Scholarship

Scholarship Design and Management

The Need for New Awards

With college costs continuing to increase faster than family incomes, it is increasingly important to establish new scholarships, and increase the number and amount of existing awards. Only 9.6% of undergraduate students receive private sector scholarships, and the average amount received by each winner is about $2,500.

The demand for scholarships has never been higher. More than ten million students apply for financial aid every year, but only a few-hundred-thousand win scholarships. Every legitimate scholarship program receives many more qualified applications than they have funds available. Many scholarship sponsors have also reported that the applicant pool is stronger than it has ever been.

Determine Funding Available for Awards

A generous funding base is the key to the successful development and maintenance of an ongoing scholarship program. If your organization is willing to fully fund a scholarship program, your first hurdle is overcome. If not, you can establish a scholarship fund by collaborating with another corporate sponsor or by soliciting donations from individual contributors.

Once you've amassed enough capital to establish a scholarship program, determine the amount available to be paid annually in scholarships. You can specify a minimum award amount for the scholarship or you may prefer that the award be determined annually, thus providing more flexibility regarding the number of scholarship recipients each year. Annual scholarships may be a one-time gift or they may be replenished each year through an endowment. Endowments are large funds that are invested. Only a portion of the earnings is awarded each year for scholarships. An endowment fund works like a permanent savings account. The amount invested is never spent. Only the earnings are spent, and only for the purposes you specify. As the principal grows through investment, a portion of these earnings are transferred into a separate "spending" account for your fund and used as you have specified.

Administration

Administration of the scholarship is a very important consideration, as it is the ongoing process that will ensure the success and perpetuity of the program. Administration may be the most time-consuming part of the program. As such, you must ensure that adequate resources are available to support the process.

Many groups use third-party agencies to handle all aspects of the scholarship program. Using an outside agency may be necessary if insufficient staffing is an issue.

If you operate a large scholarship program, you may wish to consider outsourcing the administration of the program to an external scholarship management organization. Reasons for doing this can range from eliminating the paperwork burden and limiting costs to avoiding the possibility of any actual or perceived conflicts of interest. Scholarship management organizations can also help with outreach, evaluating effectiveness and compliance with IRS regulations.

Scholarship management services can also be useful to individuals, who just want to fund a scholarship and not be bothered with the details.

For example, employers and associations who provide competitive scholarship programs for their employees and members often use a third-party scholarship management organization to avoid possible conflicts of interest. A selection committee comprised of employees or association members could potentially result in the appearance of a conflict even if there was no actual favoritism in the selection process. (Often, individuals who believe themselves to be unbiased may be unconsciously biased to a particular subset of your membership.) Delegating the selection process to a third-party organization avoids the problems that can result from keeping the process in-house.

A few organizations that administer scholarships for third parties are listed in the Resources tool.

Another option for sponsors of small scholarships is to consider giving the funds to a local college or school to establish a named scholarship fund for incoming students. If you decide to do this, it is best to give the school's financial aid office as much flexibility as possible in the awarding of funds. Avoid making your selection criteria too restrictive or give the school's financial aid administrator the authority to award the funds to other worthy students in the event that no students qualify for the awards. (One problem with this approach is it limits the award to students who attend a particular school.) Another alternative is to give the money to a local community foundation. The foundation locator at http://www.cof.org/whoweserve/community/resources/index.cfm?navItemNumber=15626#locator will help find local foundations that might fit your needs.

IRS rules are designed to make sure that scholarship programs benefit a broad charitable class of beneficiaries and that the process is nondiscriminatory. For example, you can't set up a scholarship fund to award a family member or restrict your eligibility requirements so that only your favorite neighborhood student qualifies. The penalty for noncompliance could be a hefty excise tax or a loss of tax-exempt status. For more information, see the Laws and Regulations Affecting Scholarship Programs tool and visit the IRS Web site at www.irs.gov.

