

Wasatch Education Foundation
DRAFT Scholarship Policy

Policies for Scholarship Program
Approved by the Board of Trustees on:

Purpose of Scholarship Program

- 1) The Wasatch Education Foundation ("the Foundation") raises, holds and administers certain funds that provide grants that pay for individuals to attain post-secondary schooling at a public or private college or university, or a vocational school. These grants are described in [Section 4945\(g\)\(1\) of the Tax Code](#). Instruction may be provided in-person or online. In addition, grants may support specific instruction in students' fields of study, such as vocal performance or instrumental instruction, pay for certification exams or special fees or purchase tools and equipment associated with their course work or program at the educational institution.
 - a) Grants made from such funds shall be referred to as "scholarships." Such scholarships provide life-long opportunities for students and a better-educated workforce for the community.
 - b) The Foundation does not award grants to individuals for any purpose other than as stated above. All other grants from Foundation component funds are awarded to clubs, athletics or other organizations within the Wasatch County School District. Those grants are described in policies outside of this document.

Legal Compliance

- 1) In administering scholarships, the Foundation adheres to the federal requirements for all scholarship funds to maintain the charitable nature of the Foundation's scholarship program and to guard against any private benefit to individuals associated with the scholarship program.
 - a) The following policies and procedures shall be interpreted to ensure the Foundation's compliance with all applicable requirements of the Internal Revenue Code, including Section 4966, accompanying Treasury Regulations and guidance from the Internal Revenue Service, as may be amended from time to time.
 - b) Under Section 4966 of the Tax Code, scholarships may not be awarded from donor advised funds unless the following conditions are met:

Policies and Procedures for Scholarship Programs

- 1) The sponsoring organization (which in this case is the Foundation) appoints all of the members of the Scholarship Selection Committee and the donor's advice and review of applications is given solely as a donor and not as a member of the committee
 - a) Neither the donor nor the parties related to the donor control the Scholarship Selection Committee directly or indirectly
 - b) All grants are awarded on an objective and nondiscriminatory basis using a procedure that has been approved in advance by the governing board of the sponsoring organization and that has been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of section 4945(g) of the Tax Code.

Role of a Scholarship Committee Member

- 1) The Wasatch Education Foundation Board of Trustees (“Board of Trustees”), as stewards of the funds and their purposes, is responsible for ensuring that the original intent of each scholarship fund is carried out. To this end, the Board of Trustees annually appoints a Scholarship Committee to guide the scholarship selection process and to make recommendations regarding scholarships that would meet the purpose and restrictions of each scholarship fund. The
 - a) Scholarship Committee and its component subcommittees, called Scholarship Selection Committees, meet from September through May of each year, with other meetings scheduled as needed.
 - b) All Scholarship Selection Committee members must evaluate the eligibility of all applicants without bias and conflicts of interest and make selection recommendations based on the established specific selection criteria for each scholarship.

Scholarship Committee and Scholarship Selection Committee Composition

- 1) The Scholarship Committee is comprised of trustees and volunteers appointed by the Board of Trustees who have a keen interest in providing opportunities for students to achieve their academic goals. The Scholarship Committee charter outlines in more detail committee member characteristics and responsibilities.
 - a) The Scholarship Committee will be led by a chairman and at least one vice-chairman and additional members as needed, appointed by the Board of Trustees, to provide direction for the committee. These volunteers are considered to be the Leadership Team. The Leadership Team reviews and recommends scholarship policy to the Board of Trustees for approval and recruits members for the Scholarship Committee to serve on Scholarship Selection Committees.

Role of Authorized Donor Representative(s)

- 1) For purposes of these procedures, the Authorized Donor Representative(s) will be defined as an individual or organization, including a corporation, partnership or trust, that is designated by the scholarship fund’s founding donor where such fund is separately identified by reference to contributions of the fund’s founding donor or Authorized Donor Representative and with respect to which the Authorized Donor Representative (or any person designated by such donor or Authorized Donor Representative) has, or reasonably expects to have, advisory privileges to participate in the process of making scholarship recommendations to the Board of Trustees.

Authorized Representative’s status.

