Arkansas Community Foundation is pleased to offer scholarships that support educational opportunities and impact the futures of recipients and their families. The Internal Revenue Service dictates regulations governing scholarships, and Community Foundation scholarships must be administered in compliance with these regulations. Review this guide to ensure that your wishes comply with IRS regulations and Community Foundation scholarship policies.

Scholarship Endowment Options

Advised Scholarships
In this format, the Community Foundation handles money management as well as scholarship application development and distribution, selection committee assignment and management, and payment to the appropriate institution after proof of enrollment had been provided.

- $25,000 minimum to establish
- 2% annual administrative fee
- $1,000 minimum scholarship award
- Option to use our online scholarship application
- Advertising, selection and awarding of the scholarship is performed by an advisory committee appointed by the Community Foundation

Designated Scholarships
In this format, the Community Foundation only handles money management and directs scholarship checks to a specific school.

- $10,000 minimum to establish
- 1% annual administrative fee
- $400 minimum scholarship award
- Advertising, selection and awarding of the scholarship is performed by an advisory committee at the designated institution

* Community Foundation scholarships are usually legacy endowments, but donors may also choose to establish a quasi-endowed leadership fund for a higher annual fee. Leadership fund scholarships allow for granting larger amounts above the legacy endowment’s 4% spend rate. These scholarships are still managed as advised or designated, depending on the donor’s intent. While the Community Foundation offers charitable action funds in other fund structures (such as donor-advised and designated), scholarships are not offered as action funds.
Scholarship Policies

Donor Involvement
While you may be involved in setting the criteria of your scholarship endowment, donors who establish scholarships and their family members or representatives may not participate in the recipient selection process. Likewise, no other person with a direct or indirect financial or proprietary interest in the result of a decision made by a scholarship committee may participate in the process.

The Pension Protection Act of 2006 regulates donor advised funds and defined that charitable funds can only be used to make grants for scholarships if the fund is advised by a committee wholly appointed by the community foundation and grants are made according to an “objective and nondiscriminatory” process. Therefore, to protect our nonprofit status and scholarship donors’ tax deductions, the Community Foundation cannot allow donors to be involved in the selection process.

Selecting Recipients
Advertising, selection and awarding of the scholarship will be performed by an advisory committee. Designated Scholarship recipients are selected by a committee at the designated institution. Advised scholarship recipients are selected by a committee appointed by Arkansas Community Foundation.

Scholarships will be awarded through a competitive process. Each scholarship must be advertised and made available so all who are eligible may apply. All applications will be evaluated based on fair and equitable criteria established prior to the review process. Committees will be impartial, and no applicant shall receive any special consideration. No member of a scholarship advisory committee shall be immediately related to an applicant. Immediate family includes step-relationships and is defined as spouses, children, grandchildren, brothers, sisters and parents.

Awarding Scholarships
Scholarships payments are paid as one lump sum for an entire school year. Scholarship awards may be used for customary college expenses: tuition, room and board, fees and books. Renewable scholarships must be claimed in consecutive years; if there is a lapse in attendance, the recipient forfeits the remaining scholarship renewal.

A primary scholarship liaison signs the Scholarship Recommendation Form to attest that the above policy and procedures have been announced to the committee in advance and have been met.
Scholarship Eligibility Criteria

We recommend keeping the criteria simple. Short, straightforward eligibility makes for an easy selection process. Narrow criteria may limit the number of eligible candidates in a given application cycle. Donors may specify a particular sex, race, ethnic background or religion for applicants so long as such preference does not violate public policy.

Criteria may include, but are not limited to these common examples:

⇒ Graduating high school senior or student enrolled as an undergraduate or graduate
⇒ Full- or part-time student
⇒ Graduation from a particular high school or enrollment in a specific institution
⇒ Participation in a certain sport or extracurricular activity
⇒ Financial need and/or minimum GPA
⇒ Field of study in college

Biographical Sketch

You may provide a brief biographical sketch (300 words or less) about the person being honored or memorialized through the scholarship. This information can inspire potential scholarship applicants and help recipients understand the significance of the scholarship they have received. Schools may choose to present the biographical sketch to the recipient at an awards ceremony, as a way to commemorate the award and encourage the student to excel.

Alicia Nicole Rix Memorial Scholarship
Born on Sept. 1, 1987, Alicia was a junior at Sylvan Hills High School when she and two new friends went fishing during spring break, March 18, 2004. The 3 cheerleaders were hit by a semi as they drove home on Highway 5 & 89 intersection in Cabot, now known as “Angels’ Crossing.” Alicia was a sweet girl whom everyone loved. She was very popular at school and in the Central Arkansas community. She brought her friends together from different schools to form a large network of wonderful people. She was an honest and modest young Christian lady who wanted to make certain everyone had a “good day.” When she walked into a room, everyone noticed her smile and positive attitude. She loved sports and was an avid Razorback fan. In fact, she was applying for a soccer scholarship and a cheerleading scholarship at U of A. There was no doubt Alicia would have been a Razorback Star!

Next Steps to Establish a Community Foundation Scholarship

1. Discuss your vision with the Community Foundation and relevant parties to ensure that all involved are willing and able to award the scholarship as you wish.

2. Identify a “primary liaison”—a local high school counselor or principal, financial aid advisor or university foundation member—who will be the Community Foundation’s contact. We contact liaisons each year to inform them about how much money may be awarded, detail guidelines and publicize the scholarship opportunity.

3. Complete the Scholarship Worksheet and go through your New Fund Information with a Community Foundation representative.
Scholarship Worksheet

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### Guidelines

**Eligibility:**
Maximum of three easily demonstrated, practical requirements: graduating student from a particular high school, town or county; enrollment in a particular two- or four-year institution; field of study; participation in a certain sport or extracurricular activity.

**Criteria:** Minimum G.P.A. of ______ Other: ________________________________
Financial need, community involvement and potential to succeed are typically considered.

**Selection Committee:**
Advertising, selection and awarding of the scholarship will be performed by an advisory committee. Designated Scholarship recipients are selected by a committee at the designated institution. Advised scholarship recipients are selected by a committee appointed by Arkansas Community Foundation.

**Use of Scholarship:** Scholarships may be used to attend two and four-year colleges and universities in the US and will be applied to the recipient’s cost of attendance. Scholarship awards may be used for customary college expenses: tuition, room and board, fees and books.

**Amount of Scholarship:**
Set amount or percentage of the endowment spendable. Advised scholarships have a minimum award of $1000 and are distributed to the recipient’s school after proof of enrollment is received; designated scholarships have a minimum award of $400 and are distributed to the designated institution annually on one of the following dates:

- **Designated Distribution Date:** ___ March 15  ___ June 15  ___ September 15  ___ December 15

**Renewability:** ____ Renewable  ____ Not renewable; recipients may reapply  ____ Not renewable
The Community Foundation can only offer renewability on advised scholarships. You may insert a caveat, such as minimum GPA maintained, for renewability:

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**Summary Statement—Charitable Purpose of the Scholarship:**

Example: To support scholarships for x students at x university studying x.