Duration of Award

You must decide whether the scholarship will be a one-time award or renewable. If the scholarship is renewable, you may want to recommend a maximum number of years a student may apply for and be awarded a renewal. As you address this issue, you will want to consider whether or not it is important that a new scholarship be awarded each year. Scholarship guidelines that have a provision for renewal generally require that the scholarship recipient complete an application annually, rather than permitting an automatic renewal of the scholarship.

Selection Criteria

Your selection criteria should be designed to allow you to efficiently and effectively identify scholarship recipients. Be careful to be as specific as possible in your selection criteria. If your selection criteria are too loose, you will be inundated with too many qualified applications. As the popularity of free online scholarship databases has grown, many sponsors have been forced to tighten their selection criteria.

The first step is to identify your objective. Why are you granting scholarships? What are two or three key characteristics you want to see in the scholarship recipients?

The next step is to relate your objectives to concrete selection criteria.

Try to be as concrete as possible, and to use questions with measurable answers. If your questions are too abstract, you will find it more difficult to compare candidates.

Group the questions into related categories, such as academic, personal, extracurricular activities, work history, leadership/service, awards and recognition, athletic, and financial need. Your goal is to keep the number of such dimensions small and to develop a methodology for assigning a score to each dimension. (On the application form, try to keep each group of questions to its own section, instead of mixing them. This will make it easier to assign scores later, by avoiding the need to continually flip back and forth through the application.)

Academic questions tend to be easy to score, since grades and test scores are already quantitative in nature. Other questions, such as essay questions, tend to be more difficult to score. One method is to have each member of the selection committee assign each application a score on a scale from 1 to 10, and sum the scores to arrive at a total for each candidate.

Once you have established scores for each dimension, there are several different ways to combine the scores.

- One way, used by college admissions offices, is to sum the scores and establish two thresholds on the sums. Any score below the first threshold is an automatic reject. Any score above the second threshold is an automatic admit. The

candidates with scores between the two thresholds are in a gray area and need to be examined more closely. By summing the scores, you allow candidates with a low score on one dimension to balance the one fault with outstanding qualities in the other dimensions.

- Another way is to multiply the scores on each dimension. This will require excellence in all dimensions for a candidate to obtain a high overall score.
- A third way is to prioritize the dimensions, and to sort the candidates in "dictionary order", ranking them first by the first dimension, and in cases of matches by the second dimension, and so on. This works well if you have a set of primary criteria that should overwhelm any of the secondary criteria.

The overall scores can then be used to select the recipients directly or to establish a ranking on the candidates that is used to determine the order in which they are evaluated. You can then look at the essays to draw finer distinctions among the top scorers.

Application Forms

Design the application form to reflect your selection criteria. It should collect the information you need to choose the winners of your award and only that information. This means that the questions should be relevant to the goals and criteria of your award. Avoid asking questions that are irrelevant, but make sure you ask enough relevant questions to allow you to pick a winner.

Try to focus on quality, not quantity. If one question will do, don't ask three. Why request four letters of recommendation, when two will work just as well? Keeping your application form short will cut your printing and mailing costs.

Include an area on the form "for office use only" where you can write down scoring information and basic identity information (e.g., applicant ID number). A top corner of the first page will make it easier to sort the applications later.

Need Analysis

The simplest method of evaluating a family's financial need is to piggyback off of an existing method of means-testing. Some of the more common methods include:

- Comparing the family's income and family size to the [Poverty Line](#).
- The Expected Family Contribution (EFC) is calculated by the [Free Application for Federal Student Aid (FAFSA)](#). This is a measure of the family's ability to pay for the child's college education. The lower the EFC score, the greater the family's need. Usually the EFC is used in conjunction with the Cost of Attendance (COA), since financial need is the difference between costs and ability to pay (i.e., Financial Need = COA - EFC).

Several major award programs have found FinAid's [Quick EFC calculator](#) to be helpful in assessing financial need, as it is simpler than the full Federal Need Analysis Methodology.

