual Statements.

(a) The Board maintains separate records for each Contract and will provide to the Account Owner annual statements indicating the: (1) type of Plan(s) in the Contract; and (2) aggregate payments made to each active Plan in the Contract.

1. Annual Statement

Annually, the Program provides Account Owners with a summary of important information for each Contract.

a. Content

The Annual Statement includes:

- i. A description of the type of Plan(s) in the Contract;
- ii. A financial summary of the payments and fees received and outstanding for each Plan in the Contract, including the most recent payment amount and date for each active Plan in the Contract;
- iii. A benefit summary of the usage (total credits hours/semesters used and total dollars paid) and remaining benefits for each Plan in the Contract; and
- iv. A copy of, or hyperlink to, the Master Contract.

b. Timing

Annual Statements are provided by January 15th of each year.

c. Quality Control

A sample size of not less than 50 Annual Statements must be reviewed for accuracy, correctness, conformity with the Board's Brand and Style Guidelines, and overall quality.

d. Board Approval

Board approval is required before mailing the Annual Statements.

2. Account Statement

An Account Statement is an Annual Statement through the most recent Business Day. The Account Statement shall include a summary explaining why the Account Owner is receiving the Account Statement. Account Statements are provided upon:

- a. Request from the Account Owner, Survivor or Beneficiary;
- b. Waiver of any outstanding fees by the Program;
- c. Credit restoration on a Plan;
- d. Receipt of payoff or final payment for a Plan;
- e. Restoration or reinstatement of a Plan;
- f. Change of Account Owner, Survivor or Beneficiary; and
- g. Change of Plan type, payment option, or Plan price.

3. Online in Real-Time

At any time, an Account Owner, Survivor and Beneficiary may view online the most recent payment amount and date and outstanding fees for each active Plan in the Contract.

(b) Annual statements will not be provided to the Account Owner for any year where: (1) the Contract has been terminated; or (2) the Contract has no available benefits.

(c) Annual statements provide information on active Plans in the Contract. If a Plan is not displayed on an Account Statement, it was previously terminated.

(d) The Account Owner is responsible for reviewing each annual statement and for verifying the information contained on each annual statement. If the Account Owner fails to notify the Board in writing of any error on the annual statement within 60 days after the last day of the period to which the annual statement relates, the information pertaining to the Contract contained on the annual statement is deemed to be correct, the Account Owner will be considered to have approved the information contained on the annual statement and its inclusion on subsequent annual statements, and to have released the Board from all liability for any error contained on the annual statement.

10.02 Participation and Payment Schedule.

(a) The Board will provide to the Account Owner a Participation and Payment Schedule upon the acceptance of the initial Application to create a Contract.

(b) The Board will provide to the Account Owner a revised Participation and Payment Schedule upon: (1) the acceptance of an Application for the additional purchase of a Plan in the Contract; (2) an Application correction processed pursuant to paragraph 8.06; (3) a downgrade processed pursuant to paragraph 8.07 or 9.03; and (4) a restoration processed pursuant to paragraph 8.09. The Board may provide to the Account Owner a revised Participation and Payment Schedule upon any other change to a Contract or to confirm its records.

(c) The Account Owner is responsible for reviewing each Participation and Payment Schedule and for verifying the information contained on each Participation and Payment Schedule. If the Account Owner fails to notify the Board in writing of any error on the Participation and Payment Schedule within 60 days after the date of the Participation and Payment Schedule, the information pertaining to the Contract contained on the Participation and Payment Schedule is deemed to be correct, the Account Owner will be considered to have approved the information contained on the Participation and Payment Schedule and its inclusion on subsequent Participation and Payment Schedule, and to have released the Board from all liability for any error contained on the Participation and Payment Schedule.

10.03 Tax Treatment, Withholding and Reporting.

(a) The application and impact of tax law vary widely based upon the specific facts involved. The Account Owner and Beneficiary are strongly encouraged to consult a qualified tax advisor regarding the tax consequences of making payments to, or withdrawing money from, a Contract.

