

Bethel Park Community Foundation

Scholarship Fund Policy

I. Purpose of Scholarship Program

The Bethel Park Community Foundation (“the Foundation”) holds and administers certain funds that provide scholarship grants that pay for individuals to attend an educational institution – a school that has a faculty, a student body, a physical location and a curriculum. This could be 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.

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.

The Foundation does not award grants to individuals for any purpose other than as stated above.

II. Legal Compliance

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.

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.

Under Section 4966 of the Tax Code, scholarships may not be awarded from donor-advised funds unless the following conditions are met:

- A. The Foundation appoints all of the members of the Scholarship Committee and the donor’s advice and participation is given solely as a member of the committee;
- B. Neither the donor nor the parties related to the donor control the Scholarship Committee directly or indirectly;
- C. All grants are awarded on an objective and nondiscriminatory basis using a procedure that has been approved by the Foundation Board 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.

III. Establishing a Scholarship Fund

To establish a scholarship fund a minimum of \$100.00 must be deposited with the Foundation. To begin awarding a scholarship, the fund must contain a minimum of \$10,000. The fund’s founding donor(s) may choose to pay out the scholarship amount from non-Foundation funds until the minimum fund balance is reached.

The specific parameters and selection criteria of a scholarship is determined at the time that is fund is established by the fund's founding donor(s).

IV. Role of a Scholarship Committee Member

The Bethel Park Community Foundation Board of Trustees ("Board"), 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 will annually appoint a Scholarship Committee to guide the scholarship selection process and to make recommendations regarding scholarships that meet the purpose and restrictions of each scholarship fund.

All Scholarship 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.

V. Scholarship Committee Composition

The Scholarship Committee is comprised of up to three (3) members representing the Foundation Board, appointed by the Board President, who have an interest in providing opportunities for students to achieve their academic goals. Members of the Scholarship Committee will serve a one-year term.

In addition, the Scholarship Committee may include members-at-large, not to exceed four (4) non-Foundation members.

The Scholarship Committee will be led by a Chairperson, appointed by the Board, to provide direction for the committee.

Authorized Representative(s) (see Section V), when appropriate, will always serve in the minority of the Scholarship Committee.

VI. Role of Authorized Representatives

For purposes of this policy and procedure, the Authorized Representative will be defined as an individual or organization, including a corporation, partnership or trust, that is designated by the scholarship fund's founding donor(s) where such fund is separately identified by reference to contributions, and who has, or reasonably expects to have, advisory privileges to participate in the process of making scholarship recommendations to the Board.

The Foundation has established the following procedures to award scholarships from such funds where an Authorized Representative has any advisory privileges or participation in the selection of scholarship recipients. The procedures must be met in their entirety for the fund to operate legally:

- A. All scholarship funds reviewed with participation from an Authorized Representative of the fund must serve on the Scholarship Committee, wholly appointed by the Foundation.

- B. An Authorized Representative of the fund, their family members, or related parties must serve in the minority of the Scholarship Committee membership. The Authorized Representative may not serve as Scholarship Committee Chairperson and his or her vote must have the same weight as the other committee members.
- C. An Authorized Representative may recommend Scholarship Committee members who are not a related parties, if objective criteria related to the expertise of the persons recommended are used.

VII. Conflict of Interest and Confidentiality

Scholarship Committee members are required to declare any real or potential conflict of interests.

VIII. Scholarship Criteria

The specific parameters and selection criteria of each scholarship are determined at the time that a fund is established by the fund's founding donor(s). The Scholarship Committee will work 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.

Scholarship recipients are to be selected on an objective and nondiscriminatory basis. The intended scholarship application pool from which recipients 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 students based upon exceptional qualifications to carry out the purpose of the scholarship fund. (For example, the Scott Beynon Memorial Scholarship is based on the exceptional qualification that the applicant pursue education in the field of automotive mechanics.)

Scholarship criteria may include, but are not limited to, the following:

- Prior academic performance;
- Performance on tests designed to measure ability and aptitude;
- Recommendations from teachers or any other who has knowledge of the applicant's capabilities;
- Additional biographical information regarding the applicant's relevant experiences;
- Financial need;
- Conclusions drawn by the Scholarship Committee 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 a specific talent or ability. Scholarship criteria and the selection of a scholarship winner will not may be based sex, race, sexual orientation, gender identity, ethnic background, disability, religion or political affiliation.

Scholarship recipients must be secondary school students or undergraduate students at a college or university who are pursuing studies to meet the requirements for an academic or professional 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.

Scholarships are generally for one year and may be renewable pending specific criteria.

Scholarships must meet and comply with all federal regulations regarding their benefit and usage.

IX. Scholarship Selection Process

- The Foundation offers online scholarship applications that can be found at www.bpcf.org.
- Applicants must adhere to all guidelines with the Foundation receiving the application and all supporting documents by the deadline to be considered for any scholarship.
- The Scholarship Committee reviews the applications with each member voting on their selection(s).
- The Scholarship Committee Chair completes a ballot summary representing the committee's vote, noting the committee's recommendation for each scholarship and an alternate.
- In the event of a tie vote by the Scholarship Committee, the Board President will cast the deciding vote.
- Once approved, the scholar is notified of the amount of the scholarship and the purpose for which it is to be used.
- In making scholarship awards, the Scholarship Committee will submit a Grant Request for Distribution of Restricted Funds form to the Foundation for the applicants they have approved.
- Scholarship checks are made payable to the school with the student's name included in any correspondence. The school must agree to use the scholarship funds to defray the scholar's expenses.
- The Foundation will keep updated, detailed records on all scholars and their respective scholarships for an amount of time as governed by the Foundation's record retention policy.

X. Scholarship Refunds

Circumstances may occur in which a scholar is not able to complete the terms of the scholarship. If this occurs, the scholar must notify the Foundation in writing with the reason(s). The Foundation reserves the right to request restitution of monies expended.

Refunds may be awarded to a new scholar or returned to the fund.

XI. Publicity

The scholarship funds held by the Foundation are a public benefit. The Foundation will publicize available scholarships through local publications, on the Foundation website and in local schools to encourage all potential recipients to apply.

XII Administrative Fee

All restricted accounts including scholarship accounts will be adjusted based upon the Bethel Park Community Foundation rate of return on investment held on account. All restricted accounts including scholarship accounts, are charged 1% annually, or the same percentage amount the Bethel Park Community Foundation is charged on its investments. Bethel Park Community Foundation will provide each scholarship Sponsor(s) an annual year end statement of their funds which are held in a restricted account.

XIII Dissolving a Scholarship Fund

If for any reason a scholarship Sponsor(s) wishes to discontinue their involvement with the Bethel Park Community Foundation, upon written request the balance of the scholarship restricted account can be awarded in a single year to the to reduce the restricted account to zero, or upon request in writing to transfer their balance to another scholarship administrated by the Bethel Park Community Foundation. If the scholarship Sponsor opts to transfer their balance of their restricted account they also agree to discontinue all participation in the scholarship selection progress.