



## Sample Documents for Scholarship Funds

### Sample Procedures and Sample Board Resolution

Community foundations that award scholarships and other grants to individuals from funds with donor involvement should be sure these funds comply with the requirements of the Pension Protection Act of 2006.

We urge community foundations to review this resource in conjunction with our [sample board resolution](#).

The PPA prohibits grants to individuals from funds that meet the fairly broad [definition of donor-advised funds](#). For this reason, all funds that will be making grants to individuals must be sure not to fall within the definition of donor advised funds, even inadvertently. Under Section 4966 of the Tax Code, a fund will not be considered a donor-advised fund if all the following are true:

1. The sponsoring organization (the community foundation) appoints all of the members of the scholarship committee and the donor's advice is given solely as a member of the committee
2. Neither the donor nor the parties related to the donor control the scholarship committee directly or indirectly
3. 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) of the Tax Code.

The following consists of the Council's sample scholarship procedures designed to help foundations meet the third prong of the above test. You'll also find section-by-section guidance explaining the procedures.

The following guidance and suggested language is based on the Council's ongoing analysis of the law. Because additional clarifying guidance to address the PPA is still needed from Treasury and the IRS, further modifications or clarifications to the following sample procedures may be necessary in the

future. Please check back for any updates. Foundations should modify and adopt the procedures in consultation with their own counsel.

[View the suggested language for the sample scholarship procedures without the explanations for each section.](#)

## **Sample Scholarship Procedures**

### **Introduction: Scope and Intent of the Policy**

This policy addresses three different forms of grantmaking to individuals: scholarship grants, awards to individuals to recognize past charitable achievements, and awards that are designed to achieve a specific charitable objective. We believe that covering all of these areas is required by the PPA.

### Scholarship Awards

We use the term “Scholarship Awards” to 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 a vocational school. These are grants that are described in Section 4945(g)(1) of the Tax Code.

### Individual Achievement Awards

What we call “Individual Achievement Awards” may be given to individuals in recognition of achievement in the fields of art, literature, education, science, 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 prizes or awards may be expended by the recipient. These would be grants described in Section 4945(g)(2) of the Tax Code.

### Awards and Prizes to Achieve a Specific Objective

“Awards and Prizes to Achieve a Specific Objective” are grants described in Section 4945 (g)(3) of the Tax Code. These awards may be made to allow grantees to further a particular charitable project or ability or to advance a charitable mission of the community foundation. A grant to an author to work on a book would be an example of the former. A program of grants to individuals for internships with nonprofit organizations or to schoolteachers to encourage them to work in lower-achieving schools could be examples of the latter. Scholarships that cover the cost of training that leads to a certificate or a higher skill level for individuals who have completed high school or the equivalent may also fall under this category.

### **Grants to individuals for disaster relief or hardship assistance**

The procedures do not cover grants to individuals for disaster relief or hardship assistance; there is no exception to the bar on grants to individuals from donor-advised funds for hardship assistance. For more on use of donor-advised funds for disaster relief for individuals, see [IRS Publication 3833, Disaster Relief](#): Providing Assistance Through Charitable Organizations. IRS interim guidance released

in December 2006 provides a special exception for certain employer-related disaster relief funds; see <http://www.cof.org/files/Documents/Government/Charitable%20Reform%20Resource%20Center/IRSGuidanceDAFAnalysis.pdf> for details.

The suggested language in this section concludes with a statement about the high value that community foundations place on donor involvement – a theme that many community foundations will no doubt stress in their communications with donors.

**Introduction: Scope and Intent of the Policy**

~ SAMPLE LANGUAGE ~

The XYZ Community Foundation ("the Community Foundation") from time to time holds and administers certain funds (the "Funds") that provide scholarship grants to individuals, including high school, college and graduate school students, to enable the recipients to complete an undergraduate or graduate education in the field of their choice at the college or graduate school of their choice. The Community Foundation also holds and administers certain Funds that make grants to students in primary and secondary school to attend various educational programs and to other individuals for vocational or other training. Grants made from such Funds shall be referred to as "Scholarship Grants."

