



**CUSTODIAN’S ACKNOWLEDGEMENT AND RELEASE ON UTMA/UGMA FUNDED ACCOUNTS**

I, \_\_\_\_\_, hereby inform *College Illinois!*, in writing, that I am purchasing a *College Illinois!* contract as a Custodian using UTMA or UGMA funds on behalf of \_\_\_\_\_ (Beneficiary).

***College Illinois!* Account Number:** \_\_\_\_\_

As Custodian of the account I understand and acknowledge that the following will apply:

- Any and all contributions to this *College Illinois!* account will be considered UTMA/UGMA funds (custodial funds) and become an asset of the child.
- If I desire to invest assets that are not UTMA/UGMA assets in a *College Illinois!* account, a separate *College Illinois!* contract may be established with such funds.
- I understand that as Custodian of an UTMA/UGMA account many of my rights under the *College Illinois!* contract are limited, including, but not limited to, the following:
  - I am not the owner of the account, rather I hold the account as Custodian for the Beneficiary.
  - I may not change the designated Beneficiary.
  - If I cancel the contract, I personally will not receive a refund. Rather, a refund will be issued to the Beneficiary in order to comply with the intent of the UTMA/UGMA and provide for proper taxing of earnings.
  - It is my responsibility to refrain from exercising my rights under the *College Illinois!* contract in order to maintain the UTMA/UGMA qualified status. The Illinois Student Assistance Commission (ISAC)/*College Illinois!* will not restrict me or prevent me from exercising these rights.
  - It is my responsibility to notify the program when the custodianship terminates (the minor reaches the legal age of majority), at which time the Beneficiary becomes the account owner.
  - At the age of majority the Beneficiary will own the contract and will have all of the rights of the contract Purchaser and Beneficiary, including but not limited to, the right to cancel the contract and receive a refund pursuant to the terms of the contract, or to use the benefits for educational purposes upon enrollment in an eligible institution.
- Maintaining UTMA/UGMA status of the assets in the *College Illinois!* account is my responsibility as the Custodian of the account, and I hereby release ISAC/*College Illinois!* from any liability for any loss of UTMA/UGMA qualified status due to the purchase, servicing, cancellation of or exercise of the rights under the *College Illinois!* contract.
- Every situation is unique and ISAC/*College Illinois!* does not give tax advice, nor does ISAC/*College Illinois!* endorse the use of UTMA/UGMA assets to fund a *College Illinois!* contract.
- I understand and acknowledge that ISAC/*College Illinois!* highly recommends that I speak to a professional tax advisor before liquidating and/or investing the UTMA/UGMA account(s) in a *College Illinois!* contract.

**I, THE UNDERSIGNED, HAVE READ AND UNDERSTAND ALL OF THE ABOVE STATEMENTS AND AFFIRM THAT THEY ARE TRUE AND CORRECT AND AGREE TO COMPLY WITH THEM.**

Custodian Name: \_\_\_\_\_

Custodian Signature: \_\_\_\_\_ Date: \_\_\_\_\_