

College Planning Checklist

IMPORTANT CONSIDERATIONS FOR YOUR UNDERGRADUATE STUDENT

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SUMMIT FINANCIAL STRATEGIES

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Sending children off to college is a time of transition. Transitions from a legal perspective include becoming an adult at age 18 in most states, when they can enter into contracts and health care rules change. The Health Insurance Portability and Accountability Act (HIPAA) protects their information, including from parents. Federal law, Family Educational Rights and Privacy (FERPA) protects student privacy, including from parents. At age 21, UTMA/UGMA custodial assets transfer to the child in most states. These legal transitions and other common sense “to-dos” form the backdrop for this checklist. Not everything applies to every family, and not every student will want all of these.

Managing financial affairs

Card instead of cash: Credit vs. Debit vs. School ID; Bank Accounts

- Many schools have IDs to use instead of cash both on and off campus (businesses, restaurants, and bookstores near campus accept the money on student ID as payment.)
- Consider a debit or credit card for travel and at school. Prefer one with no fees that works nationally.
- There are pros and cons for debit cards (control spending) or credit cards (build credit history they will need to rent apartment, lease car, etc. when they leave school). Try an internet search on: “credit debit student” for commentary. Think about a progression of cards: debit card freshman year, credit later? First credit card might be cosigned, replaced by “college credit card” as soon as possible.
- There are three ways to get a credit card for someone under 21 after the Credit Card Act of 2009:
 - **Authorized user of parent’s card.** Helps student get credit history. Parent fully responsible for bills. Might get separate card just to use with kid, or get credit limit reduced on the card they use.
 - **Card with parent cosigning.** Parent responsible to pay the bill if student doesn’t. Card can’t be switched to child at age 21. Canceling card and getting new one could actually hurt student’s credit by requiring new credit inquiry and shortening history on canceled card.

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- **“College credit card” if the student has earned income.** They can keep card at 21, and establishes credit history in their name.
- Think about how to get funds into student’s account.
 - Cards paired with a joint checking or savings account, or the student having an account at the same bank or brokerage house as the parents can provide parents easy way to deposit funds in their student’s account to make allowance payments and deposits for irregular expenses (e.g., textbooks, an airplane ticket home).
 - Consider setting up automatic transfer of monthly “allowance” or budget amount into card account.
 - Pair a debit/credit card with online savings account for an emergency fund. Define emergency (out of beer again?)
- Think about desirable level of parental visibility into debit/credit card.
- Low limit credit cards can help kid build up a credit rating—important for their first car or apartment. Take care with a high limit card: you can request a reduction in credit limits. Don’t have a limit so low that card gets maxed out, as hitting the limit hurts your credit rating.
- Holds may be placed on cards swiped before the bill is known: hotels, rental car agencies, gas stations for \$70 to \$100, and even restaurants for tips. The held amount may be unavailable for several days.
- Banks may be able to send text/email when transactions exceed or account drops below a threshold.
- Put a password on the debit or credit card to prevent identity theft when using online. Options for how to do this with Mastercard listed here, <https://www.mastercard.us/en-us/consumers/features-benefits/id-theft-alerts.html>
- Tell the credit card company not to send the student blank checks for cash advances.
- Banks: does it have offices at home and at school? Is it within walking distance? Is there an ATM on campus?
- You can send money via email. Chase Quick Pay and Citibank PopMoney provide this service. Digital wallet apps like Venmo and even Facebook Messenger let you send money electronically.
- The school may offer online tuition, health insurance and fee payment the student sees on their school login. Bills may be sent to the student, and the parent never sees them, or sees them too late. Parents could share login. Kids may grant parental access through a “guardian pay” account, providing parental visibility.

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Managing financial affairs

Identity theft

- Put strong passwords on phone, laptop (8 characters; mixed case, numbers, special characters).
- Use password management software to store/protect passwords on laptop, tablet and smartphone.
- Use a lock/safety box to protect financial information and purse/wallet while in dorm room.
- Scan bank cards, driver's license, passport into an encrypted and backed up file on both child and parent computer. You can keep these encrypted files on the phone by emailing or downloading.
- Call **888-5-OPTOUT** or visit **this website**, <http://www.consumer.ftc.gov/articles/0262-stopping-unsolicited-mail-phone-calls-and-email>, to block credit rating agencies from selling student's credit information.

