

QUESTBRIDGE

2020 INCOME AND ASSETS GUIDE



GLOSSARY: INCOME AND ASSETS

In the Income and Assets section of your application, you are required to answer financial questions about the parents, step-parents, or legal guardians in your current household, and, if applicable, questions about the income and assets of your non-custodial parent and step-parent.

*If you are unable to complete the Income and Assets section with your parent(s)/legal guardian(s), then **complete this section to the best of your ability using estimates**. It will help our review of your application if you share why you cannot complete this section with your parent(s)/legal guardian(s) in the explanation box at the bottom of the Income and Assets page(s).*

This glossary is intended to help you complete the Income and Assets section of your application fully and accurately. Please note that all information you provide is subject to verification by QuestBridge and our college partners. Misrepresentation or omission of financial information can lead to withdrawal of offers related to scholarships, programs, or admission.

Please visit www.questbridge.org/AskQB for further assistance.

Parent(s)/Legal Guardian(s) Income:

QUESTION	DESCRIPTION	TAX RETURN
<p>How much did your parent/step-parent/legal guardian earn from working in 2019?</p> <p><i>Include earned wages, salaries, and tips.</i></p>	<p>Include any money that your parent/step-parent/legal guardian received for work they did. This includes tips earned on a job, work for an individual, work for a company, owning/running a business or farm, and money paid for services. Add together all wages, salaries, and tips received in 2019.</p> <p>This information should be split and entered separately, as appropriate, for each parent/legal guardian. Please also see the note at the bottom of this page.</p>	1040 line 1, W-2 box 1, or estimate if no W-2 available
<p>How much did your parent(s)/legal guardian(s) earn in interest and dividend income in 2019?</p>	<p>Interest income is money received from investments that pay interest, such as in a savings account or a certificate of deposit. Dividend income is money received from a payment by a corporation to its shareholders.</p>	1040 total of lines 2a, 2b, 3a, and 3b

Note: *You should not enter any income in more than one box; all income should only be counted once in the total shown at the end of the Income section.*

QUESTION	DESCRIPTION	TAX RETURN
Did your parent(s)/legal guardian(s) earn any business, farm, or rental income?	Please indicate “Yes” if your parent(s)/legal guardian(s) earned any income from a business, farm, or rental property in 2019.	
<i>If indicating “Yes”...</i>		
<i>Net sole-proprietorship profit or loss</i>	<i>Sole proprietorships mean that the profit or loss from the business is passed to the owner of the business. Therefore, if your parent(s) or legal guardian(s) run a sole proprietorship, the profit or loss from the business will appear on their individual tax return.</i>	<i>1040, Schedule 1, line 3</i>
<i>Net farm profit or loss</i>	<i>The farm’s total revenue minus total expenses in a year, resulting in either a profit or loss. Net farm profit or loss is considered the sole proprietor’s income and is reported on their individual tax return.</i>	<i>1040, Schedule 1, line 6</i>
<i>Rental real estate, royalties, partnership, or S-Corporation net profit or loss</i>	<i>Other business-related income sources, including real estate rental, partnerships, S-corporations, trusts, and estates.</i>	<i>1040, Schedule 1, line 5</i>

Taxed Income:

TERM	DESCRIPTION
Alimony	Financial assistance provided to a spouse before or after marital separation or divorce.
Unemployment Compensation	Amounts received under the unemployment compensation laws. It includes state unemployment insurance benefits and benefits paid by a state. Unemployment compensation does not include worker’s compensation or supplemental unemployment benefits received from a company-financed fund.
Retirement and/or Pension Distributions	Money removed from a retirement or pension account and paid to the account owner or beneficiary. <u>Only</u> include distributions that are subject to taxation here. Distributions not subject to taxation should be entered in the Untaxed Income section.

TERM	DESCRIPTION
Social Security Benefits	There are many different types of Social Security benefits, including benefits related to retirement, disability, and Medicare. Social Security benefits paid to you (the applicant) should not be entered here, as they are considered student income. <u>Only</u> include benefits that are subject to taxation here. Benefits not subject to taxation should be entered in the Untaxed Income section.
Disability Payments	Payments made to a person who has become disabled and is unable to work. These may include Social Security disability benefits. <u>Only</u> include payments that are subject to taxation here. Payments not subject to taxation should be entered in the Untaxed Income section.
Inheritances	Money received from someone upon their death. <u>Only</u> include inheritance income that is subject to taxation. Untaxed inheritance should be entered in the Untaxed Income section.
Legal Settlements	A settlement that resulted in money paid to your parent(s)/legal guardian(s). <u>Only</u> include legal settlements that are subject to taxation here. Legal settlements not subject to taxation should be entered in the Untaxed Income section.
Capital Gains	Profit from the sale of a capital asset, such as stock, bond, or real estate.
Other	Any other form of income that is subject to taxation and appears on your parent(s)/legal guardian(s) tax returns. All income listed on a tax return should be accounted for in the Parent(s)/Legal Gaurdian(s) Income section.

