This program directive is provided to sub-grantees of Prosperity Works in order to re-state the strict rules of using IDA funds for education IDAs. Non-compliance will not be tolerated. Any deviance violates the rules of the federal funder -- the Assets for Independence Program -- and will result in suspension of your IDA initiative.

Education IDAs have very specific mandates that must be followed. If any IDA is found to be out of compliance, the match funds must be returned to Prosperity Works.

In order to be approved for use of AFI IDA funds, the minimal components of a qualified education plan include:

* Details of how you will use your IDA money to fund your education
* Research and projection of your educational path
* Describe how getting your degree will impact the economic stability of your household

In order for an IDA withdrawal request to be approved for an education IDA, the minimum requirements must be met:

* Six months of regular savings in the IDA account
* Financial education completed; Self-Advocacy Portfolio completed
* Education Plan (with the minimum three elements above) completed
* Education Plan reviewed and signed off on by your asset coach
* Checks will only be made out to the accredited educational institution or its affiliated bookstore

### Post-Secondary Education

The IDA funds may be used for tuition, fees, supplies, books, and equipment required for the enrollment or attendance at an institution of higher education, or a post-secondary vocational education school.

The education IDA must be paid directly to the educational institution, and should follow the Education Plan which has been approved by an educational career counselor or an internal staff member qualified to work with life/family planning issues.

Special Management Considerations with Education

* An Education Plan should include projected use of IDA funds.
* The asset-purchase check(s) must be written to the educational institution.
* Career counseling is an excellent support for education IDAs.
* Scholarships and financial aid will assist with the costs of education.

### AFI Legislation (2000) – Pertinent References

“(8) QUALIFIED EXPENSES.--The term ‘qualified expenses’ means one or more of the following, as provided by a qualified entity:

(A) POSTSECONDARY EDUCATIONAL EXPENSES -- Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. In this subparagraph:

(i) POSTSECONDARY EDUCATIONAL EXPENSES.--The term ‘postsecondary educational expenses’ means the following:

(I) TUITION AND FEES.--Tuition and fees required for the enrollment or attendance of a student at an eligible educational institution.

(II) FEES, BOOKS, SUPPLIES, AND EQUIPMENT.--Fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

(ii) ELIGIBLE EDUCATIONAL INSTITUTION.--The term ‘eligible educational institution’ means the following:

(I) INSTITUTION OF HIGHER EDUCATION.--An institution described in section 101 or 102 of the Higher Education Act of 1965.

(III) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.--An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4)) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of enactment of this title.”