

Florida State University Foundation, Inc.

Scholarship Disbursement Policy & Procedures

I. Preface

The Florida State University Foundation (“Foundation”) has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. This standard, commonly referred to as “donative intent”, is the primary limitation on the expenditure of Foundation funds, and for the purpose here, those that are designated to be used for scholarship support. There are additional restrictions that apply universally to the expenditure of Foundation funds. Some of these represent controls intended to enhance the fiduciary function of the Foundation, while others emanate from the various legal and administrative constraints within which the Foundation operates.

In spending Foundation funds, the Foundation and University require accountable officers to exercise good judgment, display just prudence, and maintain a high sense of ethics in making expenditure decisions. Scholarship disbursements will be monitored for reasonableness, are subject to audit, and may not be awarded if proper controls are not maintained.

Funds that are comprised of gifts and bequests made for the purpose of awarding scholarships must be administered by the Responsible Party, Dean/Director/Department Head/Chair (“DDDHC”) and/or Budget Manager to ensure that such funds are used solely for that purpose and meet the stated criteria set forth by the donor. It is recommended that the department maintain a record of all funds with a scholarship purpose in order to assist with compliance.

Below are policy guidelines for scholarship expenditures requested from Foundation funds. If after reading these guidelines there are still questions concerning the appropriateness of any expenditure, please contact the Foundation Scholarship Coordinator for further clarification.

II. Policy Guidelines

The Foundation maintains gift agreements and donor directives on file. Should clarification or documentation be needed in order to administer a scholarship, please designate a Scholarship Coordinator within the department and direct them to communicate with the Foundation’s Scholarship Coordinator. Additionally, if at any time the department should obtain documentation concerning criteria changes or be made aware of any new information regarding a particular scholarship, it should be forwarded to the Foundation Scholarship Coordinator to ensure the files at the Foundation are kept up to date.

Screening and selection committees should consist of at least three individuals and, when applicable and practical, consideration should be given to recruiting committee members with expertise or knowledge in the field pertaining to the scholarship (e.g., include at least one professor in the field of architecture for an architectural scholarship or a journalism faculty member for a journalism scholarship). These committees should adhere to the Pension Protection Act of 2006 guidelines concerning donor involvement in the selection of scholarship recipients.

The process for selecting students for scholarships should be well documented. This documentation should include how the scholarships were advertised, completed application forms and supporting documents for all students who applied, evaluation criteria used, and complete rankings of the scholarship applicants. The documentation should also include the names and titles of all individuals who participated in the scholarship evaluation and ranking process, as well as their written concurrence with the list of scholarship awards and attestation of freedom from conflicts of interest. The documentation outlined above should be retained for each round of scholarship awards according to the State of Florida's records retention schedule.

Under no circumstances can a donor be permitted to be the sole selector of the recipient(s) of their scholarship, if they intend to receive gift credit through the Foundation. Additionally, it is the preference of Florida State University ("University") that a donor not serve on committees involved in the selection or evaluation of students or faculty members who would benefit from the gift, unless authorized in advance by the Vice President for University Advancement and the Provost/Executive Vice President for Academic Affairs. If approval is given to serve on such a committee, care must be taken that the donor does not control more than 49 percent of votes and that the donor does not possess perceived additional control by virtue of the donor's ability to make additional gifts. A scholarship where a donor has directed that their gift be given to a specific student is considered a directed scholarship and cannot be administered through the Foundation. The University allows directed scholarships to be given to students, but they must be sent directly to the University's Office of Financial Aid for processing.

A. Scholarship Awards

Requests for payment of scholarship awards should be submitted online using the Scholarship Disbursement request found on the Forms and Resources page of the Foundation's website at <https://forms.foundation.fsu.edu/Forms/Workflow/ScholarshipDisbursement>. Once approved by the Foundation Scholarship Coordinator, transmittal requests containing information on each individual scholarship are sent to the University for evaluation. After due diligence has been completed, payment to the student is disbursed by the Office of Financial Aid or Payroll Services depending on his or her residency status. It is the department's responsibility to ensure that students meet the criteria for receiving the award and random audits will be performed to ensure compliance.

1. Thank You Letters

Students receiving these awards are required to write a thank you letter addressed to the donor funding the award. Department representatives may obtain the necessary donor information upon request, or from the Foundation Scholarship Fund Report available via the online web reports. If there is not a specific donor who can be identified, a thank you letter to the Scholarship Committee is required. Donor thank you letters should be copied and maintained by the department. The original letter should be sent to the Foundation Donor Relations department along with a printed copy of the completed Scholarship Disbursement

request in order for the scholarship and letter to be properly matched. **This is REQUIRED documentation and no funds will be disbursed without this letter.**

2. Residency Status

a. U.S. Citizen or Resident Alien Students

Requests for awards given to U.S. citizens or resident alien students should be submitted on a Scholarship Disbursement request with the selected residency status of **U.S. Citizen or Resident Alien**. This is the most common residency status.

b. Non-resident Alien Students

The department making the award must determine if the student is a non-resident alien for tax purposes. Requests for awards to non-resident alien students should be submitted on a Scholarship Disbursement request with the selected residency status of **Non-resident Alien**. Should you have any questions about whether or not a student meets this criteria, please reach out to Payroll Services in advance. Glacier forms completed by the student may be required and incomplete forms will delay payment.

