

General Guidance: Students Utilizing 529 Plan Funds to Pay Longwood University Costs

Many different 529 plans are available for purchase. Some plans—including the Commonwealth Savers "Prepaid529" plan—currently require a school billing. Other plans—including the Commonwealth Savers "InVEST" and "CollegeWealth" plans, and most private 529 plans—do not require a school billing. Processing varies according to the particular 529 plan purchased.

Longwood University Students: General Guidelines for Commonly Utilized 529 Plans:

1) For the Commonwealth Savers "Prepaid529" plan, formerly "Virginia529 Prepaid":

The Prepaid529 Plan Account Owner (usually a parent or grandparent) must submit a "Withdrawal Request" (formerly "Intent to Enroll" form) to Commonwealth Savers. Commonwealth Savers will then add the student to Longwood's school "Prepaid" roster. Shortly after semester billing begins (approximately mid-July for fall semester, or early December for spring semester), Longwood Office of Student Accounts will assign program-eligible students to "third-party contracts". This contract assignment will post "VA529 Prepaid Estimate/Billing" credit to each eligible student's account/semester billing statement. The value of a student's estimated Prepaid529 credit is dependent upon the particular Prepaid529 plan purchased (Tier 1, Community College, 2 + 2) and the student's course enrollment (full-time vs. part-time, undergraduate vs. graduate courses, etc.).

More details:

If a student's family purchased a Commonwealth Savers "Tier 1 - 4 Year College/University" Prepaid529 plan: A full-time registered, undergraduate student's estimated credit would typically reflect Longwood University's "Full-time Banded, In-state Undergraduate" rate for 12 - 18 registered credit hours.

Note: Longwood's full-time banded IS UG rate typically reflects a student's maximum potential Prepaid529 payout allowance per (fall, spring) semester. However, there are "exceptions". If a family purchased a Tier 1 Prepaid529 plan during a period of time when Commonwealth Savers expected more sharply rising Tuition-Fee rates, then the student might qualify for additional "Minimum Payout". Commonwealth Savers will make a notation on the school roster to identify each student potentially eligible for additional "Minimum Payout". The semester roster will also specify the total maximum dollar value Longwood may invoice for each student identified as eligible for "Minimum Pay-out".

Important: "Minimum Payout" ONLY applies when/if an eligible Prepaid529-funded student is "full-time" registered. If a student is identified on the school roster as potentially eligible for Minimum Payout, but the student has only "part-time" registered (fewer than 12 registered credit hours), then Longwood must "cap" the student's Prepaid529 invoicing at the lower "per credit hour" Tuition-Required Fee cost.

Before mid-June, Longwood University's Office of Student Accounts may still await final Board of Visitors (BOV) approval for the upcoming (new academic year / new fiscal year) Tuition-Required Fee rates. During this time, Prepaid529 early estimates will be "approximate" only, based upon prior academic year rates.

For example: For Fall 2024 - Spring 2025, Longwood University's full-time banded In-state Undergraduate Tuition-Fee rate was \$7,870.00 per (fall/spring) semester. This rate included Tuition + Comprehensive Fee + Student Activity Fee for 12-18 semester credit hours.

If a family purchased a Commonwealth Savers "Community College" (CC) Prepaid529 plan or a "2 + 2" (combination 2 years CC + 2 years Tier 1) Prepaid529 plan, then the student's estimated semester payout(s) would typically be lower during any semester(s) where Community College (CC) funding/units were utilized.

Much later in a semester, after all potential course "Add/Drop" activity has "settled" (including for shorter duration, later-starting, 1 credit hour courses), Longwood University's Office of Student Accounts will process a final "reconciliation" (for ALL Prepaid529 participants), then will generate official invoicing to Commonwealth Savers. Generally, final dollar amounts invoiced to students' Prepaid529 plans will "match" the students' early estimates; however, in some cases, final invoicing could potentially adjust (up or down).

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2) For the Commonwealth Savers "InVEST" and/or "CollegeWealth" plans:

The 529 Account Owner must submit "Withdrawal/Distribution Request(s)" to specify the exact dollar amount(s) to pay and to whom payment(s) should be processed: direct payment to the school vs. reimbursement to the 529 Plan Account Owner.

Please note: For InVEST / CollegeWealth distributions sent directly to Longwood University, our Cashiering staff will credit the student's account upon receipt of payment from Commonwealth Savers. When requesting school payment(s), the 529 Account Owner should allow sufficient time for Commonwealth Savers to process the required fund transfer.

