

Covenant Presbyterian Church Child Development Center Financial Assistance Policy

Covenant Presbyterian Church is a dynamic Christian community that gladly invites all people into a transformational experience of faith; boldly proclaims the gospel, bravely works toward a whole and just world, and passionately nurtures discipleship.

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Revised: _____

Mission Statement

Covenant Presbyterian Church (CPC) operates the Covenant Presbyterian Church Child Development Center (CDC), a full-day child development center for children from six weeks to five years of age, on its campus in Charlotte, North Carolina. The CDC was established for the purpose of providing high quality childcare and education to children from a variety of backgrounds.

Commitment to Diversity and Inclusion

Central to preparing young students for this world and ensuring the highest quality of education is creating a diverse and inclusive classroom community within the CDC. Research shows that a diverse environment leads to better learning outcomes for all students. Therefore, the CDC seeks to serve a population of children that is diverse across socioeconomic status, race, and ethnicity.

I. Child Development Center Scholarship Endowment Fund

A. Scholarship Fund

To accomplish its mission and to fulfill the commitment to diversity, the Session of CPC has established a scholarship fund, the Covenant Presbyterian Church Child Development Center Scholarship Endowment Fund, (Scholarship Fund) to provide financial assistance to 25% of the children enrolled in the CDC. The average financial assistance award will equal 25% of the annual tuition charge.

B. Seats Set Aside for Children Receiving Financial Assistance

In order to accomplish this goal, the Managing Director of the CDC is directed to set aside 25% of the seats in the CDC for children receiving financial assistance and to establish a separate wait list for children whose parents have qualified for financial assistance.

C. Scholarship Funding Sources and Management

Funding sources for the Scholarship Fund are monies donated by members/supporters of CPC through the 2018 Capital Campaign, "For a Whole Community," and may also include funds from the operating budget of CPC, gifts to CPC, grant awards, and other sources as may become available. All monies in the Scholarship Fund are the sole property of CPC. The

management and investment strategy of the fund are governed by rules established by the Session of CPC, overseen by the Finance Committee.

D. Partnerships

The Managing Director and the CDC Advisory Council are charged with fostering informal partnerships throughout the Charlotte community to publicize the Scholarship Fund and the availability of seats in the CDC set aside for students receiving financial assistance.

II. Determination of Awards

A. Financial Assistance Committee/Criteria for Financial Assistance Awards

Decisions about whether children qualify for financial assistance and the preliminary amounts of the awards will be made by the Financial Assistance Committee of the CDC Advisory Council. Awards may vary in amount. The goal is to reserve 25% of the seats in the CDC for children receiving financial assistance, with the total amount of financial assistance awarded averaging 25% of the aggregated annual tuition costs for this group of children. While it is the intention of CPC that 25% of the children in the CDC receive some level of financial assistance, decisions about whether an award will be made and the amount of any such award will be based upon a family's ability to meet the tuition expenses, the availability of seats in age-appropriate classrooms, and the availability of financial assistance funds. Individual awards of financial assistance will generally be limited to no more than 25% of the annual charge for tuition, although exceptions may be made for extraordinary need should funds be available. The determination about a family's ability to meet tuition expenses will be based on information provided by School and Student Service (SSS) (or similar organization as determined by the CDC Advisory Council) according to the process described below in Section III.

B. Priority System

Should the number of qualified applicants exceed the number of available scholarship seats and available funds in any one year, CDC Managing Director will use the enrollment priorities adopted by the CDC Advisory Council in deciding which children are offered seats or are placed on the wait list for financial assistance seats. In making these decisions, the Managing Director will consider the distribution of children receiving financial assistance among all classrooms of the CDC, with the goal being a balanced distribution of such children among all classrooms.

C. Annual Report to Session

At the end of each calendar year, or on such other annual schedule established by the CDC Advisory Council, the Financial Assistance Committee shall make available to the Session a report that includes at a minimum the following information for each month of the prior 12-month period:

1. Total number of seats available in the CDC;
2. Number of seats reserved for children receiving financial assistance;
3. Of those seats the number of seats in which children receiving financial assistance were enrolled;
4. Number of seats available for children not receiving financial assistance;
5. Of those seats, the number of seats in which children not receiving financial assistance were enrolled;
6. Percentage of enrollment of children receiving financial assistance compared to the total population of the CDC at the end of each month;
7. Total amount of financial assistance disbursed; and
8. Number of seats reserved for children receiving financial assistance that are held by children whose families are no longer qualified to receive financial assistance. (described below in Section VI. C.).

III. Process for Applying for Financial Assistance

A. School and Student Services (SSS)

Except for families receiving subsidies through Child Care Resources, Inc., (see Section VII, below) parents who wish to apply for financial assistance must submit detailed financial information to School and Student Services (SSS), a third-party organization. SSS collects and analyzes the information families provide regarding their financial position and, using a standard computation method, makes an initial recommendation to the CDC regarding the dollar amount a family should be able to contribute toward tuition. (Families may request that SSS send them its evaluation of their Parents' Financial Statement (PFS)).

