



## **Policies of the Community Foundation Serving Greeley and Weld County for Awarding Scholarship, Fellowships and Other Grants to Individuals**

### Introduction: Scope and Intent of the Policy

The Community Foundation Serving Greeley and Weld County ("the Community Foundation") from time to time holds and administers certain funds (the "Funds") that provide scholarship grants to individuals, including high school, college and graduate school students, to enable the recipients to complete an undergraduate or graduate education in the field of their choice at the college or graduate school of their choice. The Community Foundation also holds and administers certain Funds that make grants to students in primary and secondary school to attend various educational programs and to other individuals for vocational or other training. Grants made from such Funds shall be referred to as "Scholarship Grants".

The Community Foundation also from time to time holds and administers certain Funds that make grants to individuals in recognition of achievement in the fields of art, literature, education, science, public or community service, or for other charitable or civic achievement. Such awards may not be intended to finance any specific activities of the recipients and may not impose conditions on the manner in which the prizes or awards may be expended by the recipient. Grants made from such funds shall be referred to as "Individual Achievement Grants".

The Community Foundation also from time to time holds and administers certain funds that make grants to individuals to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee that relates to the Community Foundation's mission. Eligible individuals may include graduate students, scholars, professionals, and other individuals with specialized skills or knowledge. Scholarships also may be awarded to pay for a course of study leading to a certificate or to achieve a skill level, such as art or vocational school. Such scholarships may cover the cost of tuition and related expenses. All grants described in this paragraph shall be referred to as "Awards and Prizes to Achieve a Specific Objective."

The Community Foundation has established the following procedures pursuant to which Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective will be awarded from all scholarship funds including Donor-Advised

Funds where Donor-advisors have advisory privileges or participation in the selection of grant or award recipients. The following procedures shall be interpreted so as to ensure the Community 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, and these procedures may be amended from time to time.

For purposes of these procedures, a Donor-advisor will be defined as 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-advisor and with respect to which the Donor-advisor (or any person appointed or designated by such Donor-advisor) 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 Community Foundation values and encourages the interest and involvement of donors to funds established to make Scholarship Grants and Individual Achievement Awards. Such involvement may include developing criteria for awards, serving on grant selection committees and recommending others for places on selection committees.

## **I. Selection of Grantees**

Grantees are to be selected on an objective and nondiscriminatory basis. The group from which grant recipients are selected must be sufficiently broad so that giving grants to one or more members of the group fulfills a charitable purpose; however, selection from such a group is not necessary if one or more grant recipients are selected on the basis of their exceptional qualifications to carry out the purposes of the grant or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the grant rather than to benefit particular persons or a particular class of persons. For example, selection of a qualified research scientist to work on a particular project does not violate the requirements of this paragraph if the scientist is selected from a group of three scientists who are experts in that field.

### **A. Scholarship Grants**

In connection with Scholarship Grants, Community Foundation staff and designated members of selection committees established for such awards shall contact high school, college and graduate school administrators as well as managers of other relevant community institutions to advertise the availability of the Community Foundation's Scholarship Grants and to request that these administrators nominate potential candidates or encourage potential awardees to submit applications for scholarship aid.

### **B. Individual Achievement Awards**

In connection with Individual Achievement Awards, Community Foundation staff and designated members of selection committees established for such awards shall contact relevant community institutions and individuals to publicize the availability of the

Community Foundation's Individual Achievement Awards and to solicit nominations for such awards. Candidates for such awards may take no part in the selection process.

### **C. Awards and Prizes to Achieve a Specific Objective**

In connection with Awards and Prizes to Achieve a Specific Objective, community foundation staff shall develop application or nomination procedures that are appropriate to accomplish the purposes of the Fund under which any such award is established.

## **II. Criteria for Selection**

The criteria to be used in selecting grant recipients from a fund established at the Community Foundation must be based on criteria that are appropriate to accomplishing the underlying purpose of the grant as described in the agreement creating such Fund. Community Foundation staff should work with donors and fund representatives to establish Funds that fulfill the donor's charitable goals and feature clear selection criteria.

### **A. Scholarship Grants**

For Scholarship Grants, such 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 grant 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, ethnic background or religion so long as such preference does not violate public policy.

