

COMMUNITY FOUNDATION OF ST. CLAIR COUNTY

Narrative / Policy on Scholarship Process/Procedures

The Community Foundation of St. Clair County holds and administers funds that provide scholarship grants to individuals. These grants include traditional, front-end scholarships to attend a college/university/trade school, as well as back-end (Come Home or Reverse) scholarships that address an identified critical need within the County.

For traditional scholarships, the Community Foundation elects to pay these grants through the educational institution on behalf of the recipient. Qualified expenses for traditional scholarships may include but are not be limited to; tuition, fees, room and board, books, educational supplies and other life needs that create a financial barrier to degree completion. Life needs may be paid directly to a vendor on behalf of the student. Current IRS regulations deem such awards to be taxable income to the recipient and as such, the Community Foundation will comply with required reporting.

Come Home Reverse Scholarship awards are paid directly to the holders of the recipients' student loans on their behalf. These awards are paid over a specified program cycle as long as the recipient continues to live and work within the County to maintain eligibility. Current IRS regulations deem such awards to be taxable income to the recipient and as such, the Community Foundation will comply with required reporting.

Scholarship Committees

The Community Foundation's Governance Committee presents a recommended slate of all committee members for the approaching calendar year to the Board of Trustees, who then reviews and formally approves such appointments. The Community Foundation's Scholarship Committee is included in this appointment process, and they are charged with the responsibility of overseeing all scholarship fund awards, whether it be indirectly considering the recommendations of advisory scholarship committees where in existence or directly selecting recipients for other scholarship funds.

Advisory scholarship committees may be in place to assist the Scholarship Committee in scholarship determination in these instances: 1) when Funds have specific selection criteria and numerous applications whereby other individuals such as school principals or counselors may be more objectively qualified to make more informed decisions; and 2) when donors or their appointees wish to be involved at some level in the selection process.

Where there is donor involvement in the selection process, the Board of Trustees must formally appoint the Advisory Scholarship Committee members and in doing so, verify that the committee make-up is such to ensure that the donor does not directly or indirectly control the committee's decision-making.

Where the Advisory Scholarship Committee is made up of specified, named positions such as school principals, counselors, superintendents, or community groups/organizations, Board appointment is not formally required and the Scholarship Committee and assigned program staff is responsible to monitor for potential conflicts of interest.

Every member of the Scholarship Committee and all Advisory Scholarship Committees must complete a conflict of interest form with their recommendations. Committee members must recuse themselves where conflicts of interest exist, and the Scholarship Committee working with assigned program staff must ensure all conflicts of interest were handled appropriately.

Grants covered by this policy may not be awarded to any member of the Community Foundation's Board of Trustees, any substantial contributor to the Community Foundation, any employee of the Community Foundation or any other disqualified person with respect to the Community Foundation. Grants also may not be awarded to any donor/advisor or substantial contributor to the Fund making the award, to any member of a selection committee for such an award, or to any members of their families. Finally, grants covered by this policy may not be made for a purpose that is not charitable.

Definitions

Advisor – a person appointed by a donor to have advisory privileges with respect to a Fund. The term also includes members of the advisor's family and businesses controlled by the advisor and family members.

Donor – an individual or organization, including a corporation, partnership or trust, that makes a contribution to a Fund where such Fund is separately identified by reference to contributions of the donor and with respect to which the donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such Fund by reason of the donor/advisor's status as a donor. The term also includes members of the donor's family and businesses controlled by the donor and family members.

Educational Institution – An institution that has a regular faculty, a curriculum, and an organized body of students in attendance at the place where the educational activities are held.

Qualified Expenses – Certain expenses incurred in attending an educational institution. They are:

- Tuition and fees for enrollment and attendance
- Course-related expenses – fees, books, supplies and equipment required of all students for courses of instruction.
- Room and board, travel, research, clerical assistance. Payments for expenses in this group are not exempt from income tax.
- Life needs including but not limited to food, transportation, daycare, and medical care. Payments for expenses in this group are not exempt from income tax.

Related Persons – The term includes both a donor or advisor's family members and businesses they control:

- Family Members – an individual's parents, grandparents, great grandparents, spouse, siblings, children, grandchildren, great grandchildren and the spouses of all of the above.
- Controlled Businesses – corporations, partnerships, and trusts or estates if the donor or advisor and family members own more than 35 percent of the total combined voting power (corporations), 35 percent of the profits interest (partnerships), or 35 percent of the beneficial interest (trusts or estates).

Selection Criteria

The criteria to be used in selecting recipients from each scholarship fund must be based on criteria in accordance to the Fund Agreement.

Criteria for traditional front-end scholarship awards may include, but are not limited to, the following:

- Prior academic performance;
- Financial need, including life needs;
- Performance of applicants on tests designed to measure ability and aptitude for educational work;
- The applicant's place of residence;
- The applicant's past or future attendance at a particular school;
- The applicant's career choice or proposed course of study;
- Additional biographical information regarding an applicant's academic and other relevant experiences or evidence of his/her artistic, scientific, or other special talent;
- Recommendations from instructors of applicant and any others who have knowledge of the applicant's capabilities;
- The Selection Committee's conclusions as to the applicant's motivation, character, ability or potential;

Preference may be given to applicants of a particular gender, race (other than white), ethnic background or religion provided such preference does not violate public policy.

If applying in their 13th year of school, Blue Water Middle College students may be considered eligible for awards restricted to graduating seniors.

Reverse scholarships involve certain requirements to establish the identified critical need and intended charitable purpose, and these requirements are incorporated into the scholarship criteria.

Recipient Selection

The selection committee submits their recommendations and conflict of interest forms to the Community Foundation. All Advisory Scholarship Committee recommendations must be reviewed and approved by the Community Foundation's standing Scholarship Committee before the scholarships are awarded.

All scholarship recommendations are made on an objective and nondiscriminatory basis using the selection criteria outlined in the respective fund agreement. The group from which grant recipients are selected must be sufficiently broad so that giving grants to one or members of the group fulfills a charitable purpose.

Grant Renewals

Grants will ordinarily be awarded for a one-year period, but may be for a shorter or longer period. Some grants may be renewable for a period appropriate to the purposes of the Fund under which the grant is established. Otherwise, the Community Foundation may consider renewing a grant on a case by case basis according to the status of the grantee's project and the purposes of the grant.

Grant Deferment

Grants are intended to be used the same year as awarded; however, first-year students may put their scholarship on hold for up to two academic years if total financial aid covers allowable educational costs and award displacement would occur. All students are allowed a one academic year deferment period where their funds will be held if facing extenuating circumstances including but not limited to death in the family or serious illness, provided they notify Community Foundation staff of their situation.

Scholarship Processing

Once all recommendations have been approved, Community Foundation staff sends a letter to all applicants informing them of the outcome to his or her scholarship application. Approved applicants must then submit additional paperwork (Scholarship Designation and Acceptance Forms). All traditional scholarship award checks are distributed directly to the college/university the student is attending, along with a cover letter outlining terms and conditions of the award(s). By cashing the check the college/university agrees to those terms. Students are provided notification that the award is on its way to the respective financial aid office. Come Home Reverse Scholarship awards are paid quarterly through the year and recipients will receive account statements from the holders of their student loans reflecting payments.