(b) Under proposed federal tax regulations, withdrawals from Contracts are not subject to back-up withholding. Accordingly, the Board does not withhold any portion of a withdrawal or refund for tax purposes.

(c) The Board will issue a Form 1099-Q to the Beneficiary for the calendar year in which a payment is made to an Eligible Educational Institution.

(d) The Board will issue a Form 1099-Q to the Account Owner for the calendar year in which a payment is made to the Account Owner for a scholarship, unavailable dormitory, death or disability termination, or Account Owner reimbursement refund.

1. Timing

The Form 1099-Q is mailed to the recipient with a postmark no later than January 31 of the year following the applicable tax year. The Form 1099-Q information also is provided to the IRS, in the electronic format specified by the IRS, by March 31st.

2. All Distributions

The Form 1099-Q is issued for any payment, regardless of gain/loss, related to a:

- a. School invoice;
- b. Scholarship refund;
- c. Unavailable dormitory refund;
- d. Death or disability refund; or
- e. Account Owner reimbursement.

3. Calculation of Gain

a. Plan Not Paid in Full

When calculating the basis for any Plan benefits utilized during the tax year, the Plan balance as of the end (December 31st) of the tax year is used.

b. Loss

If the gross distributions are less than the allocated cost basis, the cost basis is reported as an amount equal to the gross distributions.

4. Non Valid Address

If the Beneficiary's address is invalid, then a letter will be sent to the Account Owner accompanied by the Form 1099-Q for the Beneficiary.

5. Corrections

Corrections to Form 1099-Q are produced no later than April 1st to report corrections for the previous year. Any corrections received for a previous tax year after April 1st will be reported the following tax year.

10.04 Electronic Reporting.

(a) The primary method for providing correspondence is online access at www.myfloridaprepaid.com. E-mail may be used to provide notifications of the availability of electronic statements and other Program information.

(b) For statements issued pursuant to Paragraphs 10.01 and 10.02, the Program may request the recipient to affirmatively consent to receive the statements in electronic format. The consent applies to statements furnished every year after the consent is given. The recipient may withdraw his or her consent at any time by submitting a Request. If consent is withdrawn, the Program will confirm the withdrawn consent in writing and the effective date, which will not exceed 60 days, when future statements will be furnished on paper. If the recipient does not consent, the statement will be furnished on paper.

(c) The Program retains the right to provide any or all statements and correspondence on paper instead of electronically without notice.

10.05 Reporting to State and Federal Agencies.

The Program may report Contract information to state and federal agencies to comply with state and federal law and to administer the Program.

Section 11

OTHER INFORMATION ABOUT ACCOUNT

11.01 Actual Receipt by Board Required.

All requests and authorizations are effective only upon actual receipt by the Board and after a reasonable processing time.

11.02 Additional Fees.

State Universities and Florida Colleges may charge fees in addition to Registration Fees, the Tuition Differential Fee, Local Fees and Dormitory Fees. The Beneficiary will bear the cost of any such additional fees including, but not limited to, application fees, books, laboratory fees, distance learning course fees, State University technology fees, meal plan fees, transportation, and security deposits.

11.03 Amendments.

The Account Owner agrees to be bound by any amendments that the Board may make to the Master Contract. Notification of such amendments may be made via www.MyFloridaPrepaid.com.

11.04 Assignment or Transfer.

Except as specifically provided in this Master Contract, the Account Owner may not assign or transfer the Contract, nor any interest, rights, or benefits in the Contract.

11.05 Binding Nature; Third-Party Beneficiaries.

(a) The Contract shall survive the death of the Account Owner (or sale, liquidation, bankruptcy or receivership in the case of an Account Owner that is an entity) and shall be binding upon the Account Owner's personal representatives, legal representatives, heirs, successors and assigns.