The Community Foundation also from time to time holds and administers certain Funds that make grants to individuals in recognition of achievement in the fields of art, literature, education, science, 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 prizes or awards may be expended by the recipient. Grants made from such funds shall be referred to as "Individual Achievement Grants."

The Community Foundation also from time to time holds and administers certain funds that make grants to individuals to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee that relates to the Community Foundation's mission. Eligible individuals may include graduate students, scholars, professionals, and other individuals with specialized skills or knowledge. Scholarships also may be awarded to pay for a course of study leading to a certificate or to achieve a skill level, such as art or vocational school. Such scholarships may cover the cost of tuition and related expenses. All grants described in this paragraph shall be referred to as "Awards and Prizes to Achieve a Specific Objective."

The Community Foundation has established the following procedures pursuant to which Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective will be awarded from funds where Donor-advisors have any advisory privileges or participation in the selection of grant or award recipients. The following procedures shall be interpreted so as to ensure the Community Foundation's compliance with all applicable requirements of the Internal Revenue Code, including Section 4966, accompanying Treasury Regulations and

guidance from the Internal Revenue Service, and these procedures may be amended from time to time.

For purposes of these procedures, a Donor-advisor will be defined as an individual or organization, including a corporation, partnership or trust, that makes a contribution to a Fund where such Fund is separately identified by reference to contributions of the Donor-advisor and with respect to which the Donor-advisor (or any person appointed or designated by such Donor-advisor) has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such Fund by reason of the Donor-advisor's status as a donor.

The Community Foundation values and encourages the interest and involvement of donors to funds established to make Scholarship Grants and Individual Achievement Awards. Such involvement may include developing criteria for awards, serving on grant selection committees and recommending others for places on selection committees.

## I. Selection of Grantees

This section covers how applicants and nominations should be generated so that there is a sufficiently large charitable class from which to choose awardees. There is no mandatory minimum size for a charitable class, but in general, the group should be large enough so that donors to the fund will not be certain who will be receiving a benefit. The language in the first paragraph regarding the selection of a research scientist comes from the Tax Code's provisions for private foundations making grants to individuals and provides some guidance to situations that may arise in this area. If your community foundation has other practices in this area, it could certainly incorporate them into the document in consultation with the foundation's counsel.

### **I. Selection of Grantees**

~ SAMPLE LANGUAGE ~

Grantees are to be selected on an objective and nondiscriminatory basis. The group from which grant recipients are selected must be sufficiently broad so that giving grants to one or more members of the group fulfills a charitable purpose; however, selection from such a group is not necessary if one or more grant recipients are selected on the basis of their exceptional qualifications to carry out the purposes of the grant or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the grant rather than to benefit particular persons or a particular class of persons. For example, selection of a qualified research scientist to work on a particular project does not violate the requirements of this paragraph if the scientist is selected from a group of three scientists who are experts in that field.

#### A. Scholarship Grants

In connection with Scholarship Grants, Community Foundation staff and designated members of selection committees established for such awards shall contact high school, college and graduate school administrators as well as managers of other relevant community institutions to advertise the

availability of the Community Foundation's Scholarship Grants and to request that these administrators nominate potential candidates or encourage potential awardees to submit applications for scholarship aid.

#### B. Individual Achievement Awards

In connection with Individual Achievement Awards, Community Foundation staff and designated members of selection committees established for such awards shall contact relevant community institutions and individuals to publicize the availability of the Community Foundation's Individual Achievement Awards and to solicit nominations for such awards. Candidates for such awards may take no part in the selection process.

#### C. Awards and Prizes to Achieve a Specific Objective

In connection with Awards and Prizes to Achieve a Specific Objective, community foundation staff shall develop application or nomination procedures that are appropriate to accomplish the purposes of the Fund under which any such award is established.

## II. Criteria for Selection

From our many years of working with community foundations, we know that there is an incredible range of criteria used to select award recipients, especially in the area of scholarships. This section suggests some of the very broad categories of criteria; if your community foundation has other categories that it routinely uses, it could incorporate them into the document in consultation with the foundation's counsel.