- 1) The Foundation values the interest and involvement of Authorized Donor Representatives with funds established to make scholarships. Such involvement may include developing scholarship criteria and selecting a pool of final candidates to receive their scholarship. The Foundation has established the following criteria to award scholarships from such funds where Authorized Donor Representatives have any advisory privileges or participation in the selection of scholarship recipients. The criteria detailed below must be met in its entirety for the fund to operate legally and avoid fines and penalties:

- a) Authorized Donor Representative(s), their families, and any other person(s) whose relationship to the Authorized Representative(s) or fund founders creates a real or perceived conflict of interest are ineligible to receive the scholarship.

Conflict of Interest and Confidentiality

- 1) Members of all Scholarship Selection Committees must sign a Conflict of Interest and Confidentiality form annually prior to evaluating any scholarship applications. In accordance with this form, Scholarship Committee members are required to declare any real or potential conflict of interests and to abide by the Conflict of Interest and Confidentiality policies. These forms are kept on file with other scholarship documents and in line with the Community Foundation's record keeping and document retention policies.

Scholarship Criteria

- 1) The specific parameters and selection criteria of each scholarship are determined at the time of the signing of the fund agreement by the fund's founding donors. The Scholarship Committee and staff implement the scholarship selection process based upon these parameters and criteria. Staff works with donors to clarify and document the donors' intentions while also striving for the best likelihood that a strong pool of applicants will be eligible and can be obtained.
 - a) Scholars are to be selected on an objective and nondiscriminatory basis. The intended scholarship application pool from which scholars are selected must be sufficiently broad so that awarding scholarships to one or more members of the group fulfills a charitable purpose. However, selection from such a pool is not necessary if the criteria mandate that the scholarship is awarded to scholars based upon exceptional qualifications to carry out the purposes of the scholarship fund or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the scholarship rather than to benefit particular class of persons. For example, if the scholarship is to be awarded to student with the highest grade point average in AP biology, the scholarship does not warrant nor need a scholarship selection pool.
 - b) Scholarship criteria may include, but are not limited to, the following: prior academic performance; performance of each applicant on tests designed to measure ability and aptitude for educational work; recommendations from instructors of such applicant and any others who have knowledge of the applicant's capabilities; additional biographical information regarding an applicant's career, academic and other relevant experiences, financial need; and conclusions which the Scholarship Selection Committee may draw as to the applicant's motivation, character, ability, or potential. Criteria may also include the applicant's place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of his or her artistic, scientific or other special talent. Preference may be given to applicants of a particular sex, race, sexual orientation, ethnic background or religion so long as such preference does not violate public policy.
 - c) Scholarship recipients must be members of the current Senior class who are pursuing studies or conducting research to meet the requirements for an academic or professional degree, or students – whether full-time or part-time – who receive a scholarship for study at an educational institution that provides an educational program acceptable for full credit toward a bachelor's or higher degree, or offers a training program to prepare students for gainful employment in a recognized occupation and is authorized under

federal or state law to provide such a program and is accredited by a nationally recognized accreditation agency. All scholarships must be used for tuition, room and board, materials, fees, and related expenses.

- d) Scholarships are generally for one year, but multi-year scholarships may be awarded and may be renewable pending specific criteria.
- e) Scholarships must meet and comply with all federal regulations regarding their benefits and usage.
- f) Company-sponsored scholarships must comply with IRS regulations and all of the following rules regarding eligibility criteria:
 - i) All employees and/or employees' dependents may be given preference but other applications outside of the company are considered.
 - ii) No conditions may be placed on the scholarship that requires the recipient or recipient's parent/guardian to remain employed by the company.
 - iii) A minimum term of employment may be established for eligibility, but may not exceed three years.

Scholarship Selection Processes

- 1) The Foundation offers an online application so that students may apply for multiple scholarships at one time.
- 2) Applicants must adhere to all guidelines and submit a standard application. The Foundation must receive the application and all supporting documents by the deadline to be considered for any scholarships.
- 3) Applications are reviewed and placed into consideration for the scholarships for which they meet the criteria.
- 4) The Scholarship Selection Committee reviews the applications for all scholarships during the selection day.
- 5) The Scholarship Selection Committee's Chairman completes a ballot summary representing the committee's vote and submits it to staff, noting the committee's recommendation for scholarships.
- 6) The Scholarship Selection Committee's recommendation is considered final and binding.
- 7) Once approved, the scholar is notified of the amount of the scholarship, the purpose for which it should be used, and requirements (if any) that should be met to receive the scholarship and the scholar is required to agree to the terms of the scholarship in writing.
- 8) Scholarship checks are generally written within 30 days of the notification to the scholarship recipient and are made payable to the school with the student's name included in the correspondence so that the correct student account is credited. Scholarships are to benefit the specific scholar only and schools may not use the scholarship for other purposes, or the school must return the scholarship to the Foundation. The school must be described in IRC §170(b)(1)(A)(ii) and must agree to use the scholarship funds to defray the scholar's expenses.
- 9) Scholarships for certification exams, tools or other supplies needed for training may be payable directly to a third-party vendor.
- 10) Multi-year scholarship recipients are responsible for providing the Foundation with their current and updated contact information during the application period and for the academic year.

