

**12D.4 Program and administrative funds — investment and payments.**

1. *a.* The treasurer of state shall segregate moneys received by the trust into two funds: the program fund and the administrative fund.

*b.* All moneys paid by participants in connection with participation agreements shall be deposited as received into separate accounts within the program fund.

*c.* Contributions to the trust made by participants may only be made in the form of cash.

*d.* A participant or beneficiary may, directly or indirectly, direct the investment of any contributions to the trust or any earnings thereon no more than two times in a calendar year.

*e.* The amount of cash distributions from the trust and all other qualified state tuition programs under section 529 of the Internal Revenue Code to a beneficiary during any taxable year shall, in the aggregate, include no more than ten thousand dollars in expenses for tuition in connection with enrollment at an elementary or secondary public, private, or religious school incurred during the taxable year.

2. Moneys accrued by participants in the program fund of the trust may be used for payments to any qualified educational institution. Payments can be made to the qualified educational institution, the participant, or the beneficiary.

[98 Acts, ch 1172, §4](#); [2004 Acts, ch 1079, §9, 17](#); [2018 Acts, ch 1161, §139, 147, 148](#)

Referred to in [§12D.1](#), [12D.9](#)