This amount calculated by SSS (called the Estimated Family Contribution) is a starting point that is used in conjunction with the demand for financial assistance and the enrollment priorities adopted by the CDC Advisory Council. The specific financial information provided by a family to SSS will be treated confidentially.

SSS assesses applicants for financial assistance a fee for this analysis. Fees are set by SSS and are subject to change.

B. Submission of Financial Information to SSS

1. Disclosure of Financial Information

When considering a family's financial need, SSS will consider all assets of the student and parents, including assets restricted for college education or other purposes.

The CDC expects that families applying for assistance will disclose to SSS all sources of income, including income from cash-based businesses, and from grandparents or other family members living with the family, trusts,

inheritances, gifts, etc. Funds for secondary education to which students have access (trust funds, gifts, etc.) will be included in the calculation of family contribution and may decrease the financial need of the student and therefore the amount of the financial assistance award. If the student, parents or other children are beneficiaries of an estate or trust, the appropriate schedule K-1 of Form 1041 or Form 4970 should be submitted.

2. Imputed Income

In order to assure that financial assistance is provided for the families most in need, SSS will add an imputed income to a family's income for any able parent who is not working at least 30 hours a week and providing income based on the submitted PFS information. Exceptions to this practice will be made for families experiencing extenuating circumstances, such as a disability or health issue that prevents the parent from working, or if the non-working parent is in a fulltime (20-hours per week) educational program, staying home with preschool aged children who are not enrolled in childcare, or caring for a disabled child or disabled or elderly parents. In this event, the family may submit a written statement to the Financial Assistance Committee, describing the extenuating circumstances, along with appropriate documentation. Non-working parents who are seeking employment should submit documentation of an active job search.

3. Other Discretionary Expenses

It is not the intent of CPC or the CDC to provide financial assistance to offset lifestyle expenditures that could be directed toward childcare expenses. Therefore, SSS also reviews and considers each family's choices with regard to discretionary spending, such as summer program expenses, vacation expenses, club memberships, lessons, club sports, financial support to other family members, charitable contributions and vehicle loan/lease expenses.

4. Business/Farm Income

Parents who own a business/farm are required to submit business information so that SSS can assess whether the business/farm is the family's sole and/or primary source of income or a minor source of support and how the business/farm impacts the family's overall financial strength and discretionary income.

C. Notification/Reapplication

Families who qualify for financial assistance will be notified by the CDC Managing Director. Details about wait list and enrollment procedures are provided in the Enrollment Policy.

Families who do not qualify for financial assistance will be notified

accordingly within two business days of receipt of the notification from the Financial Assistance Committee by the CDC Managing Director or designee. These families may apply for assistance in future years and their financial situation will be reevaluated each time they apply.

D. Returning Students Requesting Assistance for the First Time

The CDC accepts financial assistance applications from returning families who have not received financial assistance in the past on the same basis as any other family requesting financial assistance.

E. Incomplete and Late Applications

Financial assistance applications are not considered complete until the PFS and all required and/or requested documentation has been submitted.

Families are expected to submit current financial information. Families that file for an IRS extension and use previous year estimates to complete the PFS must submit previous year W-2s and tax documents, current year W-2s and a copy of IRS Form 4868 (Automatic Extension form) by the applicable deadline. Current year tax forms must be submitted to SSS as soon as they are complete.

Applications received after the applicable deadline will be considered for financial assistance awards if and when funds become available. Incomplete and late applications may not be considered if funding is no longer available when materials are received.

IV. Financial Assistance Decisions/Award Disbursement

As described above in Section II, decisions about whether children qualify for financial assistance and the proposed amounts of the awards are the sole discretion of the Financial Assistance Committee of the CDC Advisory Council. In addition to the Estimated Family Contribution calculated by SSS, parents may provide additional information to the Financial Assistance Committee in support of their application for financial assistance. Such information shall be treated confidentially, according to a process established by the Financial Assistance Committee and the CDC Managing Director.

Every effort will be made to make determinations of financial assistance qualification and awards within two weeks of the CDC receiving the Estimated Family Contribution from SSS and any additional information from the family.

If a seat is immediately available, within two business days of receipt of this information from the Financial Assistance Committee, the parent will be contacted and will be notified of the amount of the proposed financial assistance award. To accept an offer, the award letter should be signed and returned to the Managing Director within two business days. Awards will not be considered

accepted until the award letter is received by the CDC. (See Financial Assistance Application Process in the CDC Parent Handbook and the Enrollment Policy for detailed procedures for enrollment.)

If a seat is not available, the child will be placed on the wait list for financial assistance seats. The CDC Managing Director will notify the applicant family that the child has been placed on this wait list within two business days of receipt of this information from the Financial Assistance Committee. (See the Enrollment Policy for detailed procedures for wait lists.)

Financial assistance awards are disbursed by direct credit to the student's tuition account. The tuition balance due will be payable based on the payment plan selected at enrollment/reenrollment. Financial assistance awards are effective from the date of enrollment until the start of the next school year. Families may be required to reapply for financial assistance in order to continue to receive financial assistance for the next school year. (See Section VI for more information.)