Recipients of Scholarship Grants must be (1) primary or secondary school students; (2) undergraduate or graduate students at a college or university who are pursuing studies or conducting research to meet the requirements for an academic or professional degree; or (3) 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 national recognized accreditation agency and all Scholarship Grants must be used for tuition and related expenses (as further described in Section VII below) at an educational institution described in IRC § 170(b)(1)(A)(ii), i.e., such institution must normally maintain a regular faculty and curriculum and must normally have a regularly organized body of students in attendance at the place where the educational activities are carried on.

The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Scholarship Grants and the

administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

### **B. Individual Achievement Awards**

In connection with Individual Achievement Awards, such criteria may include but are not limited to: the individual's past achievements and community involvements, other biographical information regarding an applicant's career, academic and other relevant experiences.

The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Individual Achievement Awards and the administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

### **C. Awards and Prizes to Achieve a Specific Objective**

In connection with grants to individuals to achieve a specific objective, produce a report or other similar product or improve or enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill or talent of the grantee that relates to the Community Foundation's mission, recipients may include graduate students, scholars, professionals or other individuals with specialized skills or knowledge. Criteria shall be related to the purpose of the Fund under which the award is established and may include prior experience, contributions to the field, demonstrated academic achievement, financial need, character, ability, motivation and potential. In connection with scholarships awarded to pay for a course of study leading to a certificate or a higher skill level, criteria shall be related to the purpose of the Fund under which the award is established and may include financial need, character, ability, motivation, potential and the relevance of the candidate's course of study and career objectives to the charitable purposes of the Fund.

## **III. Grant Selection Committees**

The Community Foundation shall appoint all members of any selection committee charged with the evaluation of candidates for Scholarship Grants, Individual Achievement Awards and Awards and Prizes to Achieve a Specific Objective. Appointments shall be made by the Community Foundation Program Officer and the Community Foundation President with approval by the Board of Directors.

### **A. Donor-Advised Fund Committees**

No combination of Donor-advisors, persons recommended or designated by Donor-advisors (or persons related to any of these persons) to a Fund that makes Scholarship Grants, Individual Achievement Awards and Awards and Prizes to Achieve a Specific Objective may, directly or indirectly, control any selection committee established in connection with such Fund. For example, Donor-advisors, persons recommended or designated by Donor-advisors and persons related to any of these persons shall not constitute a majority of any such selection committee (persons may include individuals,

partnerships, corporations or trusts). Where a Donor-advisor recommends a person for appointment to a selection committee based on objective criteria related to the expertise of such person, such person will not be deemed to be appointed or designated by the Donor-advisor. Donor-advisors and related persons may provide advice with respect to the selection of grant or award recipients solely as members of a selection committee.

Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants, Individual Achievement Awards and Awards and Prizes to Achieve a Specific Objective shall adhere to the relevant policies of the Community Foundation as they may be adopted and amended from time to time, including without limitation a conflict of interest and confidentiality policy. Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants, Individual Achievement Awards and Awards and Prizes to Achieve a Specific Objective shall be obligated to disclose any personal knowledge of and relationship with any potential grantee under consideration and to refrain from participation in the award process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential grantee or grantees are selected over others. No grant covered by this policy may be awarded to any member of the Community Foundation's Board of Directors, any substantial contributor to the Community Foundation, any employee of the Community Foundation, or any other disqualified person as defined in IRC § 4946(a) with respect to the Community Foundation, or, with respect to grants from a particular Fund, any Donor-advisor or substantial contributor to such Fund or any member of a selection committee to such Fund, or for a purpose that is inconsistent with the purposes described in IRC § 170(c)(2)(B).

Each selection committee established under this policy shall forward its recommendations to the Community Foundation Serving Greeley and Weld County staff in such form and on such schedule as the staff shall establish.

The Community Foundation Board may authorize community foundation staff to approve any of or all of the grants made under this policy.

#### **IV. Application and Nomination Process**

Applicants for Scholarship Grants and Awards and Prizes to Achieve a Specific Objective shall be required to submit such application forms and supporting materials as the Community Foundation may deem appropriate on a schedule to be determined by the Community Foundation. Individuals and organizations wishing to nominate others for Individual Achievement Awards shall also be required to submit such nomination forms and supporting materials as the Community Foundation may deem appropriate on a schedule to be determined by the Community Foundation.

