A Guide to Using Your Chapter Endowment Fund (CEF) to Fund Scholarships

A Chapter Endowment Fund (CEF) can be used to fund all scholarships, but in all cases the chapter will need to file a grant request prior to any scholarships being offered or applications solicited. Even though a scholarship may be offered every year, the grant application should be submitted each year to ensure funds are available and properly allocated to the program. Scholarships fall into two categories:

- EXTERNAL: Scholarships awarded to non-members. Many times, these scholarships are used to get the name of Triangle out to key target audiences and bring awareness of a STEM based organization on campus.
- INTERNAL: These would be scholarships awarded to members of a chapter. These can be either new-members, active members or both.

This document will cover the process for both classifications of scholarships.

INTERNAL SCHOLARSHIPS

The chapter may elect to offer internal scholarships for its membership. For all these scholarships the chapter will need to submit a complete application with the details. A separate application is to be completed for each award the chapter may offer. For example, if the chapter offers a top GPA Scholarship and a scholarship for community service each will need a separate grant request. If the chapter offers multiple awards for the scholarship such a first-place winner and a runner up, that is only one grant application.

The basis for the scholarship can be varied depending on the chapter's goals related to offering the scholarship. But keep in mind that since the IRS looks very closely at funds being disbursed directly to a private person, the criteria and process must meet their regulations. A Foundation or Fraternity staff person can help guide your chapter in developing an internal scholarship that fits the needs of the chapter.

EXTERNAL SCHOLARSHIPS

The Foundation has standardized the external scholarships used by chapters. Standardization allows for quicker approval and lesser burden on the chapter to develop applications and processes. All external scholarships have the same criteria and must use

the Foundation's automated online application platform. These scholarships are outlined below.

Once the application is submitted, the chapter will receive an approval email and the scholarship administrator will receive a welcome email to the Foundation's online application software. The chapter can immediately begin soliciting applications.

Once again, these grant applications need to be submitted AND approved prior to any applications being published or awards granted.

The external scholarships the Foundation has set up are:

- Triangle Education Foundation Scholar-Leader Scholarship Program
  Scholarship program directed to Freshman and Sophomore male STEM enrolled students on a chapter's campus. The number and quantity of scholarships is determined by the chapter and is funded by their Chapter Endowment Fund.
- Triangle FIRST Robotics Scholarship
  Scholarship program directed to incoming male and female students STEM enrolled students at chapter's campus who have been active in a FIRST in high school. The number and quantity of scholarships is determined by the chapter and is funded by their Chapter Endowment Fund.

These are the most utilized scholarships, but should a chapter have a unique case for an additional external scholarship, please contact the Foundation to discuss and establish.

Each chapter will have an external scholarship application set up in SmarterSelect, the Foundation's online scholarship application program. The application is standardized and can not be changed or altered. The chapter will have one person designated to be the administrator for the program and will have rights to log-in and view applicants data, produce reports and create evaluators. The program has an excellent support site available if there are any questions. The system allows for the evaluators to go in and score the applications.

APPLICATION PROCESS TO USE CEF FUNDS

To use CEF funds for either scholarship types you must complete the grant application form at https://www.tfaforms.com/workflows/start/5496. Following submission of Form #1 YOU MUST save Form #2 to submit the award winners. For the submission you will need:

1. Scholarship Coordinator/Admin with email. This is a person in the chapter who will take responsibility for the scholarship and may not be an applicant for the scholarship.
2. Number of scholarships offered
3. Value of each scholarship
4. Who is eligible for the scholarship i.e. new members, active members, specific year in school, specific major(s), etc.

5. Criteria for the award – there should be some document that outlines how the application will be judged and what factors will be considered i.e. is the award based on academics, grades, community service, etc. or a combination. If a combination is there any priority or weight given to certain pieces. Per IRS guidelines a scholarship may not be awarded simply for chapter service i.e., a member may not get an award because he served as chapter president.
6. List of individuals on the selection committee. Again, no members of the committee may apply for the scholarship.
7. Due date for applications
8. If the scholarship is an internal scholarship, we will need a copy of the sample application. All external scholarships must use the Foundation's pre-vetted and established scholarship application portal.

TIMING OF SCHOLARSHIPS

Funds will be withdrawn from a chapter's CEF when the scholarship is awarded and paid. Chapters may submit a grant request for a scholarship to be awarded in the next school year but may not carry over funding to the next year to fund the award. When funds are disbursed the scholarship recipient must be an enrolled student. Scholarships cannot be disbursed for enrollment in prior periods.

AWARD PROCESS

Once the chapter has selected the winners it should communicate the winners to the Foundation with the award amounts via Form #2. The information that is required in Form #2:

1. The winner(s) of the award with amount of each award
2. If the chapter is offering an internal scholarship, you must attach copies of the winner's applications
3. If the scholarship is an external scholarship nothing else is required as the Foundation will download the winner's application directly from the application platform.

The Foundation will confirm the award with the winner requiring them to complete a Statement of Eligibility form. Once the recipient completes the form funds will be deposited in their bank account by ACH. The chapter should not issue payments directly to the winners as the Foundation will not be able to reimburse the chapter for these payments. Per IRS regulations scholarship payments must be issued directly to the winner.

Finally, all grant applications need to be submitted AND approved prior to any scholarship applications being published or awards granted.