These payments will be processed with the University's bi-weekly payroll process.

3. Attestation

An attestation is required to certify that the awarded student(s) meet the fund restrictions and criteria established by the donor and that thank you letters are provided.

It is required that the attestation be signed by the individual(s) designated with the responsibility of selecting recipients. This person must be directly affiliated with the University and may be the Dean, Department Head or Scholarship Committee Representative. **This certification is subject to audit to ensure compliance.**

4. Disbursement Approval

In addition to the attestation, each fund has authorized signers who are individuals designated by the Responsible Party or DDDHC to approve expenditures from the fund. Authorized Signers can be the Responsible Party, DDDHC, Budget Manager or another individual designated as an Authorized Signer. An Authorized Signer is certifying that the funds requested can be disbursed from that fund and may or may not be the same individual authorized to sign the attestation.. Scholarship Disbursement requests must have approval by an Authorized Signer on the fund to be processed.

A separate Scholarship Disbursement request should be prepared each semester for those scholarship funds making awards. Multiple recipients (from the same fund) may all be included on one request; however, separate requests should be submitted for U.S. students and non-resident alien students, as they are processed through separate University departments. If

awarding annual scholarships that are required to be paid in separate semesters, please submit all requests for each semester at the same time. This will help the Office of Financial Aid in preparing individual student aid packages and reduce the amount of over-awards.

B. Assistantships and Fellowships

Assistantships and fellowships can be paid using Foundation funds through Payroll Services. Appointments need to be set up using fund 599 in OMNI and the appropriate Foundation fund which is to be charged for the expense. These appointments will route through the Foundation disbursements staff to verify that the restrictions on the fund will allow for these types of payments.

C. Special Circumstances

Please be aware of the following circumstances that require special consideration.

1. Latin American Caribbean (“LAC”) Scholarships

The Florida Board of Governors regulation 7.007 allows for universities to award scholarships to degree seeking students who are citizens of a Latin American or Caribbean country and seek to attend a state university on a full-time basis. Scholarships awarded by a university must be funded from state funds appropriated to universities in the General Appropriations Act investment earnings as provided under section 1011.43, Florida Statutes, or from federally authorized scholarship funds. Universities may use equal matching funds from private businesses, private foundations, and public agencies. While the Foundation itself does not qualify as a private foundation or public agency for these purposes, the funds donated to and administered by the Foundation are eligible for matching. The eligible private donations administered by the Foundation can be used to provide the match via a disbursement request by the unit. Private funds held at the Foundation that have been matched by the State are eligible to be considered for the match. Departments should submit a Scholarship Disbursement request and check the LAC box to inform the Foundation that the scholarship is to be used as a match for the LAC scholarship. The funds will then be transferred to Student Business Services for processing the student payment.

2. Earmarked Scholarships

Earmarked scholarships refer to one-time gifts given by a donor to a fund that a department wishes to specifically thank or recognize. If you choose to thank one of these donors, please provide the full name(s) of the donor(s) in the applicable box on the web form. Additionally, because these categories of donors are not linked to the fund and contact information may not be available, please forward the full address information to the Donor Relations department and inform the student(s) writing the thank you letter in advance.

3. Prizes

Prizes or other awards issued as a result of winning a contest or competition are not treated as scholarships towards financial assistance according to the University Office of Financial Aid. As a result, payment requests for students receiving these types of awards should be submitted through the University Accounts Payable Office and should not be submitted using the Scholarship Disbursement request. To ensure the donor stewardship component is met, departments should make sure that the Office of Advancement Relations receives copies of thank you letters from students for these awards as well.

4. Loan Funds

Effective February 2015, loan funds are no longer being opened as new funds due to changes in truth in lending laws that affect how loans must be administered. Loan funds that currently exist are being administered by Student Business Services at the University. When possible, the Foundation's Accounting Office recommends that loan funds be repurposed to scholarship funds.

The FSU Foundation Scholarship Disbursement Policy & Procedures are intended to be used as a guideline and can be revised or changed at any time as deemed necessary. Forms or additional information can be found on the Forms and Resources page of the Foundation website at <http://foundation.fsu.edu/about/forms-and-resources> or should you have further questions, please contact the Foundation Scholarship Coordinator directly at (850) 644-1090.