

## Guidelines for Scholarship Endowment Programs

The Lawton Community Foundation can accommodate the needs of donors and organizations to administer scholarship programs for students through permanent endowment funds. Arrangements regarding expenses, investment return, and cash distributions will be separately determined depending on the level of Lawton Community Foundation involvement in the scholarship selection process. The establishment of the fund, the basic purpose of the scholarship program and the procedure by which the scholarships will be awarded will be approved by the Scholarship Committee of the Lawton Community Foundation at the time that the initial contribution is received. The donor should provide the request in writing and a basic fund agreement between the donor and the Lawton Community Foundation will be structured.

A permanent scholarship or award fund may be established with a minimum amount of \$20,000 which can be accumulated over an agreed upon time period. A permanent named scholarship that is administered as part of an existing Community Foundation scholarship program or another larger program may be established with a minimum amount of \$10,000.

The following guidelines and procedures will be followed for the administration of scholarship funds:

1. The funds should be received prior to the naming of a scholarship recipient. The Lawton Community Foundation cannot accept scholarship funds which are earmarked for a specific student at the time of the gift or which are limited to a small and restricted number of potential recipients.
2. The process by which the recipient is chosen should be based on criteria related to achievement, potential to benefit from further study, financial need, or encouragement to students to pursue specific courses of study. The process does not need to include an application but should include an objective review. Recommendation by a qualified person, other than the donor, such as a teacher, counselor, or principal, from among a group of students about which he or she is knowledgeable will be considered appropriate. Scholarships awarded to individuals who have won contests or other honors will also be considered appropriate.
3. The scholarship recipient should not be related to the donor unless the criteria for award is completely objective and outside the total control of the donor. The scholarship award should not be provided as part of a compensation program for the recipient or the recipient's family.

4. The award must be used for tuition, fees, books or other costs, which are normally considered educational expenses with the definitions set forth by the Internal Revenue Code. Students must be attending educational institutions, which are accredited by an academic standards governing body.
5. After the recipient is chosen, the name, conditions of the award, and suggested schedule for scholarship payments should be forwarded to the Scholarship Coordinator of the Lawton Community Foundation. This information should include the school, which the recipient will attend, and provisions for change in school. Conditions should include any criteria, which should be met for the scholarship award to be paid or continued after the initial payment. The Lawton Community Foundation cannot be responsible for criteria other than attendance, minimum number of credits, grade-point average, or course of study.
  - a. A Verification of Enrollment Form will be sent to the recipient as part of the award letter.
  - b. Upon registration for the school term, the Verification of Enrollment form should be signed by the Registrar of the school and forwarded by the recipient to the Lawton Community Foundation office.
  - c. Upon receipt of the Verification of Enrollment Form, the award amount for the term will be sent to the school to be applied to the account of the recipient.
  - d. If the recipient withdraws from school before the end of the term and any refund for payment is due, this refund will be returned to the scholarship fund.
  - e. The process shall be repeated for the second term in the school year.
  - f. Continuing award should be reviewed at least once each year and letters of award confirming continuation should be sent. If conditions are required to be met for continuation of a scholarship, the recipient is responsible for providing evidence that the conditions have been met.
6. The Lawton Community Foundation is not responsible for promises made outside of the written award letter or for which funding has not been provided or is not available. No award letters will be written to students for funds in excess of the current amount available.
7. The Lawton Community Foundation can participate in the award process at a variety of levels. The Lawton Community Foundation can conduct the entire process, receive applications and choose recipients based on the criteria established by the scholarship fund. It can work with outside committees to develop and administer a process in which committee members participate in the selection, or it can simply advise an outside group about procedures and criteria, which might be helpful. The Scholarship Coordinator and Scholarship Committee would be happy to meet with any individual or group interested in developing permanent scholarship funds to talk about any of these options.