Note that the suggested language indicates that community foundations may give preference to applicants of a particular sex, race, ethnic background or religion so long as the preference does not violate public policy. Some foundation managers will want to know whether the foundation has a fund that goes beyond "preference" language and restricts awards to students of a particular sex, race, ethnicity or religion. In many cases the answer is yes, but this is something that foundation managers should discuss with local counsel.

We've included a broad definition of who is eligible for scholarship grants. It is meant to cover primary school through high school students as well as undergraduate and graduate students and those pursuing vocational training. It tracks the language of regulations that cover who is eligible to exclude certain scholarship payments from their taxable income.

This section gives community foundation staff the flexibility to make minor changes to the procedures when circumstances arise but requires that funds with criteria or procedures that are far outside the bounds of this policy be approved by the Board.

## **II. Criteria for Selection**

~ SAMPLE LANGUAGE ~

The criteria to be used in selecting grant recipients from a fund established at the Community Foundation must be based on criteria that are appropriate to accomplishing the underlying purpose of the grant as described in the agreement creating such Fund. Community Foundation staff should work with donors to establish Funds that fulfill the donor's charitable goals and feature clear selection criteria.

### **A. Scholarship Grants**

For Scholarship Grants, such criteria may include, but are not limited to, the following: prior academic performance, performance of each applicant on tests designed to measure ability and aptitude for educational work; recommendations from instructors of such applicant and any others who have knowledge of the applicant's capabilities, additional biographical information regarding an applicant's career, academic and other relevant experiences, financial need and conclusions which the grant selection committee may draw as to the applicant's motivation, character, ability, or potential. Criteria may also include the applicant's place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of his or her artistic, scientific or other special talent. Preference may be given to applicants of a particular sex, race, ethnic background or religion so long as such preference does not violate public policy.

Recipients of Scholarship Grants must be (1) primary or secondary school students; (2) undergraduate or graduate students at a college or university who are pursuing studies or conducting research to meet the requirements for an academic or professional degree; or (3) students – whether full-time or part-time – who receive a scholarship for study at an educational institution that provides an educational program acceptable for full credit toward a bachelor's or higher degree, or offers a training program to prepare students for gainful employment in a recognized occupation and is authorized under federal or state law to provide such a program and is accredited by a national recognized accreditation agency and all Scholarship Grants must be used for tuition and related expenses (as further described in Section VII following) at an educational institution described in IRC § 170(b)(1)(A)(ii), i.e., such institution must normally maintain a regular faculty and curriculum and must normally have a regularly organized body of students in attendance at the place where the educational activities are carried on. The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Scholarship Grants and the administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

### **B. Individual Achievement Awards**

In connection with Individual Achievement Awards, such criteria may include but are not limited to: the individual's past achievements and community involvements, other biographical information regarding an applicant's career, academic and other relevant experiences.

The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Individual Achievement Awards and the administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

#### C. Awards and Prizes to Achieve a Specific Objective

In connection with grants to individuals to achieve a specific objective, produce a report or other similar product or improve or enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill or talent of the grantee that relates to the Community Foundation's mission, recipients may include graduate students, scholars, professionals or other individuals with specialized skills or knowledge. Criteria shall be related to the purpose of the Fund under which the award is established and may include prior experience, contributions to the field, demonstrated academic achievement, financial need, character, ability, motivation and potential. In connection with scholarships awarded to pay for a course of study leading to a certificate or a higher skill level, criteria shall be related to the purpose of the Fund under which the award is established and may include financial need, character, ability, motivation, potential and the relevance of the candidate's course of study and career objectives to the charitable purposes of the Fund.