Limit Essays

Essays are difficult to evaluate and tiresome to read. It may be better to constrain the length of the essay by requiring the answer to appear in a fixed amount of space on the page or to be no more than a certain number of words. (After you've read your 100th ponderously philosophical essay on the meaning of life from a teenager, you'll understand why most essays do not add value to an application.)

Proofread Your Application Forms

Proofread your application forms before finalizing them. Check your grammar and spelling. Make sure you left enough space on the form for the answers. Use standard spacing between lines, so that it is possible to use a typewriter to complete the form. Try filling out the application yourself.

Finally, before sending your galleys to the printer, do a trial run of the form on a small set of test subjects. This is one of the best ways to catch and fix glitches on your application forms before the selection process begins.

Create an Online Application Form

Create an Adobe Acrobat version of the form (e.g., fill-in-form PDF), to make it easier for you to post online.

Consider redesigning your selection process to make it possible to use an online application form. This will reduce your administrative burden by allowing you to automate much of your selection process. It will also reduce your paperwork. For example, you could use the online application to pre-screen for the semifinalists, and only request a more detailed application (e.g., including transcripts and letters of recommendation) from them. Even if you select 10% of your applicant pool as semi-finalists, that will still reduce your paperwork burden by a factor of ten.

Post Your Scholarship

Many scholarship databases accept submissions of new and updated awards through online forms. You can submit your scholarship to the FastWeb scholarship database, for example, through their [Post Your Scholarship](#) page. After the award passes their verification process, it will be added to their database. FastWeb is the most popular database because they automatically notify their users about new awards that match the user's profile.

When using such services, make sure your award criteria targets the students you wish to support, such as specifying the geographic area of residence, school or program of study. Other wise you may receive more applications than you can handle.

Send Acknowledgments and Notifications

If you offer an online application form, consider collecting applicant email addresses in addition to regular contact information. You can use the email addresses to automatically notify applicants when their application is complete (or to let them know if their application is missing one or more components). A simple "Thank you for submitting an application" will be appreciated by the applicants.

You can also use the email addresses to notify all applicants who won the awards. Generally, it is best to notify winners by regular mail or telephone, as this is a more personal medium. But non-winners can be notified electronically after the winners have been notified to ensure that winners will hear about their awards directly first.

When sending email to all applicants notifying them who won the awards, it is best to have the email message reference a web page listing the recipients, instead of directly informing each applicant concerning their status, as this method is less prone to error. (Every year a handful of colleges accidentally send congratulatory email messages to the wrong set of students.)

Providing applicants with the courtesy of notifying them about the status of their application will help alleviate some of the stress they feel and further enhance your organization's public image. It is very frustrating to spend hours preparing an application for a scholarship and to never hear anything back from the sponsor. Candidates can handle rejection better than they can handle hearing nothing at all.

Don't Charge Application Fees

A very small number of sponsors have established application fees as a way to cut down on the number of applications. This is a bad idea, because it opens the door for scam artists to mimic legitimate scholarships as a way to defraud students (e.g., scholarships for profit). Charging a fee also eliminates applicants based on ability to pay, side-stepping your selection criteria. It may be tempting to cut your overhead costs in this fashion, but it does a disservice to the students who apply for the award and don't win.

Many financial aid administrators and guidance counselors tell their students to never invest more than a stamp. Neither FinAid nor FastWeb will list any award that charges an application fee.

Standardize Application Deadlines

Try to standardize the application deadline to the same date each year, such as the 1st, 15th or last day of the month, instead of having a date that changes each year. This helps minimize the chances that a stale application date will appear in a scholarship database, website or poster promoting your award.

In addition, it is best to announce winners at least two weeks before May 1. May 1 is the common reply date, the date by which high school seniors must tell each college whether they have accepted the college's offer of admission. Notifying your scholars before this date will provide them with more flexibility in choosing a college. Scholarships not only enhance access to a college education, but also choice, by potentially removing financial barriers as a constraint on college choice.

