

SCHOLARSHIP & GRANT POLICY FOR KEYSTONE OAKS FOUNDATION FOR EDUCATIONAL EXCELLENCE

Article I: Scope & Intent

The Keystone Oaks Foundation for Educational Excellence ("the Foundation") holds and administers funds (the "Funds") that provide scholarships to Keystone Oaks School District students and grants to Keystone Oaks School District employees and affiliated organizations for the purpose of enhancing the educational experiences of Keystone Oaks students by supporting excellence and innovation.

Scholarships enable the recipients to further their education in the fields of their choice at college, post-secondary school or other educational programs. The Foundation may also hold and administer certain Funds that make scholarships available to students in primary and secondary schools to attend various educational programs and to other individuals for vocational or other training. Scholarships also may be awarded to Keystone Oaks School District employees to pay for courses of study leading to certificates or to achieve skill levels, such as in art or vocational school. Such scholarships may cover the cost of tuition and related expenses. Awards made from such Funds are referred to as "**Scholarships.**"

The Foundation may hold and administer certain funds that make grants available to Keystone Oaks School District employees or district-affiliated organizations for programs and equipment that support and promote excellence and innovation in the areas of academics, arts, activities and athletics. All grants described in this paragraph are referred to as "**Excellence Grants.**"

Except where it is necessary to distinguish among the two types of educational assistance, this policy uses the collective term "**grants**" to refer to both scholarships and grants.

The following procedures shall be interpreted so as to ensure the Foundation's compliance with all applicable requirements of the Internal Revenue Code, Treasury Regulations and guidance from the Internal Revenue Service, and these procedures may be amended from time to time.

Article II: Definitions

Educational Institution – An institution that has a regular faculty, a curriculum, and an organized body of students in attendance at the place where the educational activities are held.

Qualified Expenses – Certain expenses incurred in attending an educational institution. They are:

- Tuition and fees for enrollment and attendance.
- Course-related expenses – fees, books, supplies, and equipment required of all students for courses of instruction.
- Room and board, travel, research, clerical assistance. Payments for expenses in this group are not exempt from income tax.

Related Persons – The term includes both a donor or selection committee or director's family members and businesses they control

Family Members – An individual's parents/guardians, grandparents, great grandparents, spouse, siblings, children, grandchildren, great grandchildren and the spouses of all of the above.

Controlled Businesses – Foundations, partnerships, and trusts or estates if the donor or director or family members own more than 35 percent of the total combined voting power (Foundations), 35 percent of the profits interest (partnerships), or 35 percent of the beneficial interest (trusts or estates).

Article III: Selection of Grantees

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 teacher to achieve a particular certificate does not violate the requirements of this paragraph if the teacher is selected from a group of only three teachers who teach in that field.

Scholarships

Designated members of selection committees established for such awards shall contact the Keystone Oaks High School Guidance Department to advertise the availability of the Foundation's Scholarships and to request that the department advertises the availability of the scholarship, nominates potential candidates and/or encourages potential awardees to submit an application.

Excellence Grants

Foundation directors shall develop application or nomination procedures that are appropriate to accomplish the purposes of the Fund under which any such award is established.

Selection Criteria

The criteria to be used in selecting grant recipients must be based on criteria that are appropriate to accomplishing the underlying purpose of the grant, and must fulfill the Foundation's charitable goals and mission, and feature clear selection criteria.

Scholarships

Criteria for scholarships 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
- The grant selection committee's conclusions 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. The selection committee shall not discriminate among applicants based on race, religion, ethnic background, sex, sexual orientation, familial status, or on any other basis that would violate laws or public policy.

Recipients of Scholarships must be (1) primary or secondary school students; or (2) 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 nationally recognized accreditation agency.

For employees who are requesting a scholarship, selection criteria may include prior experience, contributions to the field, demonstrated academic achievement, financial need, character, ability, motivation and potential. If the award is to pay for a course of study leading to a certificate or a higher skill level, criteria 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 Foundation.

Scholarships must be used for qualified educational expenses (see definition) at an educational institution (see definition). The Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Scholarships and the administration of such grants. Any substantial or material changes will be made only with approval of the Foundation's Board of Directors.

Excellence Grants

The Foundation may hold and administer certain funds that make grants available to Keystone Oaks School District employees or district-affiliated organizations for programs and equipment that support and promote excellence and innovation in the areas of academics, arts, activities and athletics.