(b) This Contract is not intended to, nor does it, confer any benefit or legal rights upon any third-party Beneficiary. The individual designated as the Beneficiary of a Contract has no independent claim, right or access to any funds in a Contract solely related to such designation.

11.06 Communications.

(a) The Contract supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Contract.

(b) If a provision of the Contract conflicts with any prior or subsequent oral or written communication, the Contract provision will govern.

11.07 Creditors.

This Master Contract is not a debt instrument. Pursuant to Sections 222.22 and 732.402, Florida Statutes, Contracts are exempt from the claims of creditors. Neither monies paid into the Program nor benefits accrued through the Program may be pledged for the purpose of securing a loan.

11.08 Disclaimers.

Nothing in the Contract will be construed as a promise or guarantee by the Board or the State of Florida that a Beneficiary (a) will be admitted to a particular State University or Florida College, (b) will be allowed to continue to attend a State University or Florida College after having been admitted, (c) will graduate from a State University or Florida College, (d) will be admitted to a particular dormitory, (e) will be allowed to continue to reside in a dormitory after having been admitted, or (f) will not be subject to fees imposed by State Universities or Florida Colleges, which are not specifically described in the Contract.

11.09 Discontinuation of Program.

In the event that the State of Florida determines the Program to be financially infeasible, the State may discontinue the Program. Any Beneficiary who has been accepted by and is enrolled or is within 5 years of enrollment in an eligible independent college or university or state postsecondary institution shall be entitled to exercise the complete benefits for which he or she has contracted. All other Contract holders shall receive a refund of the amount paid in and an additional amount in the nature of interest at a rate that corresponds, at a minimum, to the prevailing interest rates for savings accounts provided by banks and savings and loan associations.

11.10 Disputes.

Any controversy or claim arising out of or relating to the Contract, or the breach, termination or validity thereof, shall be resolved in an administrative proceeding conducted pursuant to the provisions of Chapter 120, Florida Statutes.

11.11 Headings.

The heading of each section, paragraph and provision in the Terms and Conditions shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provision.

11.12 Hold Harmless.

If (1) a Plan is voluntarily terminated or if the Plan benefits are exhausted and (2) the total amount paid under the Plan by the Board to any and all recipients is less than the amount paid for the Plan by the Account Owner, then the Account Owner may request a refund for the difference between (a) the total amount paid under the Plan by the Board to any and all recipients and (b) the amount paid for the Plan by the Account Owner.

11.13 Improper Action by Account Owner Acting in Custodial Capacity.

Neither the Board nor the Program will be liable for any consequence related to an action taken by an Account Owner acting in a custodial capacity which is an improper use, transfer, or characterization of custodial funds.

11.14 Indemnification.

(a) Neither the Board nor the Program will indemnify any Account Owner, Survivor or Beneficiary against losses or other claims caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, terrorism, strikes, changes in federal or state law (including tax law) or other conditions beyond their control.

(b) The establishment of the Account will be based upon the Account Owner's agreements, representations and warranties set forth in this Master Contract and the Application. The Account Owner agrees to indemnify and hold harmless the Board, any vendors, contractors, investment advisors, investment consultants or investment managers selected by the Board, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by the Account Owner herein or otherwise with respect to the Account, and any breach by the Account Owner of any of the agreements, representations or warranties contained in this Master Contract or the Application.

(c) All of the Account Owner's acknowledgements, agreements, representations and warranties shall survive the termination of this Master Contract.

11.15 Interpretation and Venue.

This agreement is to be interpreted under the laws of the State of Florida. Venue for any proceeding arising from or related to this agreement is in Leon County, Florida. All appeals shall be to the First District Court of Appeal of Florida.

11.16 Losses.

Neither the Board nor the Program shall be liable for any losses or failure to perform its obligation under this Contract caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war, terrorism, strikes, power outages, or any other condition or occurrences beyond the control of the Board or Program.