Untaxed Income:

Child Support Received	Court-ordered payment, typically made by a non-custodial parent, to contribute to the costs of raising a minor child or children.
Social Security Benefits	There are many different types of Social Security benefits, including benefits related to retirement, disability, and Medicare. Social Security benefits paid to you (the applicant) should not be entered here, as they are considered student income. <u>Only</u> include benefits that are not subject to taxation here. Benefits subject to taxation should be entered in the Taxed Income section.
Pre-Tax Retirement Contributions	Payments to pre-tax pension and retirement savings plans (e.g., 401(k), 403(b), 447), including amounts reported on W-2 boxes 12a to 12d, codes D, E, F, G, H, and S. IRA deductions and payments to self-employed SEP, SIMPLE, Keogh and other qualified plans from 1040, Schedule 1, lines 15 and 19.
Worker's Compensation	Payment made to an employee injured in the course of employment, as a replacement for wages and benefits.

TERM	DESCRIPTION
Insurance and/or Legal Settlements	Payments made on an insurance claim from the insurer to the policyholder, or a legal settlement that resulted in money paid to your parent(s)/legal guardian(s). <u>Only</u> include legal settlements that are not subject to taxation here. Legal Settlements subject to taxation should be entered in the Taxed Income section.
Retirement and/or Pension Distributions	Money removed from a retirement or pension account and paid to the account owner or beneficiary. <u>Only</u> include distributions that are not subject to taxation here. Distributions subject to taxation should be entered in the Taxed Income section.
Disability Payments	Payments made to a person who has become disabled and is unable to work. These may include Social Security disability benefits. <u>Only</u> include payments that are not subject to taxation here. Payments subject to taxation should be entered in the Taxed Income section.
Supplemental Security Income (SSI)	Benefits paid by the Social Security Administration to disabled or blind adults and children with limited income, and adults aged 65+ who meet income requirements.
TANF, SNAP/Food Stamp, WIC Benefits	<p>Temporary Assistance for Needy Families (TANF) provides cash assistance to families with dependent children and limited income.</p> <p>The Supplemental Nutrition Assistance Program (SNAP)/Food Stamp Program offers nutritional assistance to individuals and families with limited income.</p> <p>The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides resources and education for mothers with limited income and support for children up to age five who are at nutritional risk.</p>
Scholarships or Grants	<p>Scholarships and grants encompass all money that is given by a school, organization, government agency, or other entity to help a student pay for their education. These forms of financial assistance do not require repayment.</p> <p><u>Only</u> include scholarships or grants given to your parent(s)/legal guardian(s). <u>Do not</u> include education loans, which require the borrower to repay the money received with interest.</p> <p><u>Only</u> include untaxed portions of scholarships and grants. Taxed portions should be entered in the Taxed Income section.</p>
Cash or Bills Paid on Their Behalf	<p>The total amount of cash support received from a friend, relative, or other party. Also include the value of bills (e.g., rent, utilities, and groceries) paid by others on your family's behalf.</p>
Other	<p>Any other untaxed income your parent(s)/legal guardian(s) received that is not included above (e.g., housing allowances, veterans noneducation benefits, FSA/HSA contributions). All sources of financial support should be included.</p>

Parent(s)/Legal Guardian(s) Assets:

QUESTION	DESCRIPTION
<p>What is the estimated total value of your parent(s)/legal guardian(s) checking and savings?</p>	<p>The estimated total value of cash currently held by your parents(s)/legal guardian(s) in their combined bank accounts as of the day you are completing the application.</p> <p><u>Do not</u> include the value of investments (stocks, bonds, money market funds), trusts, or retirement plans.</p>
<p>What is the estimated total value of your parent(s)/legal guardian(s) investments (stocks, bonds, money market funds) and trusts?</p> <p><i>Do not include the value of retirement plans.</i></p>	<p>A <u>stock</u> is a type of security that represents a claim on part of a corporation's assets and earnings.</p> <p>A <u>bond</u> is a debt investment in which an investor loans money to an entity (for example, a corporation or government), which borrows the funds for a defined period of time with interest.</p> <p>A <u>money market fund</u> is an investment that earns interest for shareholders while maintaining a net asset value. Shares of money market funds can be purchased through mutual funds, brokerage firms, and banks.</p> <p>A <u>trust</u> is property or money held for the benefit of an individual. Include trusts for which your parent(s)/legal guardian(s) are the beneficiary.</p> <p><u>Do not</u> include the value of retirement plans. These are savings and investment plans that provide income during retirement and are invested in retirement plans, including a 401(k), 403(b), IRA, and pension plans.</p>
<p>Do your parent(s)/legal guardian(s) own their home?</p>	<p>Please indicate "Yes" if your parent(s)/legal guardian(s) own the house, apartment, mobile home, or other residence that they currently live in.</p> <p>A person owns a home if their name is on the deed. Having or not having a mortgage on the home does not impact homeownership.</p>
<p><i>If indicating "Yes"...</i></p>	
<p><i>What is the current market value of the home?</i></p>	<p><i>The estimate of the current value of the home, based on what a buyer would pay in a fair market. <u>Do not</u> subtract the value of mortgages or other amounts owed on the home.</i></p>
<p><i>How much do they owe on the home?</i></p>	<p><i>Money owed to an individual or organization (such as a bank) on the home. This includes money owed to a bank on a mortgage.</i></p>
<p><i>What was the purchase price of the home?</i></p>	<p><i>The amount paid by the purchaser of the home. The purchaser could be your parent(s)/legal guardian(s), or the friend/relative that purchased the home on their behalf.</i></p>
<p><i>What year did they purchase the home?</i></p>	<p><i>The year that your parent(s)/legal guardian(s) or other party purchased the home.</i></p>