Credit reports

- Pull a credit report on the student and the parents individually before applying for aid to see if the records are right.
- Credit reports without scores are available free at www.annualcreditreport.com or call **1-877-322-8228**. These are the data the credit bureau has, not the scores. Check each of the three major credit reporting agencies. Each of three major credit agencies can be checked free once a year: could do different one every 4 months. If you and student are cosigners/joint owners of accounts, that's an extra reason to check your credit report as well as student's. For help to clean up mistakes: <http://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>. Also, try going back to the vendor who sent the information to the credit bureau.
- Credit scores are typically not available free. And there's not just one score, but many scores designed for different purposes, and each credit bureau may have somewhat different data on you. Sites that offer free scores are **CreditKarma.com**, **CreditSesame.com**, and **Credit.com**. For more information on getting your credit score go to <http://www.bankrate.com/finance/credit-cards/how-to-get-a-free-credit-score-1.aspx>

Track expenses and cash flow

- Teach student how to balance checkbook/track expenses. Start as high school senior?
- Establish a monthly budget and track against it. School financial aid website may have spending estimate.
- Consider Mint.com (the site and the app) or Mvelopes.com. Hook up to debit card to track where money goes. Create budgets for everything from a coffee budget to an Uber budget. Sends alerts when bills due so they can verify there's enough money in the accounts.

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Managing financial affairs

- Set smartphone alarms a week before important deadlines: financial aid, tuition payments, and utility bills.
- **Schedule annual holiday financial checkup with student: make the conversation an expectation before leaving for school.**
- Pull credit report.
- Review history: summarize dollars spent, emergency fund balance, and plan for next period: bills, income, taxes.

Put student in charge of financial affairs

- Encourage taking a personal finance class in high school.
- Have the student help with FAFSA form.
- Have student take a personal financial planning class through business school or consumer science school.
- Student loans: When do payments start? How much is due on what schedule? Deferral possibility? A good overview of Federal Student Loans can be found here. <https://studentaid.ed.gov/sa/types/loans>
- **Consider financial power of attorney: a possibility to assist child or access financial accounts; standard (statutory) forms available in many states. More information on the Ohio's statutory Power of Attorney form can be found here <https://www.ohioabar.org/ForPublic/Resources/LawFactsPamphlets/Pages/LawFactsPamphlet-28.aspx> and downloadable form is available at <http://formdownload.org/wp-content/uploads/2013/04/Ohio-Statutory-Power-of-Attorney-Form.pdf>**

Tax returns

- Agree with student who is going to file their tax returns—parent or student? (Don't both file!)
- Take student with you to tax preparer, or sit with you when preparing their tax returns.

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Health care considerations

Three documents allow a parent to assist a child/student with medical matters. Consider doing all three.

- Health Care Power of Attorney (HCPOA) allows you to make medical decisions for the child if needed. Your estate planning attorney can provide the document. Also, standard forms are available in most states. Use your home state's forms, and/or the state where they will be attending college.
 - Prefer forms approved by your state bar association, the medical or hospital association or those described as "statutory"—meaning written into your state's law.
 - Ohio forms available at the Franklin County Probate Court: http://associationdatabase.com/aws/MCA/asset_manager/get_file/98549
Research local state hospice associations for forms or use this website to see if they have current forms. * <http://www.caringinfo.org/i41/pages/index.cfm?pageid=3289>
 - Do internet search for "statutory health care power of attorney (your state name)"
- HIPAA release authorizes you to access to medical information. See your attorney.
- HCPOA and HIPAA releases are general, applying at school or traveling, and after they graduate.
- FERPA Waiver: At school, FERPA rules will likely apply to both education and health care records. Consider having the student sign FERPA waiver. Use the school's forms if available: see their website. May need to re-sign each year.
 - Note a FERPA waiver is not required for medical records if they are maintained by a student health clinic and disclosed solely for treatment purposes. In this case a student's written consent is not required to inform parents, if (a) the parent claims the student as a dependent on their Federal tax return or (b) the disclosure is related to a health or safety emergency.
 - However, if a student's medical records are maintained by a University's hospital which does not also run a student clinic, only HIPAA (not FERPA) apply and a HIPAA release would be useful.
- Important: Keep signed forms readily available: will they be accessible when you or the kids travel? Keep online: email inbox, on flash drive on keychain, or on Summit website.

