

College checklist: Five tips for parents

Sending your young adult off to college or university can be both scary and exciting, even in the best of times. These tips may help you help your child navigate some important financial planning and life issues.

Establish a Health Care Power of Attorney ("POA")

For the first 18 years of your child's life, you played a key role in making medical decisions. But, when your child legally becomes an adult at 18, you could be effectively estranged from important decisions regarding their health care. According to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), a medical provider can choose not to disclose protected health information to anyone if they determine it is not in the best interests of the patient, even if the "patient" is your child.

One of the ways you can avoid this potential headache is to have your child sign a durable health care Power of Attorney ("POA"). This is a type of advanced directive that allows the child to designate a person (usually the parent) to make medical decisions on their behalf, and discuss condition/review medical records with doctors.

It is important that the health care POA is "durable," which allows the agent (parent) the right to act on behalf of the principal (child) even if the child becomes incapacitated. A "non-durable" health care POA is legally revoked upon incapacitation.

The hope is, of course, that you never have to use the POA. But accidents happen, and no matter how big or how small the incident is, the last thing a parent wants to feel is helpless when it comes to the health of their child.

Evaluate college health insurance

Most colleges and universities offer a student health plan. In many instances, parents don't realize they are paying for this coverage and/or that it is available. However, before you opt out of the school's health plan, consider the following:

- If your child is attending a college in a state outside of your residence, ensure that you are aware of how your current coverage may apply in the respective state the child is attending school. How will emergency care services be covered, if needed? Another alternative aside from coverage through the college is separate coverage in the state the student attends school.
- Before making an election, understand your options and how this will affect any needed health care while away. Keep in mind that most students under the age of 26 can remain covered on your existing health care plan.

Gain access to your child's student portal

This may not be a popular decision from your child's perspective, but gaining access to their student portal allows you to keep an eye on the status of tuition payments, financial aid grants, available credits for meals, and much more. A second set of eyes never hurts to make sure that all is as it should be, especially with freshman who are often challenged with meeting these types of financial obligations for the first time.

Set up bank accounts and establish credit

Before your child goes away to school, we often recommend that your child establish their own bank account and credit card. They may have already done this when they worked during high school, but once they get to college, they will most likely be bombarded with offers to sign up for credit cards; better to nip that temptation in the bud before it happens. If you can link your child's accounts to your accounts, you will be able to view activity, and in an emergency, deposit cash via the bank or other online payment systems. You will also be able to help guide your child towards establishing good credit.

Think before you sign that lease

Many students decide to partner with friends and rent an apartment either on campus or off. They will sign a lease that obligates them to its terms. But, as we all know, life happens, and often the four best friends and roommates who start out the year don't always finish the year together. Then what?

Consider a twofold approach:

- Make sure your child reads and understands the terms of the lease
- Create an agreement/contract — signed by all parties to the lease — that clearly defines each person's obligation to fulfilling their financial obligations to the lease

Going away to college is a spectacular opportunity for young adults to blossom. Many, if not most, students learn valuable lessons about living independently, becoming financially responsible, and making the critical life decisions that will serve them well after school. By helping to get out in front of some of these traps, you can help ease the way by helping them to avoid some common pitfalls.

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