QUESTION	DESCRIPTION
Do your parent(s)/legal guardian(s) own any other real estate besides their home?	Please indicate "Yes" if your parent(s)/legal guardian(s) own a house, apartment, mobile home, or other property that they do not live in.
<i>If indicating "Yes," click "Add Property" to include each property...</i>	
<i>What is the current market value of the property?</i>	<i>The estimate of the current value of the property, based on what a buyer would pay in a fair market. <u>Do not</u> subtract the value of mortgages or other amounts owed on the property.</i>
<i>How much do they owe on the property?</i>	<i>Money owed to an individual or organization (such as a bank) on the property. This includes money owed to a bank on a mortgage.</i>
Do your parent(s)/legal guardian(s) own a business?	Please indicate "Yes" if your parent(s)/legal guardian(s) own a business. A person is a business owner if they run the business, have decision making abilities, and first right to profit. Types of business ownership include: sole proprietorship, partnership, corporation, and limited liability company (LLC).
<i>If indicating "Yes," click "Add Business" to include each business...</i>	
<i>What is the name of the business?</i>	<i>The official name of the business for legal and tax purposes.</i>
<i>What is the current value of the business?</i>	<i>The estimate of the current value of the business. This may be based on what a buyer would pay in a fair market in consideration of the business assets, liquidation value, future income, selling price of a similar business, and other factors. This information can be found on the business balance sheet.</i>
<i>How much is owed on the business?</i>	<i>Money owed to an individual or organization (such as a bank) on the business. This includes money owed to a bank on a business loan. This information can be found on the business balance sheet.</i>
<i>What percent of the business do your parent(s)/legal guardian(s) own?</i>	<i>Indicate the portion of the business owned by your parent(s)/legal guardian(s) with consideration to sole proprietorships vs. partnerships and other forms of collective ownership.</i>
<i>What was the gross revenue in 2019?</i>	<i>Gross revenue is the total revenue received before expenses and any other deductions. This information can be found on the business tax return (such as Schedule C, 1120, or 1120S).</i>
<i>What were the gross expenses and cost of goods sold in 2019?</i>	<i>Gross expenses and cost of goods sold are the total expenses for the business. This information can be found on the business tax return (such as Schedule C, 1120, or 1120S).</i>

QUESTION	DESCRIPTION
Do your parent(s)/legal guardian(s) own a farm that they do not live on?	<p>Please indicate “Yes” if your parent(s)/legal guardian(s) own a farm, but do not live on that farm. Farms that fall into this category are sometimes called “investment farms.”</p> <p>A farm is an area of land and its buildings used for growing crops and/or keeping animals. Land that is not used for farming should not be considered here.</p>
<i>If indicating “Yes,” click “Add Farm” to include each farm...</i>	
What is the current market value of the farm?	The estimate of the current value of the farm, based on what a buyer would pay in a fair market. <u>Do not</u> subtract the value of loans or other amounts owed on the farm.
How much is owed on the farm?	Money owed to an individual or organization (such as a bank) on the farm. This includes money owed to a bank on a loan.
What percent of the farm do your parent(s)/legal guardian(s) own?	Indicate the portion of the farm owned by your parent(s)/legal guardian(s) with consideration to sole proprietorships vs. partnerships and other forms of collective ownership.
What was the gross revenue in 2019?	Gross revenue is the total revenue received before expenses and any other deductions.
What were the gross expenses in 2019?	Gross expenses are the total expenses for the farm.

Student Assets:

QUESTION	DESCRIPTION
Do you have any assets in your (the student’s) name greater than \$5,000?	Student assets can include cash, savings, investments, real estate, trusts, and other assets under your name. Please include the current value, a description of the asset, and any pertinent information.

QUICK TIPS



NO TAX FORMS? If your parent(s)/legal guardian(s) have not filed their taxes yet, reference prior year returns, recent W-2 forms, and other financial records to answer the income and assets questions to the best of your ability.



MORE QUESTIONS? Visit www.questbridge.org/AskQB for further assistance.