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Health care considerations

Health Insurance

- The sources of health insurance are parent’s employer-based; school offered, and private individual policies for the family or just the child.
- For more information about coverage options see www.healthcare.gov/young-adults/college-students/
- Your child can continue on your health care plan up to the age of 26, whether or not they are your dependent or don’t live at home. Starting in 2013, your child has the option to remain on your plan even if they have access to another plan (presumably this applies to college plans as well). All employer plans will be required to be amended to reflect this coverage.
- School rules may require their own coverage or a waiver. Waivers may need to be signed annually, or the premium may show up on your bill for fall semester!
- Sites like **eHealthInsurance.com** provide a quick survey of private insurance.
- Review Health Insurance Coverage
 - Many plans have “in-network” providers only in their coverage area—e.g., your state. Check for in-network providers where your student will be, to keep treatment costs down.
 - If students will travel out of the country, see what medical coverage they will have.
 - School insurance may not apply if they leave school (i.e. vacation, summer, travel, especially out of country travel) or are not full time students. Check definition of full time student.
- Be sure student has copy of front and back of health and drug insurance cards in wallet.
- Discuss with student how insurance works: in- or out-of-network, copays, etc.
- When using parent’s insurance, student may need to be a dependent on parent’s tax return, although this may have changed under the Affordable Care Act/Obamacare. A tax planning strategy based on not claiming student as a dependent could result in loss of their health insurance.

How to find health care and drugs

- Be sure child knows where the student wellness center and nearest emergency room are located. How to get there if they can’t walk or drive (e.g., call 911 or campus police). Locate the nearest CVS or Walgreens clinic; these are sometimes open later and less expensive than campus wellness centers.
- If your insurance policy has a “Call A Nurse” number for consultations, share with student.
- Online sites may be helpful: e.g., **www.WebMD.com**, **www.mayoclinic.com** or **www.nlm.nih.gov/medlineplus**

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- Take a supply of medications with them when heading off to school. And a list for their wallet.
- How to get a prescription (re)filled? National chains may allow refills in the college town.
- Don't share your pills.
- If they take certain medications daily, an alarm on their phone is a great reminder.
- Immunization Records—give child a copy of their immunization record so they can answer questions about previous vaccinations (do they need a tetanus shot when they fall on the rusty nail or did they have a shot a year ago?) If in doubt, they may end up with a duplicate vaccination.

Dental insurance/coverage

- Most school health care facilities don't address dental care, but check! Make sure the students have enough information to visit a dentist or orthodontist in an emergency. Ask your dentist/orthodontist for a referral for the city where your child is attending college. Call a periodontist or oral surgeon in student's area to find dentists they like.

Tuition insurance

- **Tuition insurance is available for withdrawals due to sickness, injury or mental health issues. Policies may be available from the school or privately.**
- Colleges have refund policies. Insurance will have pre-existing condition exclusions. You can find providers and discussion of pros and cons with an internet search.

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Contingency planning

Take the necessary precautions so that in the event of an emergency, small or large, you can get into contact with your student and any relevant school officials.

- Encourage student to enroll in emergency phone/text alerts if provided by the school.
- Exchange contact information with your student's roommate(s), their parents, and the RA (Resident Assistant) so you have multiple points of contact for emergencies.

Notification in event of accident or other emergency

- Ohio BMV website <http://www.bmv.ohio.gov/nok.stm> provides emergency contact based on driver's license.
- Create ICE (In Case of Emergency) entry on child's cell phone, with parent's phone number.
- Get the name and number of another student (roommate?), friend, or organization on campus (police) whose parents can contact if child cannot be reached by usual methods.
- Give the other student, their parents, and the RA (Resident Assistant) your parent's contact information—enter directly into their cell phone.

Collect emergency & health-related information

- A smartphone emergency folder can hold information on health care and other emergencies. Contact info for family, doctors, health insurance, allergies to medications, health care powers of attorney, etc. Apple, for example, has a medical ID function you can enable.

Encrypt sensitive documents

- The process to encrypt a file, though it may sound complicated on the surface, is essentially like password protecting a single document. To do this, open the main menu in the document and find the section pertaining to protection or document security (this differs between programs) and create a password that you will remember but will be difficult to guess (i.e. short word + keyboard symbol + number). The document won't be accessible to anyone without the password so be sure to remember it.
 - Microsoft Word: if there isn't a button for "Protect Document" go to Options > Security
 - Adobe: Go to Properties > Select Security Method drop-down menu > Password Security
 - Excel: Go to "Info" tab on left side and click "Protect Document"
 - Folders: Right click, go to "Attributes" and select "Encrypt contents to secure data"
- You can also compress folders of documents so they take less space on storage devices, this is a good option when backing up your entire hard drive.