Evaluate Your Program's Effectiveness

Evaluating your scholarship program's effectiveness can help justify your program to prospective donors and the community. This usually involves tracking and evaluating measurable outcomes, such as retention and graduation rates, other awards won by your scholars, the average debt at graduation, and enrollment in graduate and professional school.

National Scholarship Providers Association

The National Scholarship Providers Association (NSPA) is the only national organization for scholarship sponsors and scholarship management professionals. Their annual conference is especially valuable for scholarship providers, and includes sessions on common issues as well as helpful "birds of a feather" discussions. NSPA also publishes a quarterly newsletter and a Scholarship Program Design Guide for its members.

Information in this tool comes from FinAid.org - http://www.finaid.org/educators/awarddesign.phtml

Activity	Begin Date	Deadline
Program Development	Summer	Late Fall
Fund-Raising	Fall	Spring
Advertising	January	March 15
Application Period	January	March 30
Award Announcement	April 15	April 15

<NAME OF YOUR SCHOLARSHIP>

Please complete all sections of the application. **The deadline for submission is <DATE>**

Name:	Date of Birth:
Campus Address:	Permanent Address:
Campus Phone:	Home Phone:
Email Address:	

Name of High School: _____

GPA: _____

High School Rank: _____out of _____

SAT/ACT Scores: _____

Anticipated course of study: _____

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A. List and briefly describe your high school extracurricular activities (e.g. memberships in organizations, sports, etc.):

Organization Involved	Position Held	Date of Involvement

Brief description of your responsibilities:

B. List and briefly describe volunteer activities in which you have been involved:

Organization	Activity	Date of Involvement

Brief description of how you participated:

C. List honors or academic awards you have received (e.g. scholarly activities, research, etc.):

Award/Honor	Institution/Organization	Date

D. List and briefly describe any work experience:

Position	Employer	Dates of Employment

Brief description of your work responsibilities:

<u>Submitting your application</u>

Please submit the following to be considered for the <NAME OF YOUR SCHOLARSHIP>:

1. Completed application form.

2. Letters of recommendation from your high school faculty or counselor.

3. **Counselor Use:** Please submit a copy of the applicant's transcript **and** a copy of ACT/SAT scores.

This application is due on <DATE>

Return applications to: <ADDRESS>

Please direct any questions to **(name)**.

Task	Responsible Party	Date Completed
Determine funding available		
Determine funding needed		
Write business plan to identify funds		
Establish foundation documents		
Initiate fund-raising		
Define goals		
Determine award criteria		
Develop application		
Establish timeline		
Assess whether to manage internally or use a foundation, management service, or local school to manage the administration		
Establish award committee		
Post the scholarship		
Market program to students		
Gather and screen applications		
Acknowledge receipt of applications		
Committee selects recipients		
Notify recipients		
Notify non-winners		
Write check to recipient winners		
Monitor recipients' progress		
Evaluate scholarship program effectiveness		

Marketing Ideas for Scholarships

Below is a list of ideas to market a scholarship program to students from *Total Internship Management* by Richard Bottner (Published in 2007 by Intern Bridge, Inc).

- Use the campus Career Center (for college and university programs)

- Contact teachers or faculty members who know the students you want to support

- Use the power of networking to get the word out (family, friends, and the community)

- Go to a college fair

- Sponsor an information session at the college, university, or high school

- Sponsor an event for a student club

- List the scholarship with scholarship search sites (See Resource tool)

Organizations that provide scholarship management services include:

- [Scholarship America](#) is a nonprofit with a mission to mobilize America through scholarships and other educational support to make postsecondary success possible for all.
- [Scholarship Management Services](#) is a third-party administrator of scholarship and tuition assistance programs.
- [Scholarship Managers](#), a division of Career Opportunities Through Education, Inc., is a nonprofit scholarship management organization.

