

COLLEGE-SPONSORED STUDENT SCHOLARSHIPS

Related Board of Trustees Policy: BP 3.10

OPR: President

Approval: June 25, 2019

Revision:

COLLEGE-SPONSORED STUDENT SCHOLARSHIPS

The College and the Craven Community College Foundation (“Foundation”) make scholarships accessible to students to begin and to continue their educational pursuits. This procedure implements Board Policy 3.10 and ensures sound fiscal management, coordination processes, transparent selection and award of scholarship recipients, and accountable disbursement processes.

Definitions

Financial Aid and Grants. Federal, state and local governments provide funds to the College for disbursement to students in the form of financial aid and grants. These funds are managed separately from College-sponsored endowments and scholarships.

Agency Scholarships. College benefactors, who typically are themselves representing tax-exempt organizations, may give directly to the College. In these instances, the recipient of the scholarship may be directly selected by the benefactor(s). Such scholarships are designated as “agency scholarships” and are not designated as tax-deductible gifts to either the College or the Foundation.

Foundation Scholarships. Contributions to scholarship funds may be one-time or multi-year gifts, as specified by the benefactor, and are processed as IRS 501(c)(3) tax deductible gifts to the Foundation. While the benefactor(s) may delineate the eligibility criteria for these scholarships, the selection of all recipients are determined via an independent college-conducted process.

Endowments. Endowments provide a perpetual scholarship gift. Annual earnings from an invested fund corpus are used to fund annual scholarship awards. Contributions to endowment funds are processed as IRS 501(c)(3) tax deductible gifts to the Foundation.

Academic Works. The College utilizes an on-line scholarship application & screening database application. The program allows students to complete a single application that will be used to apply for all eligible scholarships. The automated software compares the student’s submitted profile information with all available scholarships in the database, identifies the relevant scholarships, and compiles a roster of eligible students for each.

Management of Endowment and Scholarship Fund Accounts

Endowment Accounts. Foundation staff work with prospective benefactors to create new endowments as described in CP 7.2.3, “Foundation Endowments.” After completion of an Endowment Agreement and receiving initial funds from the benefactor, the Business Office creates a new Endowment fund account.

Thereafter, Foundation staff deposit funds as they are received and transfers them into the endowment account at least monthly. Endowment activity is reconciled on a monthly basis.

Annual Determination of Endowment Disbursements. At the beginning of each calendar year, the Business Office reviews investment returns achieved by endowment accounts during the prior calendar year. Referencing the benefactor instructions contained in the respective endowment agreements, Financial Services staff calculate from each endowment the amount of funds available for scholarship disbursement for the forthcoming academic year. The Business Office notifies the Foundation no later than February 15 each year. The designated funds are transferred from the Endowment account to the corresponding Scholarship to fund award distributions.

Foundation Recurring Scholarship Fund Accounts. The Business Office creates scholarship accounts upon receiving initial funds from the benefactor. Thereafter, Foundation staff deposit funds into scholarship accounts as they are received and provides the Financial Aid Office with information needed to award scholarships to students. At least monthly, Foundation staff submits information to the Business Office necessary to reimburse the College for scholarships that have been disbursed.

Agency Scholarship Fund Accounts. When funds for an agency scholarship are received, the Business Office creates an account from which a scholarship will be awarded in accordance with the benefactor's instructions. The Student Accounts Office provides this information, along with the dollar amount of the award, the student's name and the award code to the Financial Aid Office and Cashier. After the census date (10%) of each term and prior to disbursement, the Student Accounts Office verifies that the student has met the requirements of the agency scholarship. As of June 30 each year, any remaining agency scholarship funds are either transferred to a future term or refunded to the funding agency depending on the agency's preference.

Endowment Fund Investment Portfolio Strategy. The Foundation Board of Directors establishes and may from time to time modify the investment strategy for the Foundation's portfolio of endowment and scholarship assets. In general, the Foundation Board of Directors will pursue a "capital preservation" strategy with modifications based upon current or expected market conditions.

Annual Endowment Report to Benefactors. The banking institution that manages the Foundation Endowment Portfolio prepares an annual report (based on the fiscal year) for each separate endowment account. This report includes any deposits (cash gifts), debits (scholarship expenditures) and any fees. This report is mailed to the donor in the first quarter of each year.