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School materials

Textbooks

- Explore ways to buy books at lowest cost: e.g., school bookstore (new vs. used), Amazon textbooks (rent vs. buy), buy from friends (seek out Free & For Sale group pages on Facebook), and used book sites (Abebooks.com and Thriftbooks.com). More tips at this article from The New York Times: http://bucks.blogs.nytimes.com/2011/01/14/finding-cheaper-textbooks-2nd-edition/?scp=3&sq=college+textbooks&st=nyt&_r=0
- Make a list (written or on Excel) with all of the sites you want to look for books on, open tabs for all of them, find the book's ISBN number, and search for your book on multiple sites to compare. **Looking at all of your options before buying/renting takes time, but it saves you money in the end.**
- **Consider which books you want to own even when the class ends (relevant to your career or good reads) and which ones you know you won't want to keep (see you never, Orgo textbook).**
- Consider ebooks on tablets or computers. Keep in mind that while they are environmentally friendly, conserve space and are available across all devices, these resources can be costly since they have no resale value.
- Check your school's library website to see if it has a physical or online version of the text book to rent. This is basically the only free way to get your textbooks, but act fast and renew your books on time or other students will snag them.
- During syllabus week, check with professors about their electronics policy and confirm that the book list is accurate.
- Federal law requires publishers, with few exceptions, to sell supplemental materials (CDs, study guides, etc.) separately so students don't have to purchase a textbook bundled with them.
- Amazon Prime and Barnes and Noble preferred accounts provide free shipping.
- Resign to the fact that sometimes there are no cheap alternatives and you just have to cough up the money for a textbook that the teacher wrote or just came out this year. This happens more with science and math textbooks.
- Textbooks can be rented at sites like **Chegg.com, Amazon, and your school book store**. Electronic copies may also be rented, as well as additional resources: e.g. Solutions manual, additional practice questions.
- Textbooks can be sold back after a semester, if in decent condition: e.g. school book store, Amazon and Chegg.com
- Shop for books before the last minute so you have time to try cheaper alternatives.

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Personal travel

Computers

- School may provide computer or offer deals on hardware and software. Check required versions. School computers may come with complimentary computer service and temporary replacements to offset some of the additional cost of purchasing from them.
- Microsoft often provides registered students free or very inexpensive versions of software. E.g., once have student email address, look for Microsoft software academic pricing.
- eBay sellers often have academic versions of software for sale.
- Get a physical computer lock to prevent theft.
 - Practice safe computing: antivirus and antispyware, automatic updates (Adobe, Java, ...)
 - Set strong password on computer. Use limited or standard user account for daily use.
- Computer backup is essential. Your computer should have a backup program prompt built in that will tell you when you should create or update backup files. An external hard drive is a great tool for this due to their large memory size. Sites like OneDrive, iCloud, DropBox, and Google Drive are good places to store docs and pictures.
- A flash drive is useful for temporary files, files used across different devices, and for transporting files between the dorm room and the computer lab. However, they are small so attaching them to a lanyard will ensure they aren't lost.

Personal travel

- Enroll child in a Frequent Flier Number(s) program or if your child is already enrolled, make sure parents have the number(s) if they are making travel arrangements.
- Show child travel websites, including rate shopping sites like **www.kayak.com**, **www.orbitz.com**, **www.travelocity.com**, **www.expedia.com**, and **www.google.com/flights**
- Websites providing one-way tickets (when is that return?): statravel.com and studentuniverse.com. TravelCuts.com, Airtranu, and statravel.com help with student discounts. **Matrix.itasoftware.com** is a great tool too.
- Short-term car rentals (e.g., hourly) are available on many campuses and cities. (e.g., **zipcar.com** or **hertzondemand.com** will rent to students under 25).
- Cars can be rented if age 25. Some companies will rent at 21 and others at 18. Watch extra fees. Verify what coverage is covered (or not covered) by your policy when renting a car.
- Bus travel is another option for personal travel. Companies like Megabus and Greyhound have stations in major cities.