The National Scholarship Providers Association - www.scholarshipproviders.org offers a Scholarship Program Guide available to members along with several other benefits for members.

Foundation locator - http://www.cof.org/whoweserve/community/resources/index.cfm?navItemNumber=15626#locator

Listing your scholarship - http://www.scholarships.com/scholarship-providers-resources/list-your-scholarship/

The IRS Compliance Guide for Private Foundations – http://www.irs.gov/pub/irs-pdf/p4221pf.pdf

IRS Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - https://www.irs.gov/uac/about-form-1023

Laws and Regulations Affecting Scholarship Programs

The main laws affecting the awarding of scholarships are the laws relating to private foundations and non-profit organizations. For example, section 4945(g)(1) of the Internal Revenue Code specifies that amounts paid as a scholarship or fellowship grant to an individual for travel or study will not be considered a taxable expenditure if the grant is awarded on an objective and nondiscriminatory basis and is to be used for study at an educational institution described in Section 170(b)(1)(A)(ii) of the code. Generally, a private foundation that awards scholarships should request advance approval from the IRS of the procedures it uses in managing the scholarship program, to ensure that the scholarships are not considered taxable expenditures. Section 4946 of the code specifies a list of "disqualified persons" who are not eligible to receive the grants. Similarly, for an award to be excludable from gross income, it must comply with the provisions of section 117(a) of the code.

This yields the following requirements for scholarships:

- The scholarship must be awarded on an objective and nondiscriminatory basis.
- No grants may be awarded to an officer, manager or trustee of the organization, nor to a member of the selection committee, nor to a substantial contributor, nor to certain US government officials.
- Family members of these individuals are also not eligible to receive grants.
- The group of applicants from which the recipients are selected must be sufficiently broad as to be considered a charitable class.

A charitable class must be sufficiently large and indefinite so that assisting members of the charitable class benefits the community as a whole. Earmarking scholarships to help a particular pre-selected student would violate this requirement. The donor of a scholarship cannot take a charitable deduction for a scholarship that is earmarked for the benefit of a specific individual, not even if that individual is unrelated to the donor. Moreover, donors may not circumvent this restriction by tightly delineating the selection criteria. Examples of valid charitable classes include 9/11 victims, lower income students, female students, students graduating in the top 10% of their class, all graduating seniors of a particular school, and even baton twirlers. Each of these examples is broad and indefinite.

Scholarships do not need to be based on financial need in order to be considered charitable. A scholarship whose recipients are selected on the basis of academic merit without regard to financial need may still be exempt under section 501(c)(3) of the IRC. (See Revenue Ruling 69-257, 1969-1 C.B. 151.)

A family cannot take a charitable deduction for a contribution to a tax exempt foundation if the contribution is earmarked by the family for the education of a specific individual, regardless of whether that individual is a relative or not. Such "contributions" fail the IRS's non-discriminatory test. (Note, however, that amounts paid directly to an educational institution for the education of a particular individual are not subject to gift taxes.)

Aside from the provisions of the Higher Education Act of 1965 concerning the awarding of federal student aid, and the provisions of The Internal Revenue Code relating to specific tax benefits for education, scholarships and fellowships (see IRS Publication 970), the only other laws relating to scholarships are the College Scholarship Fraud Prevention Act of 2000 and the US Supreme Court rulings on affirmative action.

The IRS has a variety of rules concerning scholarship grants by private foundations. IRS Revenue Procedure 76-47, 1976-2 C.B. 670 establishes guidelines that can be used to determine whether a grant under an employer-related scholarship program is considered a taxable expenditure (and might lead to a loss of the foundation's exempt status).

To be non-taxable, the grant must satisfy the following seven conditions and certain percentage tests paraphrased from the revenue procedure. Please refer to the actual revenue procedure for details.

