

## SCHOLARSHIP REQUIREMENTS FOR JOCELYN Y. DICKSON FOUNDATION for Life

Objective: Fund individual scholarships for medical-career students by introducing 3 new scholarships for students to apply in 2015. Each scholarship awarded will be a minimum of \$2,000 per scholarship.

### Scholarship Procedures

Jocelyn Y Dickson Foundation for Life has created a set of procedures regarding scholarship programs. These procedures are designed to meet the requirements of The Pension Protection Act of 2006 (the “Act”) that include donor involvement. Under Section 4966 of the Tax Code, a fund will not be considered a donor-advised fund if the following is true:

The sponsoring organization (the community foundation) appoints all of the members of the committee and the donor’s advice is given solely as a member of the committee

Neither the donor nor parties related to the donor control the committee directly or indirectly

All grants are awarded on an objective and nondiscriminatory basis 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).

Our primary aim is to produce a document that community foundations could, in consultation with their own counsel, modify and adopt easily. Another goal was to suggest best practices in the area in the area of grants to individuals.

### Introduction: Scope and Intent of Policy

This policy will address three forms of grant making to individuals: scholarship awards and awards to individuals to recognize past charitable achievement and awards that are designed to achieve a specific charitable objective.

The use of the term “Scholarship Awards” refer to 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 primary or secondary school, a public or private college or university or vocational school. These are grants described in Section 4945 (g) (1) of the Tax Code.

The “Individual Achievement Awards” may be given to individuals in recognition of

achievement in the field of education, science or 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 recipient may expend the awards. These would be grants described in section 4945(g)(2) of the Tax Code.

Awards and Prizes to Achieve a Specific Objective” are grants described in Section (g)(3) of the Tax Code. These awards may be made to allow grantees to further a particular charitable project or ability to advance a charitable mission of the community foundation.

This policy does not cover grants to individuals for disaster relief or hardship assistance; there is no exception to the bar on grants from donor-advised funds for these purposes. If you are interested in a fund with donor involvement that makes disasters relief or hardship assistance grants, you should contact your counsel immediately.

**Please note that this section provides for amendments from time to time.**

#### I. Selection of Grantees

Selection of Grantees will solely rely on a Scholarship Committee who will award grants on an objective and discriminatory basis.

#### II. Criteria for Selection

### **DISCRIMINATION POLICY STATEMENT**

The Jocelyn Y. Dickson Foundation for Life assures applicants an equal opportunity without regard to that person's age, race, color, sex, religious creed, national origin, political opinion, affiliation, marital status, or disability.

The Association further acknowledges the **Americans with Disabilities Act**, which states, in part, "no otherwise qualified disabled individual shall, solely by reason of such disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination" in programs or activities sponsored by a public entity.

#### III. Grant Selection Committee

Grant selection will solely rely on a Scholarship Committee who will award grants on an objective and discriminatory basis. It is also known that donor-advisors, persons recommended or designated by donor-advisors and persons related to these persons can't control selection committees, either directly or indirectly.

It is our position that donor-advisors, their designees and the persons related to all of these should not constitute a majority of the selection committee.

However, if the donor-advisor recommends a person based on objective criteria that will provide scholarship grants for the advancement of science would not be treated as donor-advised.

The Scholarship Committee must forward their recommendations to Foundation staff for final approval.

#### IV. Application and Nomination Process

Grants that are described in Section 4945(g)(2) of the Tax Code (prizes or awards that recognize past charitable achievements), the recipient must be selected without any action on his/her part to be eligible to participate AND the recipient may not be required to render substantial future services as a condition to receiving the award. Other applicants will be required to fill out online application, send in appropriate attachments by deadline.

#### V. Renewal of Grants

Grants can be renewable if the renewable will carry out the purposes of the fund agreement under which award is established.

#### VI. Supervision of Scholarship Grants

Private foundations may require scholarship payments to be made payable to an educational institution and by law are permitted to delegate follow-up responsibility of the school. Please check with private foundation to see what rules apply.

Scholarship funds can be used to pay tuition and fees as well as room and board. For more information on the tax consequences of awards, see *Grants to Individuals by Community Foundations*, <http://www.cof.org>.

#### VII. Supervision of Individual Achievement Awards and Awards to achieve a specific Objective

Recipients of grants that are described in Section 4945(g)(2) of the Tax Code (awards that recognize past charitable achievements) may not be required to render substantial future services as a condition to receiving award. Recipients are required to provide a report to the foundation on the activities they have carried out with the funds. If a supervising entity underwritten an internship the supervising organization must provide a report. Any funds not used on the specified purposes of the award must be return to the foundation so that the purpose intended is achieved.

## VIII. Record-keeping

The Foundation will keep complete and accurate records of both successful and unsuccessful applications.