11.17 Necessity of Qualification.

(a) The Program is intended to be a Qualified Tuition Program. The Board may make changes to the Program and this Master Contract at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 of the Code or any similar successor legislation.

(b) The Account Owner agrees to be bound by any such changes.

11.18 Privacy and Account Confidentiality.

(a) Information that identifies the Account Owner or Beneficiary of any Contract is confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution.

(b) The Board may authorize the release of such information to a Florida College System institution, college, or university in which a Beneficiary may enroll or is enrolled.

11.19 Program Changes.

The Board reserves the right to make changes or enhancements to the Program at any time. Account Owners who have purchased Plans prior to the time an enhancement is made available, may be precluded by federal tax law from participating in such enhancement.

11.20 Securities Status.

In response to a request by the Board, the Securities and Exchange Commission issued a “No Action” letter on September 12, 1990 determining that sales of Contracts as then authorized by the Florida Statutes, Board rules, and the terms of this Master Contract, are not subject to the enforcement provisions of the securities laws of the United States.

11.21 Severability.

In the event that any clause or portion of the Contract is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Contract and the remainder of the Contract will remain in full force and effect.

11.22 State Guarantee.

Section 1009.98(7) and (8), Florida Statutes, requires the State to agree to meet the obligations of the Board to Beneficiaries if monies in the fund fail to offset the obligations of the Board and requires the Legislature to appropriate to the Florida Prepaid College Trust Fund an amount necessary to meet the obligations of the Board to Beneficiaries.

11.23 Statute and Rules.

(a) The Contract and this Master Contract are subject to future changes to the Program, Part IV Chapter 1009, Florida Statutes, as amended, and to Rule 19B-16, Florida Administrative Code (or any similar successor rule), as amended.

(b) All transactions and changes of the Contract are subject to such rules and policies as the Board may adopt in accordance with federal law and Florida law.

(c) All references in this Master Contract to the Florida Statutes include any similar successor statutes.

(d) The Account Owner agrees to be bound by any such changes, policies, rules, and statutes.

11.24 Tax Status.

The Program is a Qualified Tuition Program under Section 529 of the Code. Generally, there are no income tax ramifications to the Account Owner or Beneficiary until Contract or Plan benefits are received. When benefits are received and used to pay qualified higher education expenses, pursuant to Section 529 of the Code, the Contract or Plan benefits received in excess of the allocable portion of the amount paid for the Contract or Plan will not be considered income to the Beneficiary. Generally, payments to the Program are treated as a completed gift from the Account Owner to the Beneficiary, at the time of purchase. The Account Owner is subject to federal income tax on the earnings portion of a scholarship or death or disability refund and the IRS requires the Board to issue a Form 1099-Q to the Account Owner for the calendar year in which such a refund is issued. The application and impact of tax laws vary widely based upon the specific facts involved. Accordingly, this information is not intended to serve as legal, accounting, financial or tax advice. Account Owners and Beneficiaries should consult their professional tax advisor(s).

11.25 Unclaimed Refunds.

Any unclaimed refunds for terminated Contracts and any unclaimed credit balances shall escheat to the Florida Prepaid College Trust Fund seven years after the date the Contract or Plan was terminated or such amounts became unclaimed, respectively.

1. Notification

The Board attempts to notify Account Owners that the unclaimed refund (i.e., a refund on hold) and credit balances will be escheated on December 31st.

a. 1-Year Notice

Each December, the Program provides a 1-Year Notice to Account Owners with an unclaimed refund or credit balance set to expire the following December 31st. The 1-Year Notice provides instructions for requesting a refund or donating the unclaimed refund or credit balance to the Foundation.

b. 1-Year Posting on Website

Beginning with the December that is one year prior to the escheatment of the unclaimed refund or credit balance, the Program begins posting the name, city and state of the Account Owner on MyFloridaPrepaid.com. The website provides instructions for requesting a refund or donating the unclaimed refund or credit balance to the Foundation.

c. 60-Day Notice

Each October, the Program provides a 60-Day Notice to Account Owners with an unclaimed refund or credit balance set to escheat on December 31st. The 60-Day Notice provides instructions for requesting a refund or donating the unclaimed refund or credit balance to the Foundation.

