

## Guaranteed Education Tuition (GET) Program Master Scholarship Account (MSA) Policy

A **GET Program Master Scholarship Account (MSA)** is an account established by a State or local government unit (*entity or agency*) or a non-profit organization exempt from federal income tax under Section 501(c)(3) of the code, that is registered or licensed to operate in the State of Washington. The purpose of the MSA is for an organization serving a variety of communities to purchase GET tuition units for the purpose of awarding funds as a Traditional Scholarship Program (TSP) or a Children’s Savings Account (CSA) program (also known as a Child Development Account program).

The [GET Program Details Booklet and GET Master Agreement](#) contain important information you should review before establishing an MSA. Please read it carefully and save it for future reference. Some capitalized terms and definitions referred to in this policy may be defined in the GET Master Agreement.

### Opening a GET Program MSA:

- An Organization can open an MSA by completing the online MSA enrollment process or by completing a paper [MSA Enrollment Form](#). There are no limits to the number of MSAs an Organization can have; however, all MSAs for the same Organization are subject to approval by the WA529 Director and all policies and procedures as outlined in the GET Master Agreement.
- A Scholarship Recipient (student) does not have to be named until a scholarship award is created for that student.
- There are no enrollment fees or transfer fees associated with an MSA. However, a non-sufficient funds (NSF) fee may be assessed if a payment is not honored by the financial institution from which the funds were drawn. Refunds requested by the Organization and by Account Owners of new accounts established specifically for students receiving scholarship funds are subject to the standard [GET Refund and Cancellation Policy](#).
- An Authorized Representative from the Organization will be listed on each MSA. The Authorized Representative is the individual authorized to act on behalf of the Organization/entity. The Authorized Representative may designate additional administrator roles for specific functions in their online account portal.
- The Organization may also designate other individuals as Information Release Persons. The Information Release Person may receive **verbal information only** regarding the MSA.

### Purchasing GET Units for the MSA:

- **Initial unit purchase:** The Organization can purchase GET tuition units in one lump sum by check, cashier’s check, or money order when completing the MSA Enrollment Form and may purchase additional lump sum units later, at the unit price in effect at the time of the purchase of those units.

- **Subsequent unit purchases:** Payments for GET tuition units can be made at any time by check, cashier's check, or money order or the MSA Authorized Representative can establish a one-time or reoccurring automatic bank transfer. To initiate an automatic bank transfer, the Authorized Representative should call the GET Contact Center after the MSA is established for instructions on setting up online access. NOTE: Any payments made to an MSA account between July and September of each year will be held until that enrollment year's tuition unit purchase price is set by the WA529 Committee.
- Any undistributed units remaining in the MSA are not subject to the program's general expiration process outlined in the GET Master Agreement. Awarded funds that are transferred to an individual GET account owned by the student or Parent will become subject to the unit expiration process.

#### **Awarding GET Units from the MSA:**

- No more than 800 units may be redeemed by any student. If a student is a beneficiary of another GET Account, the aggregate of the accounts cannot exceed 800 GET units.
- All funds from purchased GET units **must be held for a minimum of two calendar years** prior to any usage of the funds. Once a student is identified to receive a scholarship from the MSA, the MSA's Authorized Representative can award a scholarship from one of four award types (**see the MSA Award Type chart on the following page for details**).

#### **Refunds:**

- Refunds from the MSA may be subject to federal income tax on the earnings portion of the refund. Review the [GET Refund and Cancellation Policy](#) for details. Non-qualified refunds may also be subject to the Distribution Tax and any applicable state tax.

#### **Other Legal Entities**

Other legal entities that are not a State or local government unit (*entity or agency*) or a non-profit Organization exempt from federal income tax under Section 501(c)(3) of the code, may not participate in the MSA program. However, such entities can opt to sponsor a student with a scholarship through GET by opening a traditional GET account and naming the entity as the GET Account Owner. A student Beneficiary must be named at the time the account is established. It is the responsibility of any such entity to understand any tax implications of any scholarships they may consider establishing for a student.

