



PINE FORGE ACADEMY FOUNDATION INC.

BENEFACTOR GUIDE TO CREATING A SCHOLARSHIP

One of the most pressing needs at Pine Forge Academy today is funding for tuition, room and board scholarships. Scholarships help disadvantaged inner-city African-American students, students from single parent homes, and deserving students to reach their academic goals and succeed to their fullest ability at Pine Forge Academy. In addition, scholarships enable Pine Forge Academy to maintain the diverse student population critical to the total development of its students and the advancement of its mission. Any individual, group or business entity can create and fund a scholarship. With adequate funding and proper planning, the process of developing a **One-time**, or **Annual scholarship** that fully meets your intent is fairly simple. The following guidelines will assist you in creating a scholarship with the Pine Forge Academy Foundation.

Introduction and Background

Pine Forge Academy has a long history of providing financial aid through scholarships to students. The total value of the scholarships awarded has increased each academic year. Traditionally, scholarships are awarded to returning and graduating students during the Graduation Day ceremony and often times at the Homecoming festivities. The PFA's **Scholarship Committee**, consisting of the school administration, faculty and designated representatives determines and recommends the students who will be awarded scholarships based on meeting the scholarship criteria established by the individual scholarship benefactor(s).

In the Fall of 2004, the Pine Forge Academy Board of Directors voted to move the administration of the Scholarship Program to the Pine Forge Academy Foundation, Inc. (Foundation). Under the skillful management of the Foundation, it will ensure the Scholarship Program continues to comply with all federal and state tax laws. The Foundation will also oversee the endowment funds and investment accounts of the collective funds held for the benefit of Pine Forge Academy.

The scholarship selection process remains a responsibility of Pine Forge Academy through the Scholarship Committee of the Academy. The Scholarship Committee's recommendations are then forwarded to the Foundation's Endowment and Scholarship Committee where it will audit the recommendation to ensure that the recipients fully qualifies based on the Benefactor's criteria. An official action of the Foundation's Endowment and Scholarship Committee is required to initiate a Foundation board action approving the funds transfer to the Academy. **No scholarship funds will be awarded without a prior review and recommendations from the Foundation's Scholarship and Endowment Committee to the Board of Directors.**

Determine Funding Available for Scholarship Awards

A generous funding commitment is the key to the successful development and maintenance of a one-time, annual or endowed scholarship. If you are willing to fully endow, i.e., fund, a scholarship, your first decision has been made. If you are unable to fully fund the scholarship alone, do not despair. You can establish a scholarship fund by collaborating with supportive family members or classmates or by soliciting donations from individual contributors.

Special and life events, such as a successful business history, unplanned life insurance proceeds, bonuses or other unanticipated good fortunes, enables a Benefactor to fund a one-time, annual or endowed scholarship in honor of or in memory of a significant person in their life or a loved one. Gifts from a commemorative anniversary or birthday celebration can also be used to fund scholarships. The opportunities are endless to reward or recognition a special event or a special person who has impacted your life or those you value.

One-time and Annual Funding - Once you have amassed enough funds to establish a scholarship or a funding plan for your scholarship, determine the amount and number of scholarships you wish to fund. You can specify a minimum award amount for a one-time, annual scholarship or you may prefer that the award be determined annually, thus providing more flexibility regarding the number of scholarship recipients each year. *The minimum requirement to set up an annual one-time scholarship is \$100. This amount must be received by the Foundation no later than 60 days prior to the desired award date to the student.*

A scholarship may be a one-time gift but the Foundation encourages you to extend your generosity each school year to increase the number of students who benefit from tuition and room and board scholarships.

The Scholarship Agreement

A formal **Scholarship Agreement** must be prepared with the scholarship criteria, award amount, duration, and other requirements you, the Benefactor, stipulated in the completed **Request to Create a Scholarship** form. The Foundation staff can assist you in establishing your scholarship and preparing your Scholarship Agreement.

We prefer you use the forms provided by the Foundation office to create your scholarship and fund. This is a legal document that bounds Pine Forge Academy and Pine Forge Academy Foundation, Inc. to operate fully in accordance with your directives, as the Benefactor. You can check with us at anytime to ensure we are in compliance with your stipulations.

You can visit the Foundation's website at www.pfafoundation.org to pick up a full set of all appropriate forms and documents to create your scholarship.

Types of Scholarships

Restricted Scholarship. A scholarship, which is awarded based on specific criteria, such as financial need, academic performance (GPA), leadership, community involvement, special subject or other criteria, is a **Restricted Scholarship**. To help ensure that there are students who qualify for your scholarship, the Foundation recommends that you establish a general criteria. A Restricted Scholarship is not awarded if there is no student who completely meets the established criteria, thus qualifying for the scholarship. In those rare instances when no student qualifies for the scholarship, the fund is not tapped. Additionally, all investment earnings that year are added to the principal, if it is an Endowed Scholarship. Pine Forge Academy and the Benefactor are notified in writing by the Foundation, if a scholarship is not awarded. The Foundation will likewise notify the Benefactor of student selected to be the recipient of their scholarship.

Unrestricted Scholarship. An **Unrestricted Scholarship** does not have any specific Benefactor criteria or qualification requirements. Unrestricted scholarships are awarded based on the determination of the Academy's Academic Committee and review and recommendations of the Foundation's Scholarship and Endowment Committee. Generally, the Foundation will defer to the recommendations of the PFA Administration team. However, the Foundation will not award

scholarships for applications submitted late by the PFA Administration. Their timely submission of recommendations is paramount to ensuring students receive the full benefit of the awards.

