



Book Babies *Bright Futures*

Welcome to Bright Futures!
Here are some Frequently Asked Questions:

What is Book Babies Bright Futures?

Book Babies Bright Futures is a college-and-career savings program for Book Harvest Durham's Book Babies participants, in partnership with Latino Community Credit Union (LCCU). With Bright Futures, Book Harvest will contribute \$100 per year to a child's Bright Futures Account for each completed year of a child's participation in Book Babies, up to a total of five years. This gift of \$500, plus any additional amounts that you add to the account as well as interest earned, can be used for your child's education or career needs when they turn 18.

Why is Book Harvest providing this benefit to Book Babies Durham families?

- We believe in your child, and we want to help you plan for their bright future!
- Studies show that saving from an early age for college or career works! In fact, children who have a \$500 college savings account have been shown to be three times more likely to attend college and four times more likely to graduate than those who don't. You can learn more about the research on the impact of children's savings accounts at savingsforkids.org/research.

How is Book Harvest able to provide this benefit to Book Babies Durham families?

We were humbled and honored to receive a generous grant from the **Angelina Merenda O'Bar Trust** in 2021 to launch Bright Futures. You can learn more about Dr. O'Bar's extraordinary commitment to early childhood at bookharvest.org/bright-futures.

How do I open my child's Book Babies Bright Futures Account?

There are three easy ways you can open your child's Book Babies Bright Futures Account:

1. You can set up an account using the online portal at <https://bit.ly/3hWIkEg>.
2. You can fill out a paper application form and mail it to Book Harvest. The application can be found in this packet and by going to bookharvest.org/wp-content/uploads/2021/09/Bright-Futures-LCCU-Account-Application.pdf.
3. You can visit a branch of LCCU (see a list of locations at latinoccu.org/contact-locations). Let the representative know when you arrive that you are there to set up a Book Babies Bright Futures Account.
4. For assistance or guidance, Maria Garcia, Book Babies Program Coordinator, can help you:
Email: maria@bookharvest.org, phone: (919) 907-0998.



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What documents do I need to set up an account?

You will need to bring all of the following items to set up an account:

- Your child's social security card.
- One parent's Social Security number or ITIN (Individual Taxpayer Identification Number)
- A valid government-issued photo ID from any country
 - NOTE: If your ID already lists your current address, no additional proof is needed
 - NOTE: If your ID does not list your current address, you will also need to bring proof of your current address, such as:
 - Utility bill
 - Tax document
 - Bank statement

What if I don't have a Social Security number or ITIN?

LCCU can set up an ITIN for you. You will need to call LCCU's main branch first and set up an appointment Monday-Thursday: 919-530-8800. This step takes about 6 weeks to complete.

How long does it take to set up the account?

It takes 2 - 4 business days to set up and create your child's Bright Futures Account.

What does it cost to set up an account?

It does not cost you anything to set up this account. It costs \$10 for anyone without an existing account to set one up; Book Harvest covers this fee for all account creators. Once opened, there is a minimum balance requirement of \$10.

When will Book Harvest deposit the funds into my child's Bright Futures account?

- Currently enrolled and alumni/ae families of the Book Babies program will receive \$100 for each fully completed year of the program.
- Alumni who have already completed all 5 years of the program will receive a lump sum of \$500 transferred into their child's LCCU account once it is set up.
- Families currently enrolled will receive a lump sum equal to \$100 for each completed year of the program, and an additional \$100 per completed year until graduation from Book Babies (up to \$500).
- There will be an open enrollment period **October 1 - November 30** each year to open an account.
- Beginning in 2022, funds will be deposited into your child's account annually in June in conjunction with the annual Book Babies graduation.

Who owns my child's Bright Futures account?

The account will be in the child's name. The child will have full ownership upon turning 18. Until age 18, parents will act as custodians for the account.



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Who can access my child's Bright Futures account?

- Any parent or guardian listed on the set-up paperwork is considered the custodian of the account and will have access to the account until the child turns 18.
- Before the child turns 18, LCCU will require that Book Harvest be notified before emergency withdrawals are authorized.
- Once the child turns 18, parents are no longer custodians, and the child can access their Bright Futures account at any time, including to withdraw the funds.

How can I add funds to my child's Bright Futures account?

Funds can be added easily to the account through any LCCU branch location or ATM: latinoccu.org/contact-locations.

Will the funds in my child's Bright Futures account earn interest?

Yes! The most current rates for a children's savings account can be found here: latinoccu.org/rates.

What can my child's Bright Futures funds be used for?

The funds do not have any restrictions for withdrawal, but we hope that they will be used for college or career after the child turns 18.

Are there any penalties for early withdrawal?

There are no penalties for withdrawing funds at any time. Again, the intent of these accounts is that they be used for college or career after the child turns 18. Before the child turns 18, LCCU will require that Book Harvest be notified before emergency withdrawals are authorized.

What minimum balance do I need to have to avoid future fees?

There is a minimum balance requirement of \$10.

I already have an account at LCCU. Do I need to set up another for my child?

Yes. Even if you have a personal account at LCCU, we ask that you set up a savings account in your child's name for these funds. As with new account holders, Book Harvest will cover the \$10 setup fee.

I have an account for my child's future education at another institution (e.g. 529 or UTMA account). Can I transfer the money from this account there?

Yes; however, Book Harvest will only deposit money annually into the LCCU account, so parents should open and keep a minimum of \$10 in the Bright Futures account for the duration of their enrollment in the Book Babies program.

How often will I receive communication about my account?

You will receive communication from LCCU monthly about your account balance, either through the mail or email.

What is the enrollment period to apply for account setup?

Book Harvest and LCCU will be accepting new enrollments from **October 1 to November 30, 2021**. If you miss the opportunity to set up an account in 2021, you will be able to set up an account during the next year's open enrollment period: October 1 - November 30, 2022. Once accounts are set up, all past and current funds will be added to the account according to the schedule above.



Where can I learn more information about saving for college?

- Book Harvest and LCCU will offer learning opportunities for families each fall. We will have two free informational and sign up sessions at the *Main Branch of LCCU, 100 W Morgan St, Durham, NC 27701*. *Childcare and pizza will be provided!*

October 6, 2021: 5:30 - 7:00 pm.

October 20, 2021: 5:30 - 7:00 pm.

RSVP at: www.eventbrite.com/e/book-babies-bright-futures-info-and-registration-session-tickets-178163611157

- You can also look to these websites for more information about children's savings accounts:
 - savingsforkids.org/why-childrens-savings-accounts
 - prosperitynow.org/about-csas

Is the money Book Harvest deposits into Bright Futures accounts considered income? What are the tax implications?

Families will receive a 1099 form only if their child's account earns more than \$10 in interest income. If so, they will have to report this income on their annual tax returns.

Whom can I contact with additional questions?

Maria Garcia, Book Babies Program Coordinator, Book Harvest

Email: maria@bookharvest.org

Phone: (919) 907-0998



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