

Scholarship Policy

Approved November 15, 2022

Background:

As staff found in our last National Standards review, scholarships are touched on in several different policies from which we had to pull to provide information for our accreditation. While that was accepted, a policy that addresses more of these items in once place is desirable before the next time we recertify Standards.

The intent is not to put in place new policy regarding scholarships, but to capture what is spread through other policies, to refine language in a few areas with information from Council on Foundations, and to officially record a few areas of current practice that are found in other documents but not in policy.

Statement of Purpose

The Quad Cities Community Foundation offers scholarship funds that help students pursue academic goals. This document defines the kinds of scholarship funds the Quad Cities Community Foundation offers and the policies that guide the use of these funds.

Statement of Policy

Definitions

Scholarship: a grant benefiting an individual for educational purposes, including vocational, undergraduate, and graduate educational programs.

Foundation-Managed Scholarship Fund: a fund from which scholarship grants are paid to the specific educational institution attended by the scholarship recipient, who has been selected by a committee of the Community Foundation or an outside committee named in the fund agreement.

Designated Scholarship Fund: a fund from which grants are paid to an intermediary organization which selects scholarship recipients and in turn pays scholarship grants to the educational institution attended by the recipient.

Charitable class: a group of individuals that may properly receive assistance from a charitable organization. A charitable class must be either large enough that the potential beneficiaries cannot be individually identified, or sufficiently indefinite that the community as a whole, rather than a pre-selected group of people, benefits when a charity provides assistance.

Qualified Educational Institution: a post-secondary educational institution in the United States which:
(a) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; and
(b) Is legally authorized within the State to provide a program of education beyond secondary education; and

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- (c) Provides an educational program for which it awards an associate's degree, bachelor's degree, master's degree, doctoral degree, or a certificate; and
- (d) Is accredited by a nationally recognized accrediting agency or association.

Qualified Educational 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.

Scholarship Fund Requirements

Selection Process: The Pension Protection Act of 2006 prohibits grants to individuals from funds that meet the definition of donor advised funds. In order to prevent our scholarship funds from being considered donor advised funds, the following is true of all scholarship funds at the Community Foundation:

- The sponsoring organization appoints all of the members of the scholarship committee. Either the donor is not involved in the committee or if involved, the donor's advice is given solely as a member of the committee. (For Foundation-managed scholarships, the Community Foundation is the sponsoring organization. For designated scholarships, the intermediary is the sponsoring organization, which must also follow any requirements set in the fund agreement.)
- Neither the donor nor parties related to the donor control the scholarship committee directly or indirectly. In practice this means that donor and parties related to the donor must abide by the Community Foundation's Conflict of Interest policy, must make up a minority of the committee members, must not have veto power over the committee's decision, and in no other way directly or indirectly control the committee.
- All grants are awarded on an objective and nondiscriminatory basis to members of a charitable class, using a procedure that has been approved in advance by the board of directors 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.

Eligibility Requirements and Evaluation Criteria: The founder of a scholarship fund may recommend eligibility requirements and evaluation criteria for candidacy, the advisory committee, the school and the award itself. These requirements and criteria must be reasonably related to the purpose of the grant, such as academics, financial need, and merit shown by involvement in community, school, work, or personal activities.

The Community Foundation will not illegally discriminate in the awarding of scholarships on the basis of actual or perceived race, color, creed, religion, national origin or ancestry, sex, gender identity, sexual orientation, marital or parental status, political affiliation, military status, physical or mental ability, medical condition, genetic information, or any other improper criterion.

Scholarship fund criteria may limit eligible applicants if it is for a clearly articulated charitable and programmatic purpose. For example, scholarships may be designed specifically to benefit specific underserved populations to improve access to educational opportunities.

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Scholarships that are limited to members of specific religious faiths, or which use religious principles as evaluation criteria, must have a clearly articulated charitable and programmatic purpose. Because it is not the Community Foundation's place to evaluate an applicant's adherence to religious principles, such scholarship funds must be designated to an intermediary organization (such as a religious college or university) rather than Foundation-managed scholarships reviewed by the Community Foundation's scholarship committees.

Scholarship Payments: Scholarships must be paid to a qualified educational institution and must be used for qualified educational expenses.

To receive a first scholarship payment to their educational institution, scholarship recipients must confirm enrollment and provide required information. To receive a renewal scholarship payment, scholarship recipients must confirm that they meet the renewal criteria.

Scholarship Fund Priorities

We encourage, but do not require, scholarship funds with the following qualities that help students succeed and advance the educational needs of the communities we serve.

- Renewable scholarships that provide reliable support to help students not only start but complete their educational program.
- Scholarships that are available to students of all ages and steps in their educational journey, including graduating high school seniors, current college or vocational education program students, and non-traditional students beginning or returning to college or vocational education programs.
- Scholarships focused on students with financial need, on underrepresented or underserved populations, and/or on educational programs that meet the varied needs of our community

Relationship to Other Policies

- QCCF Due Diligence Policy
- QCCF Donor Advised Fund Policy
- QCCF Gift Acceptance Policy
- QCCF Confidentiality and Privacy Policy
- QCCF Diversity and Non-Discrimination Policy
- QCCF Conflict of Interest Policy
- QCCF Code of Ethics and Conduct
- Pension Protection Act of 2006 – re: Donor Advised Funds and Grants to Individuals
- US Tax Code – Section 4945(g) – re: Grants to Individuals

Review of Policy

This policy will be reviewed by the Board Grants Committee as needed. Any changes to the Policy will be recommended by the Board Grants Committee to the Board of Directors.



Program/Due Diligence
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Last date reviewed: MONTH-DATE-YEAR