Establishing the Scholarship Criteria

The selection criteria are the specific standards used to identify qualified students who ultimately will be recommended as scholarship recipients. Once the selection criteria have been identified, the Foundation recommends you prioritize the criteria so the profile of the scholarship recipient is clearly defined. This increases the likelihood of awarding the scholarships without delay and re-submittal of the scholarship application. It also lets the students know exactly what they must possess to get the award. ***We encourage you to remove as much ambiguity regarding your selection criteria as possible for a Restricted Scholarship.***

Many factors can be considered when establishing the scholarship criteria, including financial need, academic achievement, extracurricular activities, geographic distribution and demographic characteristics. The criteria selected should support the purpose of the scholarship and must be free of restrictions or discriminatory provisions by law. You may wish to consider one or more of the criteria listed below. This list is not meant to be all-inclusive. You may have criteria more specific to the goals of your funded scholarship. The combinations are numerous; however, it is best to keep the criteria as general as possible to ensure students will always be capable of meeting your criteria.

Primary Award Criteria

- Financial need
- Academic achievement (i.e. overall minimum G.P.A. or discipline G.P.A.)
- Community involvement and service
- Leadership (school, community or church)
- Participation in extracurricular activities (i.e. choir, creative arts, debate team, etc.)
- Personal or family attributes (single parent, two or more enrolled siblings, etc.)

Eligible Applicants

- Geographic restrictions (from a specific state), region, conference, etc.
- Demographic restrictions (i.e. a specific church conference, area of study, sex)
- Other eligibility restrictions (i.e. new student, enrolling or returning junior or senior)

Award Restrictions

- Renewable or nonrenewable
- Awarded first semester, awarded second semester

Fiscal Considerations

- Scholarship value
- Number of scholarships per year

Other Criteria to Consideration

You also might require any one or a combination of the following:

- Letter(s) of reference (pastor, employer, etc.)
- Student essay
- Letter of recommendation from the CEO/Headmaster, Principal or a teacher
- Statement from Business Office to document financial need

Administering the Awards

The administration of the Pine Forge Academy's Scholarship Program is a very important consideration, as it is the ongoing process to ensure the success and perpetuity of the scholarship program. The Foundation is organized to serve as the administrator of existing and future scholarships and endowments created for Pine Forge Academy students, faculty and staff.

The annual awards will be posted and reported in the annual reports of the Foundation. You have the option of being an anonymous benefactor. Your requirements should clearly state your preference. We encourage you to allow us to publish your gifts to inspire others to give as generously as you have.

Request To Create A Scholarship Form

After determining the funding strategy and the scholarship criteria, the next step is to complete the **Request to Create a Scholarship form**. This form is available online on the Foundation's website at www.pfafoundation.org. You can also obtain the **Request to Create a Scholarship form** from the Foundation Office by calling (301) 446-1018 or email your request to info@pfafoundation.org. We are available to answer any questions you may have to establish your scholarship fund.

Selection Procedures and Policy

The Academy's **Academic Committee** is responsible for selecting the scholarship recipients except for those, which specify another selection process, as stated by the Benefactor. The Academic Committee carefully reviews each scholarship criteria, and then identifies all students that qualify. They are responsible for reviewing all applications to ensure they are accurate, complete and submitted on time. There are deliberations by the Academic Committee in the selection of each scholarship recipient. Once the list of scholarship recipients is determined, the Pine Forge Academy Headmaster forwards the list of recommended recipients to the Foundation Scholarship and Endowment committee for its review. Once the Scholarship and Endowment Committee reviews the recommendations as part of its oversight responsibilities, a recommendation is made to accept or reject the recommendations. Recommendations accepted will be forwarded to the Foundation Board approval and a directive to remit the appropriate funds to the PFA administration business office. The Benefactor who wants to participate in a limited capacity in the selection must indicate it on the Request to Create a Scholarship form and the Scholarship Agreement. ***As the Benefactor, you can change your selection participation preference, in writing, no later than 60 days, prior to the awarding of the Scholarship.***

The **Foundation Endowment and Scholarship Committee** verifies compliance with the Scholarship Document and forwards its recommendation to the Foundation Board for final approval. Upon Board approval, the scholarship funds will be remitted to the Academy for disbursing to the individual award recipients.

Fiscal Reporting

The Pine Forge Academy Foundation Inc. manages the Pine Forge Academy Scholarship Program in full compliance with IRS rules governing the creation of scholarships. The rules are designed to make sure that scholarship programs benefit a broad charitable class of beneficiaries and the process is nondiscriminatory. For example, you cannot set up a scholarship fund to award it to a family member or restrict your eligibility requirements so that only your favorite student in your neighborhood qualifies. The Foundation will conduct audits and report those results on a regular basis. You can contact our office at any time to check on the status of your funds.

Public Announcement of Your Scholarship

The Foundation proposes to publicly announce all Pine Forge Academy scholarships on its website (www.pfafoundation.org) and in publications for the express purpose of promoting Pine Forge Academy. You are under no obligation to give us your permission to publicly announce or include your scholarship on the Foundation website or other publications. Just note your preference on the **Request to Create a Scholarship form** and we will honor your decision. The list of existing scholarships and endowments can be found on the Foundation's website. Also, you can obtain a copy from the Foundation Office by calling (301)446-1018 or by emailing your request to info@pfafoundation.org.

We look forward to your becoming one of the generous donors to help us provide financial assistance to every student who qualifies for a scholarship.

TOGETHER WE CAN FORGE THE FUTURE AT PFA!