### III. Grant Selection Committees

The basic rule here is that donor-advisors, persons recommended or designated by donor-advisors and persons related to these persons, cannot control selection committees, either directly or indirectly. The problem is that the PPA doesn't define who is a "related" person. We assume this means family members of the donor-advisor (though we don't know which ones) and representatives of businesses or partnerships that the donor-advisor controls. Until this issue gets clarified, we've opted to track the (vague) language of the PPA and encourage foundations to err on the side of caution when considering selection committee memberships. Also keep in mind that when donor-advisors recommend persons who are objectively qualified to serve on committees, those recommended needn't be counted in determining whether the donor-advisor controls the committee

Donor-advisors, their designees and the persons related to all of these should not constitute a majority of the selection committee. We've also included a reminder that in the language of the Tax Code, "persons" can mean an individual or an organization.

The provision about a person who is recommended by the donor-advisor based on objective criteria comes from the Technical Explanation that accompanied the Act. This is a source that we look to for understanding of Congress's meanings. Here's the example that the Technical Explanation provides for this provision:

For example, if a donor recommends that a committee of a sponsoring organization that will provide advice regarding scholarship grants for the advancement of science at local secondary schools should consist of persons who are the heads of science departments at such schools, then the donor generally would not be considered to have appointed or designated such persons, i.e., they would not be treated as donor advisors.

We've provided alternatives for appointment of selection committee members, as the Act says only that the sponsoring organization (the community foundation) must appoint the members; you can arrange for your Board to do the appointing or you can have your Board authorize community foundation staff to make these appointments.

Note that there is no mention of employer-related scholarships in this section. The Council has recommended for many years that no representatives from a corporation that provides funds for scholarship grants to employees and their dependents should serve on a selection committee for those awards. This is especially important when the funding for the program comes from the corporate foundation but it is a wise practice in all situations in which employment by a particular corporation is a qualifier for scholarship aid. Where there is no corporate representation, an employer-related scholarship fund should not fall under the donor-advised fund definition in the Act and need not be covered by this policy.

We've provided that grant selection committees must forward their recommendations to community foundation staff, and we've provided alternatives for the approval of grants. Foundations may choose to have the Board approve every grant. Other foundations may choose to have the Board delegate approval of some or all of the grants to community foundation staff, in which case, the foundation would draft a resolution describing which grants can be approved by staff (e.g. scholarships, grants under \$10,000) and have the resolution approved by the Board.

### **III. Grant Selection Committees**

~ SAMPLE LANGUAGE ~

The Community Foundation shall appoint all members of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards. Appointments shall be made by the Board of Directors. [Alternatives: (1) Appointments shall be made by a committee duly appointed by the Board of Directors (2) Appointments shall be made by designated staff of the community foundation.]

No combination of Donor-advisors, persons recommended or designated by Donor-advisors (or persons related to any of these persons) to a Fund that makes Scholarship Grants or Individual Achievement Awards may, directly or indirectly, control any selection committee established in connection with such Fund. For example, Donor-advisors, persons recommended or designated by Donor-advisors and persons related to any of these persons shall not constitute a majority of any such selection committee (persons may include individuals, partnerships, corporations or trusts). Where a Donor-advisor recommends a person for appointment to a selection committee based on



objective criteria related to the expertise of such person, such person will not be deemed to be appointed or designated by the Donor-advisor.

Donor-advisors and related persons may provide advice with respect to the selection of grant or award recipients solely as members of a selection committee.

Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards shall adhere to the relevant policies of the Community Foundation as they may be adopted and amended from time to time, including without limitation a conflict of interest and confidentiality policy. Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards shall be obligated to disclose any personal knowledge of and relationship with any potential grantee under consideration and to refrain from participation in the award process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential grantee or grantees are selected over others. No grant covered by this policy may be awarded to any member of the Community Foundation's Board of Directors, any substantial contributor to the Community Foundation, any employee of the Community Foundation, or any other disqualified person as defined in IRC § 4946(a) with respect to the Community Foundation, or, with respect to grants from a particular Fund, any Donor-advisor or substantial contributor to such Fund or any member of a selection committee to such Fund, or for a purpose that is inconsistent with the purposes described in IRC § 170(c)(2)(B).

Each selection committee established under this policy shall forward its recommendations to the XYZ Community Foundation staff in such form and on such schedule as the staff shall establish.

The XYZ Community Foundation Board shall approve each award made under this policy. [Alternative: The XYZ Community Foundation Board may authorize community foundation staff to approve any or all of the grants made under this policy.]