Reconciliation with Scholarship Disbursements. Each fiscal quarter the Business Office reconciles scholarship awards made by Financial Aid with actual disbursements to students and with transfers between endowment and scholarship accounts.

Scholarship Application Process

Students:

- Complete Free Application for Federal Student Aid (FAFSA)
- Complete the general scholarship application in Academic Works for College-sponsored scholarships

A separate application is required for Craven CC Bookstore Scholarships. The application, along with eligibility criteria, is available on the College's website. Once completed, the application is printed and

submitted to the Financial Aid Office. This scholarship is awarded separately on a first come, first served basis each semester until the funds are depleted.

Scholarship Application Creation

Scholarships are entered into the AcademicWorks online scholarship application platform.

AcademicWorks, by nature of its design, precludes students from being awarded scholarships for which they do not meet the criteria. Therefore, when a scholarship is entered into AcademicWorks, it is imperative that the Foundation and Financial Aid work together to review the qualifications. Once the qualifications are entered, the database will “self-select” those students who meet the criteria entered.

- The Foundation is responsible for inputting into and updating Foundation endowments and scholarships in AcademicWorks; they work with the Business Office to set up endowment accounts with GL Codes for processing; and provide to Financial Aid an annual list of the scholarship amounts to be awarded to the Financial Aid Office.
- Financial Aid is responsible for inputting all agency scholarships into AcademicWorks; they work with the Business Office to set up scholarship accounts with GL Codes for processing awards; update the AcademicWorks general scholarship application by January 15 each year; and determine all award closing dates.
- The Business Office is responsible for providing to the Foundation the amount of award disbursements for each endowment by February 15 each year.

Scholarship Award Process

Financial Aid:

- Sets up groups of reviewers to assess qualified candidates by assigning applications within AcademicWorks. Evaluators vary per scholarship, but at least three evaluators are assigned to each scholarship. Foundation staff and members of the Foundation Board’s Scholarship Committee are invited to participate in the reviewing and selection process. A rubric is used to score the applications.
- The Financial Aid Office may submit a list of qualified scholarship candidates to an Agency Scholarship benefactor that has elected to select the recipient. In such cases, the benefactor has waived the right to claim a tax exemption for the scholarship donation. Once the recipient has been chosen, the donor notifies Financial Aid or the Foundation, as applicable.
- Re-awards any declined scholarships, as per the donor’s wishes.

Scholarship Award Notification

Financial Aid:

- Takes the top scoring applicant(s) and sends an email offering them the scholarship. The student must accept or decline the award. If the award is accepted, the funds are posted to their College account and the student must submit a thank you letter to the donor.
- Once the thank you letter is submitted (via AcademicWorks, or emailed or mailed to the Foundation), Financial Aid verifies the student still qualifies for that specific award and, if so, releases the funds. If qualified, the money is posted to the student's account and an email is sent to the student notifying them of the disbursement.
- Each semester, or as applicable to the scholarship criteria, verifies enrollment status and continued eligibility of each awardee. If the scholarship has not been used by the end of the designated term, the money is either returned to the scholarship fund for future awards or is awarded to the alternate student recipient who was originally selected by the evaluators or as determined by the donor's scholarship agreement criteria.

Students:

- Accept any awards and submits a thank you letter to the donor.
- Attend the annual Scholarship Recipient Donor Reception sponsored by the Foundation and its Scholarship Committee. This allows the donor to meet the recipient and learn more about their educational story as well as the recipient to learn about their donor and their expectations.

Scholarship Fund Disbursements

Method(s) of Payment. Funds are dispersed according to the criteria established in the endowment agreement or by the scholarship donor. Generally, funds are disbursed at 50% for the fall and 50% for the spring semester unless otherwise specified in the endowment agreement or by the scholarship donor.

Continued Student Eligibility. The scholarship recipient must meet the eligibility requirements, as established in the endowment agreement or as specified by the scholarship donor, to remain eligible for disbursement of scholarship funds.

Unspent Disbursements. Any funds not used for tuition, fees or required course materials are generally returned to the scholarship fund unless directed otherwise by the endowment agreement or as specified by the scholarship donor.

Acknowledgement of Scholarship Gifts

College Acknowledgement. Every donation made to the Foundation is recognized with a letter to the donor. For non-monetary gifts, a monetary value will not be assigned by the Foundation.

[Return to Table of Contents](#)