Financial assistance awards are conditional until SSS receives all required documents. The CDC reserves the right to revise or withdraw awards if current tax forms are not filed and submitted to SSS. The CDC also reserves the right to revise or withdraw awards if final current year tax numbers vary significantly from estimates used to complete the PFS.

SSS uses submitted tax documentation to validate the information provided on the PFS. The CDC assumes that all information provided in financial assistance applications and to the Internal Revenue Service is truthful and accurate. The CDC reserves the right to review and revise or revoke a financial assistance award at any time due to changes in financial status, discovery of grossly inaccurate or deliberately falsified information, or discovery of errors in the determination of eligibility for assistance.

V. Other Requirements

To be eligible for financial assistance and to continue to receive assistance, students must remain enrolled in the CDC. Students receiving financial assistance who are withdrawn and later seek reenrollment are not guaranteed the renewal of financial assistance. In addition, parents must meet all current financial obligations to the CDC and may be required, on an annual basis, to demonstrate financial need. The parents of children receiving financial assistance awards must arrange for transportation for their child to and from the CDC and ensure that their child is present each day the CDC is in session, subject to legitimate reasons for absences (described in the CDC Parent Handbook) and notice to the Managing Director. As with all parents and in the best interests of children, parents of students receiving financial assistance are expected to engage in appropriate activities of the CDC to the extent they are able and to support their children's participation. A decision by the Managing

Director to terminate the enrollment of a child receiving financial assistance must be approved by the Financial Assistance Committee.

VI. Renewal Applications

A. Reapplication for Financial Assistance

There is no guarantee of continued financial assistance for subsequent years. During the annual enrollment period, the CDC Managing Director may request that parents of children receiving financial assistance or on the wait list for financial assistance complete a new Parents' Financial Statement and submit required documents to SSS in order to remain qualified for their scholarship awards or on the wait list. In this case, the CDC will reimburse the fee paid by the family to SSS. A financial assistance award will not be renewed until the student has been enrolled for the following year and the initial tuition deposit has been received.

B. Changes in Financial Assistance Award from Year-to-Year

The amount of financial assistance awards may vary from year to year based on available funds and the family's changing financial situation. The CDC does not guarantee the same level of support year to year or for other children in a family who may later be admitted and enroll. If family income increases, appropriate decreases in financial assistance may occur.

C. Increase in Family Assets

An increase in family income, as reported in the annual application for financial assistance, may result in the cessation of financial assistance. In this event, the family will be assessed the full tuition amount and the child will be allowed to continue in a seat designated for children on financial assistance for a period not to exceed three months. In addition, the child will immediately be placed on the wait list for families that are not seeking financial assistance and will be given priority for the next available seat. Every effort will be made to ensure that the child is able to continue in the CDC without a break in enrollment.

In the event a child who is in a four-year-old classroom is placed on a wait list for a non-financial assistance seat under these circumstances, he or she will be allowed to continue at the CDC for the remainder of that school year, even if a non-financial assistance seat does not become available within three months. This information shall be included in the report to Session described in Section II. C, in particular whether this practice causes the number of children receiving financial assistance to drop below the desired 25% of enrollment.

To help avoid any breaks in enrollment, the CDC Managing Director shall strongly encourage parents who receive financial assistance to promptly inform him/her of any current or expected increases in family income or

assets that may affect the family's future qualification for financial assistance, so the child may be moved to the appropriate wait list as soon as possible.

D. Decrease in Family Assets

If the family's financial situation deteriorates, the CDC will endeavor to increase the level of assistance to the family. Every family, regardless of individual situation, is expected to pay some portion of any tuition increases that may occur each year.

VII. Children on Child Care Subsidy

It is the expectation that some children enrolled in the CDC will be the recipients of subsidies administered by Child Care Resources, Inc. (CCRI) in Mecklenburg County. In this event, the gap between the tuition amount paid by subsidized funds and the total tuition charge will be funded by the CDC Scholarship Fund, except for 10% of the tuition amount, which must be paid by the parent. Families of students who are the recipients of CCR-managed subsidized funds are not required to submit financial information to School and Student Services according to the process described above in Section III in order to receive financial assistance.

VIII. Non-Discrimination

The CDC does not discriminate on the basis of race, religion, national origin, gender, sexual orientation or any other category protected by law in the administration of the financial assistance program. These procedures described in this policy are established to ensure a fair, consistent and equitable assessment of each family's ability to pay tuition and decisions regarding the awarding of financial assistance.

IX. Confidentiality

The CDC will hold in strict confidence all information concerning financial assistance requests and expects the parents of students receiving awards to do the same. Information submitted in this regard will not be disclosed to outside persons or entities unless so mandated by court order. Nor will the CDC disclose information provided by divorced or separated parents to the other parent unless so mandated by court order.

X. Policy Amendments

This policy shall be reviewed by the Advisory Council every three years, in the month of January, beginning in 2022. Any recommendations for policy revisions shall be routed through the Ministry of Administration for approval by the Session. The Advisory Council may also recommend revisions to this policy on a more frequent basis.