#### **V. Grant Renewals**

Grants will ordinarily be awarded for a one-year period, but may be for a shorter or longer period. A Scholarship Grant or an Award or Prize to Achieve a Specific Objective may be renewable for a period appropriate to the purposes of the Fund under which the

award 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.

## **VI. Supervision of Scholarship Grants**

### **A. General Procedures**

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, each Scholarship Grant shall be paid by the Community Foundation directly to the educational institution for the use of the scholarship recipient. Each educational institution must be described in IRC § 170(b)(1)(A)(ii) and must agree in writing to use the grant funds to defray the scholarship recipient's expenses or to pay the funds (or a portion thereof) to the recipient only if the recipient is enrolled at such educational institution and his or her standing at such educational institution is consistent with the purposes and conditions of the grant.

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, a condition of each Scholarship Grant is that it will be used only for qualified tuition and related expenses within the meaning of IRC § 117(b)(2), and for room and board. Accordingly, a Scholarship Grant can be used only for: (1) tuition and fees required for the enrollment or attendance of the student at a qualifying institution; (2) fees, books, supplies, and equipment required for courses of instruction at such an educational institution; and (3) room and board. An additional condition is that no part of the Scholarship Grant shall be used as payment for teaching, research, or other services by the scholarship recipient required as a condition for receiving the scholarship.

### **B. Special Procedures**

If for any reason, a Scholarship Grant is paid to a person other than the educational institution attended by the scholarship recipient or if the Scholarship Grant is used for expenses other than qualified tuition and related expenses within the meaning of IRC § 117(b)(2) or for room and board, the Community Foundation must receive a report on the progress of each recipient of such a Scholarship Grant at least once each year. This report must include a summary of the use of the funds awarded, and the grantee's courses taken (if any) and grades received (if any) in each academic period. This report must be verified by the educational institution. A final report is also required.

Where the reports submitted, or other information (including the failure to submit reports) indicate that all or any part of a scholarship grant is not being used in furtherance of the purposes of such grant, the Community Foundation is under a duty to investigate. While conducting its investigation, the Community Foundation shall withhold further

payments to the extent possible until any delinquent reports required under the foregoing provisions of these procedures have been submitted.

If the Community Foundation learns that all or any part of a grant is not being used in furtherance of the purposes of the grant, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. If such a diversion occurs and the grantee has not previously diverted grant funds to any use not in furtherance of the purposes of the grant, the Community Foundation shall withhold any further payments to the grantee until it has received the grantee's assurance that future diversions shall not occur and shall require the grantee to take extraordinary precautions to prevent future diversions from occurring.

Where a grantee has previously diverted funds received from the Community Foundation and the Community Foundation determines that any part of a grant has again been used for improper purposes, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. In such case, the Community Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored; (2) the Community Foundation has received the grantee's assurances that future diversions will not occur; and (3) the Community Foundation requires the grantee to take extraordinary precautions to prevent future diversions from occurring. 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.

#### **VII. Supervision of Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective**

Individual Achievement Grants cannot require a particular use of the funds, and no report shall be required of the recipient. Recipients of Awards and Prizes to Achieve a Specific Objective or, if appropriate, the organization supervising the grantee's work, will be required to provide a written report to the Community Foundation about their activities and use of funds at the end of the grant period. If the grant is for a term of longer than one year, periodic written reports will be required at least annually. Any funds not expended for the purpose of the award must be returned to the Community Foundation for use in furtherance of its mission and the charitable purposes of the particular Fund under which such award was made.

#### **VIII. Recordkeeping Requirements**

The Community Foundation shall retain the following records in connection with all Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective: all information obtained by the Foundation to evaluate the qualifications of potential grantees, the identification of grantees (including any relationship of any grantee to the Community Foundation or to a director or officer of the Community Foundation), the purpose and amount of each grant, and any additional

information the Community Foundation obtains in complying with its grants administration procedures. Information pertaining to unsuccessful applicants for awards shall be kept along with information on successful applicants. Records pertaining to any grant made pursuant to this policy shall be kept for no less than three years after the filing of the Community Foundation's annual tax return for the period in which the last installment of such grant was paid.