2. Escheatment

On December 31st, unclaimed refunds and credit balances held for at least seven years are marked as escheated. A notification of escheatment is provided to the Account Owner.

3. Reversals

Before the escheatment is final and the Account Owner is not entitled to a refund pursuant to Section 1009.98(4)(k), Florida Statutes, the Board provides a grace period for Account Owners who respond to escheatment notifications after the escheatment processing.

11.26 Verification.

The Board may require that any written documentation, request or any other actions the Board may designate from time to time, be verified under oath.

Section 12

OPTIONAL LIFE INSURANCE PROGRAM

12.01 Optional Life Insurance Program

The Program offers applicants and Account Owners the opportunity to enroll in an optional life insurance program. This life insurance is a dedicated-purpose group life insurance policy that was designed just for the Program and will pay off the outstanding balance on any covered Prepaid Plan in the event of the Account Owner's death. Optional life insurance is offered as part of, or upon submission of, the Application.

Section 13

CUSTOMER SERVICE

13.01 Availability of Customer Service Representatives

Customer Service is staffed with a sufficient number of customer service representatives who fluently speak English and Spanish to offer similarly short wait/processing times for both English-speaking and Spanish-speaking callers.

(a) Hours of Operations

Customer service representatives are available during the hours of 8:00 a.m. to 6:00 p.m., Eastern Time, Monday through Friday, excluding State holidays or during an emergency declared by the Governor pursuant to chapter 252, Florida Statutes.

1. Extended Hours During Enrollment Period

During the period beginning 14 days prior to an enrollment period and continuing until 14 days after the end of the enrollment period, live operators are available during the hours of 8:00 a.m. to 9:00 p.m., Eastern Time, Monday through Friday.

2. After-Hours Recording

Whenever Customer Service is not available, a recorded message will be provided to callers advising them about when to call back for information about the Program or their Account.

(b) Call Back Services

Potential and existing customers may request a scheduled call or call back through any contact channel such as phone call, marketing website, Customer Portal, email, postal mail, etc.

(c) Audit Trail

Each contact (e.g., calls, incoming correspondence, and outgoing correspondence) with customer service shall be recorded in the audit trail for the Account.

(d) Scripts and Templates

Annually, the Board reviews and approves automated and customer service representative scripts and templates.

(e) Training

Quarterly training is provided to all customer service representatives to provide information about new or revised policies and procedures and to reinforce positive customer service.

(f) Investment Advice

Customer Service representatives may not:

- (1) act as a broker-dealer on behalf of the Program;
- (2) provide investment advice to any person regarding the Program; or
- (3) sell any participation interest in the Program.

13.02 Call Center

(a) Customer Service Structure

1. Toll-Free Telephone Line

The Board has a toll-free number, 1-800-552-GRAD(4723), for customer service of the Board's Programs.

2. English or Spanish

At the beginning of the call, callers are offered the option to continue in English or Spanish.

3. Information About a New Contract or Plan

Callers seeking information about a new Contract or Plan are connected with a customer service representative.

4. Information About an Existing Contract or Plan

Callers seeking information about an existing Contract or Plan are offered the option to utilize an automated service or a customer service representative. The automated service permits the caller to:

- a. Make a payment on a Plan;
- b. Hear the next payment due date for a Plan;
- c. Check the last payment amount and date made on a Plan; and
- d. Confirm the account balance of a Plan.

5. Information About the Optional Life Insurance

Callers seeking information about a new or existing Optional Life Insurance policy are forwarded to the Service Provider offering the Optional Life Insurance Program.

(b) Customer Service Operations

1. Professionalism

Each phone call shall be answered in a professional and friendly manner.