3) Historical/expected processing for certain non-Virginia "Out-of-State" (O/S) 529 plans—including for College Illinois (CI), Florida Prepaid College Plan (FPCP), Michigan Education Trust (MET), Mississippi Prepaid Affordable College Tuition Program (MPACT), and Texas Guaranteed Tuition Plan (TGTP):

For these particular O/S programs: Historically, the 529 Plan Account Owner submitted a request to have a "Third-Party Billing Notice" (or similar document) sent to Longwood University. The Third-Party Billing Notice/Authorization Letter listed each program-eligible student's 529 plan and the maximum dollar amount "per registered credit hour" Longwood could directly invoice to the non-Virginia (O/S) state-sponsored 529 plan.

If direct third-party billing is still required (from Longwood University to the state-sponsored 529 Plan Administrator), then Longwood University's Office of Student Accounts will assign each program-eligible student to a "third-party contract". This third-party contract assignment will redirect billing for the appropriate (program-approved) portion of Tuition-Fees guaranteed for direct payment by the state-sponsored 529 plan.

Please note: Many non-Virginia (Out-of-State) 529 plans do NOT require a school billing. For state-sponsored 529 plans that do not require a school billing, the 529 Plan Account Owner must request a school distribution or personal reimbursement. Longwood University will credit the student's account upon receipt of payment from the 529 plan or the student/family.

For most up-to-date guidance: 529 Plan Account Owners should contact their 529 Plan Administrators.

4) For most 529 plans—including for Capital Group/American Funds/College America, many non-Virginia state-sponsored 529 plans, and all "private" 529 plans (purchased through a bank or other financial institution):

The 529 Plan Account Owner must contact the bank or other financial institution to request withdrawal/distribution of payment(s) either directly to the school or as reimbursement to the 529 Plan Account Owner. (This is similar to processing for the Commonwealth Savers InVEST and CollegeWealth plans.)

For most private 529 plans: To ensure proper crediting of the student's account, check payment(s) sent directly to Longwood University should be accompanied by a note or "memo" indicating: The student's name, the student's Longwood ID number, and identification of appropriate semester(s)/term(s) for posting of payment(s).

529 plan check payments sent to Longwood should be made payable to "Longwood University", with mailing to:

Office of Cashiering
Longwood University
201 High Street
Farmville, Virginia 23909

Frequently Asked Questions (FAQs) Related to Use of 529 Plan Funding:

1. Question: Will \$400.00 Admission Deposit/Prepayment be "waived" if a student plans to utilize 529 Plan funding?

Answer: Longwood University typically would NOT waive the Deposit/Prepayment requirement for students utilizing 529 funding. However, in certain cases, students may utilize InVEST, CollegeWealth, or Private 529 funding to prepay the required Deposit.

Recommendation: The 529 Plan Account Owner should contact their 529 Plan Administrator to determine if a 529 plan withdrawal/distribution is permissible to prepay the student's required Admission Deposit.

Please note: If a student submits a Deposit/Prepayment, then later, the student's Tuition-Fees, Room-Board, and/or other student account-assessed charges are eventually "overpaid", the student could be refunded any "net" student account overpayment. In most cases, student refunds will process after the semester "Add/Drop" period has ended. Student account "overpayments" may be created by any combination of student/family payments, disbursed financial aid, 529 plan distributions, etc.

For most students, the \$400.00 Undergraduate Deposit/Prepayment will pay-apply against any "out-of-pocket" expense(s) and will appear as a credit/payment on the student's first semester billing statement.

Example scenario: During the upcoming fall semester, Jane Doe will register "full-time" (12 - 18 fall semester credits), will reside on main campus with a university meal plan, and will utilize a Commonwealth Savers "Tier 1 - 4 Year College/University" Prepaid529 plan to pay (fall) Undergraduate Tuition-Required Fee costs.

Expectation: Jane's \$400.00 Deposit/Prepayment will reduce the July (fall) billing for costs "not billable" to Commonwealth Savers. The \$400.00 could pay-apply against costs assessed for Incoming Student Transition Fee, Housing/Room, Board/M meal Plan, and/or (if applicable) Longwood BookBundle and/or Course Fees: Lab Fees, etc.

Exceptions: In the unlikely event that Longwood University's Admissions Office does approve a "waiver" of the requirement for a student to submit a \$400.00 Deposit/Prepayment, then the student's July (fall semester) or November (spring semester) billing would be \$400.00 higher, reflecting the full "unpaid balance due" for any costs not directly billable to the student's Commonwealth Savers Prepaid529 plan.