#### IV. Application and Nomination Process

Because we are aware of the diversity of practice in this area, we have left this section very open-ended. Note that for 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 or her part to enter the contest or proceeding AND the recipient may not be required to render substantial future services as a condition to receiving the prize or award.

#### **IV. Application and Nomination Process**

~ SAMPLE LANGUAGE ~

Applicants for Scholarship Grants and Awards and Prizes to Achieve a Specific Objective shall be required to submit such application forms and supporting materials as the Community Foundation

may deem appropriate on a schedule to be determined by the Community Foundation. Individuals and organizations wishing to nominate others for Individual Achievement Awards shall also be required to submit such nomination forms and supporting materials as the Community Foundation may deem appropriate on a schedule to be determined by the Community Foundation.

## V. Renewals of Grants

We've provided that grants can be renewable if a renewal would carry out the purposes of the fund agreement under which an award is established.

### **V. Grant Renewals**

~ SAMPLE LANGUAGE ~

Grants will ordinarily be awarded for a one-year period, but may be for a shorter or longer period. A Scholarship Grant or an Award or Prize to Achieve a Specific Objective may be renewable for a period appropriate to the purposes of the Fund under which the award is established. Otherwise, the Community Foundation may consider renewing a grant on a case-by-case basis according to the status of the grantee's project and the purposes of the grant.

## VI. Supervision of Scholarship Grants

In this section, we've set out the rules that apply to private foundations, as we currently believe that these rules dictate what community foundations must do in this area. Under this regime, private foundations that make their scholarship checks payable to an educational institution are permitted to delegate follow-up responsibility to the school. If a private foundation makes the check payable to the student, the foundation is responsible for securing evidence of the student's attendance and for pursuing suspected diversions of funds. As drafted, this provision allows a community foundation to choose either route but it does show the comparative administrative ease of making the check payable to the institution.

We've provided that scholarship funds can be used to pay for both tuition and fees and room and board. Payments that are used for tuition and fees are generally not includible in the recipient's income, while payments that are used for room and board will generally be includible. For more information on the tax consequences of awards, see *Grants to Individuals by Community Foundations*, <https://www.cof.org/Store>.

### **VI. Supervision of Scholarship Grants**

~ SAMPLE LANGUAGE ~

#### A. General Procedures

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, each Scholarship Grant shall be paid by the Community Foundation directly to the educational institution for the use of the scholarship recipient. Each educational institution must be described in IRC §

170(b)(1)(A)(ii) and must agree in writing to use the grant funds to defray the scholarship recipient's expenses or to pay the funds (or a portion thereof) to the recipient only if the recipient is enrolled at such educational institution and his or her standing at such educational institution is consistent with the purposes and conditions of the grant.

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, a condition of each Scholarship Grant is that it will be used only for qualified tuition and related expenses within the meaning of IRC § 117(b)(2), and for room and board. Accordingly, a Scholarship Grant can be used only for: (1) tuition and fees required for the enrollment or attendance of the student at a qualifying institution; (2) fees, books, supplies, and equipment required for courses of instruction at such an educational institution; and (3) room and board. An additional condition is that no part of the Scholarship Grant shall be used as payment for teaching, research, or other services by the scholarship recipient required as a condition for receiving the scholarship.

#### B. Special Procedures

If for any reason, a Scholarship Grant is paid to a person other than the educational institution attended by the scholarship recipient or if the Scholarship Grant is used for expenses other than qualified tuition and related expenses within the meaning of IRC § 117(b)(2) or for room and board, the Community Foundation must receive a report on the progress of each recipient of such a Scholarship Grant at least once each year. This report must include a summary of the use of the funds awarded, and the grantee's courses taken (if any) and grades received (if any) in each academic period. This report must be verified by the educational institution. A final report is also required.

Where the reports submitted, or other information (including the failure to submit reports) indicate that all or any part of a scholarship grant is not being used in furtherance of the purposes of such grant, the Community Foundation is under a duty to investigate. While conducting its investigation, the Community Foundation shall withhold further payments to the extent possible until any delinquent reports required under the foregoing provisions of these procedures have been submitted.