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Housing and apartment rental

- Airport shuttles may be available on campus.
- Traveling abroad: Check to see if medical insurance covers student. Consider medical evacuation insurance. See websites such as insuremytrip.com and providers such as HTH which allow up to a year for claims to be made and cover many costs, like required health checks.
- If the student is travelling abroad, consider enrolling in the Smart Traveler Enrollment Program (STEP), which is a free service provided by the US Department of State. By signing up, a traveler will be informed of any news regarding emergencies happening in the countries being traveled to, such as natural disasters or civil unrest. <https://step.state.gov/step>
- Get cell phone numbers of people traveling with your child.

Passport

- If the student has a passport, take it to college. Some cities full of college students require them for identification. If they get a job will need proof of citizenship (a driver's license may work).
- Your student might be taking an unexpected trip for an educational opportunity or vacation.
- Keep (scanned) copy of passport at home—easier to replace if lost, especially if lost abroad. An encrypted copy can be kept on a cellphone and/or laptop.
- Consider getting a passport in case the need arises so it isn't rushed. It takes about 12 weeks to get one issued. Passports are valid for up to 10 years so doing this now may serve you best some years down the road.
- Keep passports in a secure (locked) container at school or directly on your person (neck carriers/under-clothes belts) when abroad. U.S. passports have a high street value and the theft of your passport can cause identity theft issues for your whole life.
- Replacing a lost passport is an arduous process and may prevent you from further travel abroad or from returning to the United States until a temporary passport has been issued.
- If your student is studying near a U.S. border (University of Arizona for example), talk to your student about the dangers of crossing the border and the importance of safety.

Housing and apartment rental

Housing

- Take detailed before and after pictures of housing, and keep for some time after moving out. Valuable if contention about loss or damages either to the housing or to student's possessions.

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Other considerations

- Have an attorney review any lease before signing, especially when there are a number of students involved in a housing unit. e.g., if everyone else moves out, is your child stuck with the rest of the lease?
- You may be able to enlist the help from university law students or student associations around campus rather than finding an independent attorney which may be expensive.
- School-area landlords will take advantage of first time buyers' naiveté by inflating costs and not making good on verbal commitments for upkeep and improvements. Solve this by requesting a personal letter written by the landlord which lists the specific items of concern and when they will be finished.
- Require all interested parties to both sign the lease and provide a portion of the security deposit (may be 'per person'); this will ensure you are protected against losses (people back out; deposit lost).
- Some people like idea of buying a condo/house for kid, sell when they leave. Probably not a good idea for a freshman! Perhaps for a super-responsible kid who will be a grad or medical student, or if younger sibling will attend same college, giving more time for appreciation.

Property and Casualty Insurance

- Auto insurance: Discount on student's auto for garaging at home and not taking it to school? Discount on family car for not having student driver while in school?
- Expensive stuff at school? In off-campus housing? Talk with homeowner's insurance agent on pros and cons of carrying on homeowner's policy or a renter's policy. Consider deductibles, limits, consequences/cost of extra claims on homeowner's policy.

Other considerations

Voting

- Gather information about obtaining absentee ballots if student is out of state in order to vote while at school. A school representative for a candidate or party may be available to change voting address.

Cell phone

- School app for class schedules and campus news
- Consider adding a texting plan to your phone to help you communicate effectively with your student.
- Consider increasing data plan if student will spend a lot of time off campus and away from campus-wide Wi-Fi.

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- Use a password/lock on cellphones, especially smart phones.
- Consider tracking or remote wipe service for lost or stolen smartphones or computers. Apps are also available that can track your device when lost or stolen.

For greater depth on many of these topics and a broader view of financial affairs, read Karen Blumenthal's *The Wall Street Journal Guide to Starting Your Financial Life* (Three Rivers Press, 2009), a comprehensive book providing "a navigation system for finding your way through an increasingly complex and confusing financial world."

Acknowledgements and disclaimers

We would like to acknowledge the many people who have offered suggestions or reviewed this list. The names would be a very long list and we would miss several. As a partial remedy, we'd like to say that we've received input from current college students, recent graduates, our interns, parents of students, college dormitory Residence Assistants, estate planning attorneys, attorneys who advise colleges and universities, doctors, health insurance company medical directors, financial planners and anybody else we could entice to contribute. Your input will improve it further.

Disclaimers: Every school, state, and family situation will be different, and you must be the judge of what applies for your family. The content should be viewed as helpful hints—it certainly is not legal advice, which should only come from your attorney.

Please send us your feedback and real life lessons learned via email to clientservices@summitfin.com

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