Important to Note: Prepaying or not prepaying the \$400.00 Deposit will not change the final dollar amount charged to the student. Instead, waiving the Deposit/Prepayment requirement would only "delay" when the \$400.00 student/family payment is due. (The Deposit is NOT an additional student account charge; it is a student account credit/payment.)

2. Question: Can I utilize 529 plan funding to pay "educational expenses" other than "Tuition-Required Fees"?

Answer: For best guidance, please check with the 529 Plan Administrator or review the 529 Plan contract.

Note: For the Commonwealth Savers Prepaid529 program: Typically, Prepaid529 funding may pay ONLY "Tuition & Mandatory (Required) Fees" for "up to" the student's Prepaid "maximum" allowance. A small number of students with Prepaid529 funding may also qualify for additional "Minimum Payout". If applicable, a student's "Minimum Payout" value will be specified on the school's semester roster. Prepaid529 Minimum Payout allowances may potentially pay against any charge assessed to the student's account or could even be refunded to the student (if the student's account becomes "overpaid" by any combination of payments).

For other 529 programs: 529 plans vary and may or may not allow payment for "other education-related expenses". 529 Plan Account Owners should contact their 529 Plan Administrators to determine if their particular 529 plan funding may be utilized to pay costs other than "Tuition & Mandatory/Required Fees".

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3. Question: Can I utilize Commonwealth Savers Prepaid529 funding to pay Summer Tuition-Fee costs?

Answer: A Prepaid529 Plan Account Owner could potentially utilize Prepaid529 funding (units or partial units) to pay Summer Tuition-Required Fee costs, but would first need to submit a special "Withdrawal Request" to Commonwealth Savers.

During Summer session(s), Longwood University will invoice the Commonwealth Savers Prepaid529 program only when/if a special Summer Prepaid529 roster is received from Commonwealth Savers.

Important to note: In some cases, use of Commonwealth Savers Prepaid529 units/partial units to pay Summer Tuition-Required Fee costs could leave a student "short" on remaining benefits needed to pay the student's final (future) Fall/Spring semester Tuition-Required Fee costs.

Before requesting use of Prepaid529 benefits to pay Summer costs, Longwood University recommends that the 529 Plan Account Owner first contact Commonwealth Savers to verify the number of units/partial units remaining and to discuss the student beneficiary's final course enrollment plans.

In the event that a student may not have sufficient Prepaid529 plan units/partial units available to pay ALL (Fall, Spring, Summer) costs, it is often more advantageous for the student/family to pay "out-of-pocket" for Summer Tuition-Fee costs. This is because Longwood University's "Required Fee" rates are generally discounted during Summer and full (higher) during standard Fall/Spring semesters.

To maximize benefits: Prepaid529 Plan Account Owners are encouraged to consult with Commonwealth Savers before requesting use of Prepaid529 funding to pay Summer Tuition-Fee costs.

4. Question: My student is finishing up final graduation requirements at Longwood University and there may be partial Prepaid529 units remaining after Commonwealth Savers pays-out the final semester Tuition-Fee allowance. When will Commonwealth Savers submit the final semester payment to Longwood University?

Answer: Longwood University typically receives final payment from Commonwealth Savers very close to the end of each semester. To ensure accuracy of billings, Longwood delays official Prepaid529 invoicing to Commonwealth Savers until after the final (mid-semester) "Add/Drop" period has ended for (later starting, shorter duration) "abbreviated term" courses offered during "special sessions".

Note: For undergraduate level students, "abbreviated term" courses typically include 1 credit hour courses offered during "last half semester" or "last third term" enrollment periods. For graduate level students, many "special sessions" are offered, with graduate courses beginning/ending all throughout each "full semester".

Delaying final reconciliation and submission of Prepaid529 invoicing to Commonwealth Savers permits Longwood University to appropriately "adjust" (increase or decrease) all students' final Prepaid529 allowances for a semester.

If you are a Commonwealth Savers Prepaid529 Plan Account Owner who anticipates potentially "closing" a Prepaid529 account or "transferring" remaining units after original student beneficiary completes final graduation requirements, please delay closing the 529 account (or transferring remaining units) until after final semester Prepaid529 payment has fully transferred to Longwood University. Although Longwood does display early "third-party contract credit" to program-eligible students' accounts, we do not actually invoice Commonwealth Savers or receive Prepaid529 plan payments until very close to the end of each semester. Closing a 529 plan too early could leave the student owing payment to Longwood.