



### Establishing, Tracking, and Stewarding Scholarships

Responsible Official: Vice President for University Advancement	Responsible Office: University Advancement
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#### Policy Purpose

- I. This policy serves to document the steps taken to help Advancement staff ensure scholarships at ETSU are established, awarded, and stewarded consistently across campus.
- II. It also provides information to other ETSU stakeholders regarding what actions are already taking place to eliminate confusion and/or duplication.

#### Policy Statement

Authority: Vice President for Advancement

#### Definitions

N/A

#### History

Effective Date: 10/12/2017

Revision Date: 11/8/2017

Revision Date: 1/15/2019

Revision Notes: This revision clarifies the donor's ability to state need as a criteria, changes the language used in setting other criteria to be more consistent, includes the ability to access scholarship award information in Banner, and updates the sample endowment report to the latest template.

#### Procedure (s)

#### Attachments:

- I. DoD Scholarship Checklist
  - II. Scholarship Criteria Document
  - III. Sample Endowment Report
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- I. Establishing Scholarships:
    - A. Directors of development (DoD) are in the best position to advise potential donors on guidelines for establishing scholarships (see DoD Checklist at attachment I).
    - B. The DoD should work with the donor and their unit to prepare a criteria document (attachment B). They will use this document to help guide conversations and to prepare the documents described below. The criteria document could be integrated into a

proposal, but does not have to be included.

1. Structure scholarships so they can be successfully awarded each cycle for which they are available. Criteria should not be so overly restrictive as to make award of the scholarship difficult. Keep the number of criteria and restrictions to a minimum.
2. Required criteria means the student must meet certain criteria to receive the award. If there are no students who meet the criteria, the scholarship cannot be awarded.
3. Preferred criteria means the student may meet certain criteria to receive the award. If there are no students who meet the criteria, the scholarship can be awarded to other students.
4. Sample Criteria to Consider:
  - a. **Need.** The donor can specify whether or not the student qualifies for need. Need will be determined by the Financial Aid Office.
  - b. **Merit.** This can include having a certain GPA, having received a qualifying award or recognition, be on the dean's list, etc. The Financial Aid Office/Scholarship Office will qualify & verify students for merit.
  - c. **Need/Merit.** Some combination of need and merit.
  - d. **Academic.** Could include taking a certain class or pursuing an area of study.
  - e. **Interest.** Includes showing an affinity for a designated topic/activity and can be evidenced by participation in clubs, pursuit of a designated degree, having a desire to work in a certain field, etc.
  - f. **Residence.** Donors can specify awardees come from a certain city, county, or state and/or have attended a designated high school.
  - g. **Employment.** Donors can specify a preference for students to be the child of an employee of a designated organization.
  - h. Questions regarding particular criteria should be directed to the Vice President for Advancement or designee.
    - a) Donations for scholarship(s) that are \$25,000 or more and intended to be endowed (where the principal is held and the interest is awarded in the form of scholarships), will need to have a memorandum of understanding (MOU) prepared. Refer to the MOU and Restricted Fund Agreement (RFA) Policy.
    - b) Gifts of scholarships between \$500 and \$25,000 and intended to be awarded to students in the current, or near-current, years will need to have an RFA prepared. Refer to the MOU and RFA Policy.
    - c) During the development phase of the scholarship, consider how/if you will connect the scholarship recipients with donors (see paragraph 2c(5) below), but be careful to make no promises.
    - d) DoDs should encourage donors to submit some background information about why donors are funding this scholarship and/or some information about the person for whom it is named. This info could be included in the MOU/RFA and will be used primarily to help inform students and reinforce the nature of giving.
    - e) Donors must not be in a position to select or approve scholarship recipients.

- II. Tracking Scholarships. University Advancement tracks the award of scholarships and attempts to remedy situations where scholarships were not awarded:
  - A. University Advancement receives an “unspent funds report” from Foundation Accounting which lists all Foundation related accounts that were not expended from the previous fiscal year.
  - B. This list is analyzed and all scholarship-related accounts are flagged for review.
  - C. University Advancement also has access to the Banner module (ADIAWRD) for scholarships awarded by the Foundation.
  - D. This process requires the Assistant Director for Annual Giving to review all documented paperwork regarding the account and to consult with the director of development responsible for that fund. If any other university parties are deemed necessary to this process, they will also be included in the discussions (i.e. director of Planned Giving, VP for Advancement, deans, account managers, etc.).
  - E. During review, reasons why the scholarship was not awarded are identified and an action plan is implemented. This action plan is dependent upon the severity of the change needed and the MOU/RFA contingencies.
  
- III. Stewarding Scholarships:
  - A. Advancement Services acknowledges all gifts to the university (receipt and thank you letter) within approximately 48 hours (see Receipts, Acknowledgement, and Recognition Policy).
  - B. If the gift amount exceeds \$1,500, the donor will also receive a letter of thanks from the University President within approximately 2 weeks of making the donation.
  - C. Depending on the college/area, deans, development officers, or their designees will also send thank you notes/letters based on internal criteria and guidelines.
  - D. Scholarship recipients should be encouraged to write personalized thank you notes to people who donated funds for their scholarship. The ETSU Scholarship Office provides all centrally awarded scholarship recipients with a pre-addressed envelope and note card to write to the donor. Advancement can provide postage for these mailings.
  - E. Whenever possible, advancement officers should strive to connect scholarship recipients with donors. This could be facilitated through activities such as, but not limited to:
    - 1. Scholarship banquets/events
    - 2. Tailgates or other activities at athletic events
    - 3. Advisory Committee meetings
    - 4. Deploying scholarship recipients as hosts for campus visits or other events
  - F. University Advancement recognizes significant donors (\$10K minimum, lifetime giving) to ETSU (including those who provide scholarship funds) via the Distinguished President’s Trust Program. This includes a dinner and event, typically in April of each year.