2. Verification of Caller's Identification

The Program employs industry best practices for caller identification. Currently, a caller is requested to provide his or her address, phone number and Social Security Number for verification purposes.

3. Initial Call Resolution

A caller's inquiry or request is answered on the initial call whenever possible. If the inquiry or request cannot be answered on the initial call, the caller will be contacted by the end of the next Business Day with an answer to his or her inquiry or request after further research has been accomplished.

4. Caller Requesting the Board Office

If the caller is asking to speak with a member of the Board or Board staff: 1) to reverse a decision made by the Program and a supervisor is unable to address the caller's issue; or 2) in reference to correspondence being handled by Board staff, then the caller should be advised that their request will be forwarded to the Board for a callback and then Board staff should be informed of the situation and the caller's information.

(a) Standards

On a daily basis, 80% of calls must be answered within 90 seconds and 98% of calls must be answered within 180 seconds.

(b) Monitoring

On a weekly basis, at least three phone calls per customer service representative are monitored or reviewed for Program knowledge, communication skills, and timely and efficient customer service to ensure a high level of professional service.

(c) Reporting

A weekly call statistics report is generated documenting daily figures for:

- (1) the number of calls received;
- (2) the average wait time;
- (3) the number of calls answered;
- (4) the average talk time;
- (5) the number of calls abandoned;
- (6) the number of call backs required; and
- (7) the number of callbacks resolved.

13.03 E-Mail

The Program receives e-mail correspondence through the Program website and in response to correspondence.

(a) Retention

All e-mail correspondence and attachments and responses are stored electronically. If an Account number can be reasonably identified directly or through a search based on the e-mail address or e-mail content, then the e-mail correspondence and attachments and responses are retained in the same location and manner as incoming correspondence.

(b) Standards

All e-mails are responded to within one Business Day of receipt.

(c) Monitoring

On a daily basis, ten percent of e-mail activity (maximum of 10 e-mails) are reviewed for Program knowledge, communication skills, and timely and efficient customer service to ensure a high level of professional service.

(d) Reporting

A weekly e-mail statistics report is generated documenting daily figures for:

- (1) the number of emails received;
- (2) the number of emails responded to; and
- (3) the average response time.

13.04 Incoming Correspondence

The Program receives paper correspondence through PO Boxes and facsimile (fax).

(a) Date and Timestamp

All incoming correspondence is date stamped, scanned, reviewed, indexed, and logged/noted in the database upon opening.

(b) Retention

All incoming correspondence is stored electronically. If an account number can be reasonable identified directly or through a search based on content in the incoming correspondence, then the incoming correspondence and attachments and responses are retained electronically in a database searchable by the account number.

(c) Standards

All incoming correspondence is processed and responded to within two Business Days of receipt.

1. Exception for Cancellations and Eligible Educational Institution Invoices

Incoming correspondence that includes a request to process a cancellation or process a payment to an Eligible Educational Institution are processed and responded to within five Business Days of receipt.

2. Exception for Pending Incoming Correspondence

Incoming correspondence that cannot be processed within the standard time may be “pended” for a time-frame deemed reasonable according to the valid pending reason. The time period and reason for pending the incoming correspondence. Incoming correspondence may be pended for the following reasons:

- a. Forwarding to the Board for research or approval;
- b. Waiting for additional correspondence from the Account Owner, Survivor and/or Beneficiary;
- c. The action requires a Transmittal Request;
- d. The incoming request specifies a later date or instructs a delay in processing (e.g., processing a change of address on a certain date);
- e. Waiting for a payment to post or a payment to clear posting; or
- f. Correspondence requiring next year’s contract prices or Eligible Educational Institution rates to be loaded.

(d) Monitoring

On a daily basis, ten percent of completed incoming correspondence (maximum of 10 pieces per reasonable category of incoming correspondence) and twenty percent of all pended correspondence (maximum of 10 pieces per reasonable category of incoming correspondence) are reviewed for Program knowledge, communication skills, and timely and efficient customer service to ensure a high level of professional service.