- **Use as inducements prohibited.** The program may not be used to recruit employees, induce employees to continue their employment, or follow any other course of action sought by the employer. The scholarships may not represent compensation for past, present or future services to the foundation/employer.
- **Independent selection committee.** The selection committee must be totally independent of the foundation/employer. Former employees are not considered independent. Grants may be awarded only in the order and amounts recommended by the selection committee. The number of grants may be reduced but not increased from the number recommended by the committee.
- **Minimum eligibility requirements.** The program must have a set of minimum eligibility requirements that are related to the purpose of the program. These eligibility requirements must limit the selection committee to considering only those employees (or children of employees) who meet the minimum standards for admission to a qualifying educational institution. If the employee must have been employed for a minimum period, the minimum period may not exceed three years. Eligibility must not be related to other employment-related factors, such as position, services or duties.
- **Objective basis for selection.** Selection of recipients must be based solely on substantial objective standards that are completely unrelated to the employment of the recipients or their parents and to the employer's line of business. Examples of objective standards include prior academic performance, performance on tests designed to measure ability and aptitude for higher education, recommendations from instructors and other individuals not related to the potential awardee, financial need, and conclusions based on personal interviews as to motivation and character. The program must be controlled and limited by substantial non-employment-related factors. The members of the selection committee should not derive a benefit from the selection (e.g., recipients may not be related to members of the selection committee or disproportionately affiliated with management or highly compensated employees of the company).
- **Eligibility not contingent upon continued employment.** Grants may not be terminated because of termination of employment subsequent to the awarding of the scholarship. Likewise, for renewable awards, the standards for renewal should be based solely on nonemployment-related factors such as financial need and maintenance of scholastic standards. Renewal may not be denied because of termination of employment. At the time of award or renewal there cannot be any requirements, conditions or suggestions, express or implied, that the recipient (or parent) is expected to render future employment services or be available for such future employment.
- **Course of Study.** The course of study may not be limited to those that are of particular benefit to the foundation/employer. If the courses of study includes one or more of benefit to the foundation/employer, the scholarship may not be conditioned on the recipient choosing that particular course of study. The recipient must have a free choice as to pursuit of a course of study.
- **Other objectives.** The scholarships and courses of study supported by the scholarships must be consistent with a disinterested purpose of enabling the recipients to object an education solely for their personal benefit. There may not be any commitments, understandings or obligations -- conditional or unconditional -- suggesting that the studies or research are undertaken for the benefit of the employer/foundation or have as their objective the accomplishment of any purpose of the employer/foundation other than enabling the recipient to obtain an education for their personal benefit. For example, collectively bargained scholarship plans for employees' children are not considered charitable and hence are not exempt under IRC 501(c)(3). A private foundation funded by a for-profit company that grants scholarships for children of a particular community is nontaxable, regardless of whether the parents are employed by the company

(Revenue Ruling 79-131). A private foundation's scholarship program for children of deceased or retired employees is subject to Revenue Procedure 76-47, as it is considered an employer-related grant program (Revenue Ruling 79-365).

The percentage tests are satisfied if

- The number of grants awarded to children of employees of a particular employer does not exceed 25% of the number of employees' children in that year who were eligible applicants considered by the selection committee in selecting the recipients in that year OR if the number of grants does not exceed 10% of the number of children of employees who were eligible for a grant in that year (regardless of whether or not they submitted an application).
- The number of grants awarded to employees of a particular employer does not exceed 10% of the number of employees in that year who were eligible applicants considered by the selection committee in selecting the recipients in that year.

When two or more foundations make grants to a single employer, the combined number of grants should not exceed these percentage tests.

If the percentage tests are failed but the other seven conditions are satisfied, the IRS will review the facts and circumstances before issuing a ruling whether the grants are considered scholarships subject to the provisions of IRC section 117(a).

There is an exception when an employee is killed or seriously injured in a qualified disaster (IRS Revenue Ruling 2003-32).

Revenue Procedure 80-39 is similar, but concerns whether educational loans made by a private foundation under an employer-related loan program are considered taxable expenditures.