- G. University Advancement Annual Giving Office prepares reports to be delivered to each endowed scholarship originator or point of contact (Attachment C – also refer to the Advancement Stewardship Policy). These reports will ideally be delivered by December of each year and will provide information regarding endowed scholarship funds. This will include beginning balance, total amounts donated, ending balance, scholarship distributions for the year, other transfers, and total endowment value as of the end of the fiscal year. These reports will be initiated starting in 2016.

Related Form(s)

N/A

Scope and Applicability

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
	Business and Finance	
	Operations and Facilities	
	Communications & Marketing	
X	Advancement	

## Attachment I – Checklist for Working with Donors to Establish Scholarships

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- Make sure criteria is not overly restrictive – ensure scholarships can be consistently awarded.
- Donors of a scholarship may not be in a position to select or approve recipients of that scholarship.
- Will criteria be required or preferred or a combination?
  - Required – student must meet the criteria. If there are no students who meet the criteria, the scholarship will not be awarded.
  - Preferred – student may meet the criteria. Scholarship will go to a student if they meet the preferred criteria, but if there are no students who met preferred criteria, the scholarship can still be awarded.
- Determine the criteria for the scholarship. Some examples are:
  - Need – student must qualify for need according to Financial Aid.
  - Merit – student must meet a performance criteria (GPA, for example).
  - Need/Merit – a combination of these.
  - Academic. Must the recipient be majoring in a particular field, for example?
  - Interest. Must the student show an affinity for something? Leadership, for example.
  - Residence. Must the student be from a certain city, county, or state and/or have attended a certain high school.
- Criteria may not restrict recipients to nationality, citizenship, gender, race, or ethnicity. You may include a *preference* for students who enhance the racial, cultural, or gender diversity of the student body.
- Criteria may not restrict recipients to children of employees of a particular company. You may include a *preference* for such students.
- How will Scholarships be documented (also see MOU/RFA Policy)?
  - If less than \$25,000, you may use Attachment B alone and obtain the donor’s approval via signature or e-mail.
  - If more than \$25,000 and they wish to endow the fund, use Attachment B and prepare an MOU.
  - Any amount that is not meant to be endowed, but is restricted to a specific college, unit, or purpose, use Attachment B and obtain the donor’s approval via signature or e-mail.
- Ask the donor for background information about why he/she is funding this scholarship and/or some information about the person for whom it is named. This info should be included in the MOU/RFA and will be used to help inform students and reinforce the nature of giving.

## Attachment II – Scholarship Criteria Working Document

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### [NAME] Scholars For Scholarships to be Awarded in 20XX-XX

#### **Required Criteria (these are examples only):**

- Be a full-time junior or above undergraduate student enrolled at ETSU and majoring in the X discipline(s)
- Have an overall GPA of at least X.X on a 4.0 scale
- Attended a U.S. high school

#### **Preferred Criteria (these are examples only):**

- Have a financial need, as determined by Financial Aid
- \* Enhance the racial, ethnic, and/or gender diversity among ETSU's student body
- Have an interest in working in the X industry
- Be of high scholarship merit and potential (as defined by the respective School Head or designee)
- Attended a high school in the Tri-Cities region

#### **Administration:**

- Selected by [committee]
- Selected by [date or semester]

\* = You need not include this, but if so, it cannot be any more restrictive (or exclusive) than this.

NOTE: Sample criteria only. Your document may contain less or more information. You can use this document to help guide conversations and to assist in preparing the MOU/RFA.

## Attachment III – Scholarship Endowment Report



November XX, 2018

[Combined Salutation Name]

[Address Line 1]

[Address Line 2]

[City], [State] [Zip Code]

This document reports on an endowed account held by the ETSU Foundation, for which our records show you are connected. This endowment provides *critical* funding for students who may not otherwise be able to attend or fully participate in higher education. We may measure “dollars” in this report, but the impact of these gifts is truly immeasurable. Every gift forever affects the lives of our students. *Thank you so much!*

### ETSU Foundation Endowed Fund Financial Report

As of June 30, 2018

THE [Endowment Name]

Fund Purpose: [Purpose]

Area(s) Supported: [College]

#### Performance of the total ETSU Foundation Endowment:

Total Value as of July 1, 2017	Total Value as of June 30, 2018	Percentage of Growth or Decline(-)
\$71.6M	\$78.9M	10%

#### Status of the [Endowment Name] Account:

Account	Balance 7/1/2017	Gifts/Other Income	Investment Income	Transfers To (From)	Expenditures	Balance 6/30/2018
Operating						
Endowment						

- \* The Investment Committee of the ETSU Foundation Board recommends an endowment spending rate each year based on overall market performance and economic conditions. The spending rate is a range based on reserves available to the endowment. Distributions are calculated based on an average of the quarterly endowment market values for the 3 previous calendar years. For FY 2017-18, the spending rate ranged from 2-4%.

If you have questions, please contact [Dev Ofcr], [Title], at [Phone], or [E-mail]. You can also reach out to Jon See, Exec Director of Annual Giving at 423-439-6141 or [seejsl@etsu.edu](mailto:seejsl@etsu.edu).