#### **For More Information**

To learn more about GET Master Scholarship Accounts, contact the Associate Director for Community Engagement at [WA529Outreach@wsac.wa.gov](mailto:WA529Outreach@wsac.wa.gov) or 360.485.1198, or call the GET Contact Center at 800.955.2318.

## GET Master Scholarship Account (MSA) Award Types Chart

<b>Once the Organization has identified a student or students to receive a scholarship from the MSA, the Authorized Representative or their designee can award a scholarship from one of four award types.</b>	
<p><b>Managed Award</b> The Organization retains control of the funds throughout the life of the award.</p> <p>Funds can be earmarked for individual students but remain within the MSA until the final distribution for the student.</p>	<ul style="list-style-type: none"> <li>• The awarded funds are only distributed when the student needs to pay for qualified expenses, meets the MSA organization’s eligibility requirements, requests the funds, and the MSA organization approves the distribution.</li> <li>• The award amount and the available date(s) can be adjusted or changed by the MSA Authorized Representative.</li> <li>• The MSA can designate a specific time and method when the student can officially request their awarded funds.</li> <li>• The MSA’s Authorized Representative determines if the Organization will review and approve each distribution request that a student makes or if, following the initial distribution, any future requests by the student are automatically approved.</li> </ul>
<p><b>Transfer Award</b> The Organization wants to award funds to the student via an ownership transfer immediately.</p> <p>The Organization has no control of the funds once awarded and accepted by a student.</p>	<ul style="list-style-type: none"> <li>• This option is most frequently used when an Organization wants to designate an award of funds from purchased GET units that have met the two-year hold requirement and they want the student and/or their family to have full decision-making authority for how the funds are ultimately used.</li> <li>• Funds are transferred to a new or existing GET account owned by the student or their parent or guardian.</li> <li>• The student will have the following options for accepting the award:               <ul style="list-style-type: none"> <li>• Request the scholarship award be transferred to an existing GET account of the student.</li> <li>• Create a new GET account for which a scholarship award can then be transferred. The Account Owner of the new GET account can be the student or a parent or guardian.</li> <li>• Once funds are transferred to the recipient’s accounts, the MSA organization releases all ownership rights to the funds.</li> </ul> </li> </ul>
<p><b>Future Transfer Award</b> The Organization wants to award funds to the student via an ownership transfer at a <b>future date</b>.</p> <p>The Organization has full control of the funds until the future transfer date and funds are awarded to and accepted by a student.</p>	<ul style="list-style-type: none"> <li>• This option is most frequently used when an Organization wants to designate an award of funds from purchased GET units that have <u>not</u> met the two-year hold requirement, or if an Organization wants to retain control of the funds until a future date when student is expected to enroll in an institution of higher education.</li> <li>• When this award type is made, the student will be able to see the funds awarded to them, but funds will not be officially available to the student until the future date indicated by the MSA Authorized Representative when the award is made.</li> <li>• Once the future date arrives, the remainder of this award type follows the same acceptance parameters as the immediate transfer award.</li> </ul>
<p><b>Reimbursement Award</b> The Organization retains control of the funds throughout the life of the award.</p> <p>The MSA receives a reimbursement check for qualified expenses paid out of pocket for a student.</p>	<ul style="list-style-type: none"> <li>• The Organization has paid for qualified educational expenses out-of-pocket for the awarded student. The GET Program will reimburse the Organization for these expenses when a request is made by the Authorized Representative.</li> <li>• The Authorized Representative completes a GET Reimbursement Form or submits the request in the scholarship portal. Once the form is processed, the award is complete, and a state-issued warrant (check) is made directly to the Organization.</li> <li>• It is up to the Scholarship Entity to maintain records for all funds distributed by a reimbursement in case of future audits by the IRS.</li> </ul>