(e) Reporting

A weekly incoming correspondence statistics report is generated documenting daily figures for:

- (1) the amount of incoming correspondence received by category;
- (2) the amount of incoming correspondence processed by category;
- (3) the amount of incoming correspondence pended by category; and
- (4) the average processing time.

13.05 Board Correspondence

(a) Definition

Board Correspondence means any correspondence, regardless of medium, that:

- (1) Requests relief from the procedures and policies of the Program by filing a petition with the Executive Director of the Board or by filing a petition for a waiver or variance of a Board rule pursuant to Section 120.542, F.S. The petition must contain:
 - a. the name and address of the person requesting relief;
 - b. the specific nature of the relief requested;
 - c. the name and address of any Account Owner or Beneficiary on any disputed Contract or Plan (if applicable);
 - d. the Contract or Plan account numbers of the Contract or Plan in question;
 - e. the rule or policy from which the petitioner is requesting relief;
 - f. the date of request; and
 - g. the signature of the petitioner.
- (2) Copies the Governor, a Congressman, Senator, State Representative or other public official;
- (3) Copies a reporter or media outlet;
- (4) Copies a member of the Board or Board staff;
- (5) Relates to court orders and legal matters; or
- (6) Involves a topic or issue not sufficiently addressed by the Program Governance Documentation or procedures.

13.06 Marketing Correspondence

Potential customers may request printed marketing materials, including the Application, Master Contract, Program Description and Participation Agreement, and the Savings Guide. Customer Service records the contact information for the potential customer for future reporting purposes and forwards batched requests to the Board's fulfillment Service Provider daily.

13.07 Outgoing Correspondence

Depending on the preferences of the Account Owner, Survivor and Beneficiary, the Program sends outgoing correspondence electronically or by mail.

(a) Retention

All outgoing correspondence is stored electronically in a database searchable by the account number.

(b) Standards

All outgoing correspondence is produced and sent within one Business Days of request by a person or system.

(c) Returned Correspondence / Non-Valid Address (NVA)

When mail is returned by the Post Office due to an invalid address, the Program will make an attempt to obtain a current address; however; if an update is not available, the Account Owner, Survivor, or Beneficiary address is notated with an "NVA" (non-valid address). Once an address has been marked as invalid, there is no further correspondence issued on the plan until a valid address is obtained.

(d) Monitoring

On a daily basis, a sample of every letter type is reviewed for accuracy, quality, and consistency with the Program's brand and style guide.

(e) Reporting

A weekly outgoing correspondence statistics report is generated documenting daily figures for the amount of outgoing correspondence sent by category.

Section 14

TRAINING

14.01 Security

All individuals working on behalf of the Program must complete periodic (not less than semiannual) training related to data protection, privacy and security. This training helps to ensure that individuals with access to program data are aware of risks and protection measures.

[Supplement with additional forms of training (e.g., customer service, operations cross-training, and external training).]

Section 15

REPORTING TO THE BOARD

15.01 Other Reporting Required by the Board.

Supplementing the foregoing reporting requirements in the Master Contract and any other reports specifically identified throughout these Business Rules, additional reports will be provided to the Board relating to required Audits or Quality Reviews, Plans required under the Records Administration Contract, Performance Reports, and Reconciliation Reports. Such additional reports will include, but may not be limited to, the following:

1. Audit Reports

- a. System Audit (External Vulnerability)
- b. Security Audit
- c. SSAE 16 Audit
- d. NACHA Audit (National Automated Clearinghouse Association Audit)
- e. Payment Card Industry Data Security Standard, Report on Compliance
- f. Internal Audit

2. Required Plans

- a. Security Plan*
- b. Business Continuity Plan*
- c. Transition Plan*
- d. Internal Audit Plan*
- e. Quarterly Training Plans

** At least annually, the Contractor shall review and update these plans, as needed, and provide a detailed report of all changes.*