- 11) The Foundation will keep updated, detailed records on all scholars and their respective scholarships for three years after the scholarship is expended. Electronic and paper records are governed by the Foundation's confidentiality and record retention policies.

Withdrawals, Diversions and Deferrals

- 1) Circumstances may occur in which scholars are not able to complete the terms of the scholarship.
- 2) If the scholar does not complete the term or withdraws from school, the scholar must notify the Foundation in writing with the reasons and the scholar's future intentions. The Scholarship Committee reserves the right to request restitution of monies expended for the term or period of withdrawal.
- 3) If the Foundation learns that all or any part for the scholarship is not being used for the purposes the fund was intended, the Foundation will take all reasonable and appropriate steps to recover the scholarship monies and/or ensure restoration of the diverted funds to the purposes of the scholarship fund.
- 4) If such a diversion occurs and the school has not previously diverted scholarship funds, the Foundation shall withhold any further payments to the school until it has received the school's assurance that future diversions shall not occur. The Foundation may require the school to take extraordinary precautions to prevent future diversions from occurring.
- 5) Where a school has previously diverted funds received from the Foundation and the Foundation determines that any part of a scholarship has again been used for improper purposes, the Foundation shall take all reasonable and appropriate steps to recover the scholarship monies and/or ensure restoration of the diverted funds to the purposes of the scholarship. In such case, the Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored to the student's account; (2) the Foundation has received the school's assurances that future diversions will not occur; and (3) the Foundation requires the school to take extraordinary precautions to prevent future diversions from occurring.
- 6) The phrase "all reasonable and appropriate steps," as used above, shall include legal action where appropriate, but need not include legal action if such action would in all probability not result in the satisfaction of execution on a judgment.
- 7) If a student submits, in writing, their intent to defer their scholarship, the Foundation will hold the funds for three years until that student submits, in writing, a request to have their held funds disbursed to the institution in which they are enrolled.

Scholarship Refunds

- 1) The Foundation should receive refunds from the educational institution and/or the scholar when the scholar no longer meets the scholarship criteria. Generally, the following guidelines regarding refunds will be followed:
 - a) If a refund is received during the current scholarship period, the refund may:
 - i) Be awarded to a new scholar if the refund is received before December 31 of the academic year and if there is an alternate chosen by the Scholarship Selection Committee.
 - ii) If the refund is received after December 31, the refund is to be returned to the fund.

- iii) If no alternate is recommended, or if it is determined that no other qualified applicants are eligible based upon the current application pool, the refund shall be returned to the corpus of the fund.
- b) If a refund is received for a prior academic period, the refund will be returned to the corpus of the fund.

Scholarship Recordkeeping

- 1) The Foundation will maintain the following records regarding scholarship information in keeping with the Community Foundation's document retention and confidentiality policies:
- 2) Electronic copies of all scholarship applications, both awarded and denied
- 3) Committee review and the decision ballots for scholarship pools
- 4) Records on all scholars and their respective scholarships
- 5) Minutes of the Scholarship Committee
- 6) Conflict of Interest documentation

Publicity

The scholarship funds held by the Foundation are a public benefit. The Foundation will publicize its scholarship program through its publications, on its website, and in local schools to encourage all potential recipients to apply. Additionally, the Foundation will market the availability of scholarships to underserved populations and will strive to eliminate barriers to applying.

Disbursement and Stewardship of Funds

- 1) All Wasatch Education Foundation scholarship funds are to be applied to direct college costs such as tuition, fees, and room and board, unless otherwise stated. If this scholarship, along with other financial aid exceeds direct costs, then PEF funds may be used for textbooks.
- 2) If funds are not needed at the time of initial enrollment, the WEF will hold funds for up to five years. After that time, unused funds return to the respective WEF scholarship accounts. If the scholarship account is no longer active, the funds are deposited in the PEF general scholarship fund