The Pension Protection Act of 2006 (P.L. 109-280) bans donor-advised funds from making grants to designated individuals. Donors may serve on a scholarship selection committee but may not directly or indirectly control the selection process. This restriction includes the donor, members of the donor's family, people who serve as advisers to the donor (e.g., lawyers and accountants), people who are employed by the donor (including officers and directors of a donor that is a business or corporation), and committee members selected or appointed by the donor. These people may not represent a majority of the members of the selection committee. Selection of recipients must be on an "objective and nondiscriminatory basis" (see the relevant discussion of IRC section 4945 above). In addition, the donor may not derive a more than incidental benefit from the grant program.

Don't Ask for Social Security Numbers

If you do not have a legitimate reason for asking for the applicant's social security number, don't ask for it on the application form. Assign your own ID number to each applicant instead.

Not only do you not have the right to request the social security number, but the social security number is a badly designed personal identifier. For example, if you transpose two digits in someone's social security number, you'll likely to yield someone else's social security number.

Minimize Displacement

Displacement occurs when a school has to reduce the need-based portion of a student's financial aid package because the student received an outside scholarship. Although many schools have favorable outside scholarship policies that reduce loans before grants, to some extent the outside scholarship is

benefiting the school (or more accurately, other students at the school) than the student selected by the sponsor.

You can minimize the impact of displacement on your recipients by allowing them to use the award for "educational expenses" (or even room and board) and not just "tuition".

Writing the check directly to the student as opposed to the school is ineffective, because the student is required to report all outside scholarships to the financial aid office. Failing to report outside scholarships can have serious consequences for the student when the outside award is eventually discovered by the school.

Paying the scholarship as wages or a honoraria to the student or parent would reduce the financial aid impact somewhat, since it would be treated as income instead of as a resource. Student income is assessed at a rate of 50% instead of the 100% reduction associated with resources. However, the family would be able to use the money for any purpose whatsoever, not just for educational expenses, and the income would be subject to federal and state income tax and FICA. (If the "wages" were restricted for educational purposes, they would be treated as a resource. If it looks like a scholarship and acts like a scholarship, it is a scholarship.)

If your scholarships are tenable only at a specific college, try entering into an agreement with the school whereby the school will first apply the scholarship to unmet need, and then reduce loans before grants in overaward situations involving your scholarship program.

Spreading the award over all four years of college will allow for more opportunities for the money to reduce unmet need and loans instead of grants.

Another way to minimize the impact is to establish a 529 college savings plan or prepaid tuition plan that names the student as the beneficiary. If the account owner is neither the parent nor the student, it will have no impact on federal student aid. If the account owner is the parent, it will have a minimal impact on federal student aid, as it will be treated as a parent asset and not as a resource.

From:

http://www.finaid.org/educators/awarddesign.phtml

<NAME OF YOUR SCHOLARSHIP>

Are you interested in getting funds for an education to start your career in energy?

The <NAME OF YOUR SCHOLARSHIP> scholarship has been established to <STATEMENT OF THE GOALS OF YOUR SCHOLARSHIP>.

Scholarships available for students who:
<CRITERION>
<CRITERION>
<CRITERION>
<ETC>

Application deadline: <DATE>

Go to <WEBSITE> to apply for this <NAME OF YOUR SCHOLARSHIP> scholarship!

Questions? Call <CONTACT NAME> at <CONTACT PHONE NUMBER>.

Formed in March 2006, the Center for Energy Workforce Development (CEWD) is a non-profit consortium of electric natural gas and nuclear utilities and their associations —Edison Electric Institute, American Gas Association, Nuclear Energy Institute, and National Rural Electric Cooperative Association. CEWD was formed to help utilities work together to develop solutions to the coming workforce shortage in the utility industry. It is the first partnership between utilities, their associations, contractors and unions to focus on the need to build a skilled workforce pipeline that will meet future industry needs.