3. Performance Reports

- a. Operations Performance Report
 - i. Correspondence Processing/Tracking
 - ii. Call Center Report for enrollment and existing customers
 - iii. Annual Service Calls Per Account
 - iv. Customer Service Weekly Statistics
 - v. Weekly Production Report - Performance Objectives & Notes
- b. Enrollment Reports
 - i. Comparison (year-over-year) by day and week
 - ii. Application Reconciliation Worksheets
 - iii. Daily Receipt Log
- c. Finance Department Performance/Activity Report
- d. System Performance Report

- e. Exception Payment Posting Report
- f. Prepaid Program Monthly Statistics
- g. Weekly Foundation Survey
- h. Paid-in Full Report
- i. Purchase and Participation Report
- j. Foundation Quarterly Contract Detail Report
- k. Other Performance Reports requested by the Board

4. Financial Reports

- a. Monthly Credit Restore Report
- b. Monthly and YTD Report of Funds Received From Customers
- c. Monthly Report showing ACH activity and NSF activity
- d. Suspense Report, Monthly and Since Inception (Payments that can't be applied)
- e. Monthly Summary Report of Payments made to Qualified Educational Institutions
- f. Monthly Report reflecting Overpayments on Prepaid Plans by Contract Year
- g. Plan Usage and Benefits Paid by Academic Semester or Term (including Summer)
 - i. Tuition
 - ii. Local Fee
 - iii. TDF
 - iv. Dormitory
- h. Monthly Report showing all plans (total pop.) by contract year and contract status
 - i. Tuition
 - ii. Local Fee
 - iii. TDF
 - iv. Dormitory
- i. Monthly Report of Plan Contract Prices by contract year and payment type
 - i. Tuition
 - ii. Local Fee
 - iii. TDF
 - iv. Dormitory
- j. Monthly Report of Payments Received from Customers
 - i. by contract year (or within a specified range of contract years)
 - ii. by plan type
 - 1. Tuition

2. Local Fee
3. TDF
4. Dormitory
- iii. by payment type
- k. Monthly Report of Refunds Paid By Plan Type and Contract Year
 - i. Tuition
 - ii. Local Fee
 - iii. TDF
 - iv. Dormitory
- l. Monthly Report of Accounts that are Paid in Advance
 - i. by contract year (or within a specified range of contract years)
 - ii. by plan type
 1. Tuition
 2. Local Fee
 3. TDF
 4. Dormitory

5. Monthly Reconciliation Reports

- a. Plan Reconciliation and Account Balancing
- b. Revenue Reconciliation
- c. Expenditure Reconciliation
- d. Bank Reconciliation for Commercial and/or Custody Clearing

15.02 Reporting Scope

1. Data and information shall be available on a standard schedule in accordance with the Reporting Schedule.
2. Data and information shall be available based on parameters specified by the user.
3. Knowledge of the system(s), system tables, and/or data query language shall not be a requisite for the user to access standard or user defined data and information.
4. Data and information shall be reported in the following areas:
 - a. Enrollment.
 - b. Demographics.
 - c. Account management transactions.
 - d. Payment transactions.

- e. School invoice and refund transactions.
 - f. Customer service.
 - g. Records Administration and supporting system(s) performance.
5. Data and information shall be available as follows, at:
- a. The individual transaction level.
 - b. An aggregated transaction level by type(s).
 - c. An aggregated transaction level by Beneficiary.
 - d. An aggregated transaction level by Account Owner.
 - e. An aggregated transaction level for the Program.
6. Historical point-in-time data and information shall be available to permit standardized and user-defined reporting for any specified point in time and for any period of time.
7. Data and information provided electronically must allow for:
- a. Sorting, grouping and filtering.
 - b. Formatting into a graph, table, chart or other visual representation.
 - c. Saving for future use various formats (e.g., text, spreadsheet, PDF format).
 - d. Printing.