If the Community Foundation learns that all or any part of a grant is not being used in furtherance of the purposes of the grant, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. If such a diversion occurs and the grantee has not previously diverted grant funds to any use not in furtherance of the purposes of the grant, the Community Foundation shall withhold any further payments to the grantee until it has received the grantee's assurance that future diversions shall not occur and shall require the grantee to take extraordinary precautions to prevent future diversions from occurring.

Where a grantee has previously diverted funds received from the Community Foundation and the Community Foundation determines that any part of a grant has again been used for improper

purposes, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. In such case, the Community Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored; (2) the Community Foundation has received the grantee's assurances that future diversions will not occur; and (3) the Community Foundation requires the grantee to take extraordinary precautions to prevent future diversions from occurring.

The phrase "all reasonable and appropriate steps," as used above, shall include legal action where appropriate, but need not include legal action if such action would in all probability not result in the satisfaction of execution on a judgment.

## VII. Supervision of Individual Achievement Awards and Awards and Prizes to Achieve a Specific Objective

Recipients of grants that are described in Section 4945(g)(2) of the Tax Code (prizes or awards that recognize past charitable achievements) may not be required to render substantial future services as a condition to receiving the prize or award. We've provided that recipients of grants that are awarded to achieve a specific objective are required to provide a report to the community foundation on the activities they have carried out with the funds. Where the award has underwritten an internship, it may be appropriate for the supervising organization to provide this report. We've also provided that any funds not spent on the specified purposes of the award must be returned to the Community Foundation so that they can be spend to achieve the purposes set out in the fund agreement under which the award was made.

### **VII. Supervision of Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective**

~ SAMPLE LANGUAGE ~

Individual Achievement Grants cannot require a particular use of the funds, and no report shall be required of the recipient.

Recipients of Awards and Prizes to Achieve a Specific Objective or, if appropriate, the organization supervising the grantee's work, will be required to provide a written report to the Community Foundation about their activities and use of funds at the end of the grant period. If the grant is for a term of longer than one year, periodic written reports will be required at least annually. Any funds not expended for the purpose of the award must be returned to the Community Foundation for use in furtherance of its mission and the charitable purposes of the particular Fund under which such award was made.

## VIII. Recordkeeping

We have tracked the requirements that are applicable to private foundations in this section, including the requirement that records of both successful and unsuccessful applications be retained. We think that this is a good practice for community foundations.

### **VIII. Recordkeeping Requirements**

~ SAMPLE LANGUAGE ~

The Community Foundation shall retain the following records in connection with all Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective: all information obtained by the Foundation to evaluate the qualifications of potential grantees, the identification of grantees (including any relationship of any grantee to the Community Foundation or to a director or officer of the Community Foundation), the purpose and amount of each grant, and any additional information the Community Foundation obtains in complying with its grants administration procedures. Information pertaining to unsuccessful applicants for awards shall be kept along with information on successful applicants.

Records pertaining to any grant made pursuant to this policy shall be kept for no less than three years after the filing of the Community Foundation's annual tax return for the period in which the last installment of such grant was paid.

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We hope that this sample set of procedures will be useful to the field as it strives to comply with the PPA. We encourage you to contact the Council's legal department at [legal@cof.org](mailto:legal@cof.org) with comments and questions on the procedures. We will provide updated versions of the document as we come to understand more about this complex law and its implications.

To view the sample scholarship procedures without the above explanations for each section, visit: <http://www.cof.org/files/Bamboo/programsandservices/legalinfo/documents/sample%5Fscholarship%5Fprocedures.pdf>

Related Document:

<http://www.cof.org/files/Bamboo/programsandservices/legalinfo/documents/sample%5Fboard%5Fresolution.pdf>

The information provided in this document is for educational purposes only. While we have made every effort to ensure its accuracy, it is not a standard or model form and should only be used as a reference in developing documents appropriate for your community foundation in consultation with your legal counsel. This information may not be relied upon for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code.

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