Criteria for grants may include:

- Supports the mission and goals of the Keystone Oaks Foundation for Educational Excellence
- Number of students impacted
- Promotes innovation in the classroom or within a department
- Fosters partnerships and promotes collaboration amongst students, within a department or buildings, or within the community
- Provides students with extraordinary opportunities

Grant Selection Committees

The Foundation's Board of Directors shall appoint all members of any selection committee charged with the evaluation of candidates for scholarships and grants covered by this policy.

Donors may not control the selection committee. This means that no combination of donors, persons appointed or designated by donors, and persons (a term that includes partnerships, Foundations and trusts as well as individuals) related to them may constitute a majority of the committee, be given a veto power, be allowed to chair the committee or otherwise be permitted to control the committee's decisions. If a donor 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.

Donors and related persons may provide advice with respect to the selection of grant or award recipients solely as members of a selection committee. This means that donors may not pre-screen applications and choose those to be referred to the committee. It also means that donors may not make a final selection from among candidates approved by the committee.

Every member of the selection committee must adhere to the relevant policies of the Foundation as they may be adopted and amended from time to time, including without limitation the

Foundation's conflict of interest policy, and any confidentiality policy adopted by the Foundation. Each member of any selection committee covered by this policy must disclose any personal knowledge of and relationship with any potential grantee under consideration and 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.

Grants covered by this policy may not be awarded to any member of the Foundation's Board of Directors, any substantial contributor to the Foundation, any employee of the Foundation, or any other disqualified person with respect to the Foundation. Grants also may not be awarded to any donor or substantial contributor to the award funds, to any member of a selection committee for such award, or to any members of their families. Finally grants covered by this policy may not be made for a purpose that is not charitable.

Each selection committee established under this policy shall forward its recommendations to the Foundation Board of Directors in such form and on such schedule as the directors shall establish. The directors may delegate authority to the selection committee to approve any award in final.

Application and Nomination Process

Applicants for Scholarships and Excellence Grants shall be required to submit such application forms and supporting materials as the Foundation may deem appropriate on a schedule to be determined by the Foundation.

Grant Renewals

Grants will ordinarily be awarded on a one-time basis, or for a one-year period, but may be for a shorter or longer period, or renewable, as determined by the Foundation.

Supervision of Grants

Scholarship Grants Paid Directly to the Educational Institution

Generally, the Foundation will pay Scholarship Grants directly to the educational institution for the use of the scholarship recipient. The educational institution 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. A condition of each educational Scholarship Grant is that it will be used only for qualified educational expenses. 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.

Scholarship Grants Paid Directly to the Recipient

If for any reason, a Scholarship is paid directly to the recipient or anyone other than the educational institution, or if the Scholarship Grant is used for expenses other than qualified

educational expenses, the 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 with receipts, 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.

Recipients of Excellence Grants or, if appropriate, the individual supervising the grantee's work, will be required to provide a written report to the Foundation about their activities and use of funds at the end of the grant period, and at least semi-annually. Any funds not expended for the purpose of the award must be returned to the Foundation for use in furtherance of its mission and the charitable purposes of the Foundation.

Investigation of Jeopardized Grants

The Foundation is not required to investigate the use of scholarship grants paid directly to an educational institution unless the award is used to pay for something that is not a qualified educational expense. However, the Foundation does have a duty to investigate possible diversions of scholarship grants paid directly to the recipient and all grants to individuals to achieve a specific objective.

Where the reports submitted or other information (including the failure to submit reports), indicate that such a grant is not being used for its intended purpose, the Foundation is under a duty to investigate. While conducting its investigation, the Foundation will withhold further payments to the extent possible until any delinquent reports required under these procedures have been submitted. The Foundation also will take reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant.

However, if the grantee has not previously diverted grant funds, the Foundation may elect to continue further payments to the grantee if it receives the grantee's assurance that future diversions will not occur, that the grantee has restored the missing funds and that the grantee will take extraordinary precautions prescribed by the Foundation to prevent future diversions from occurring. If a further diversion takes place, the Foundation will take steps to recover the grant.

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

Recordkeeping Requirements

The Foundation shall retain the following records in connection with all grants covered by this policy:

- 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 Foundation or to a director or officer of the Foundation),
- The purpose and amount of each grant, and any additional information the 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 Foundation's annual tax return for the period in which the last installment of such grant was paid.

These Policies and Procedures for Scholarship Funds were approved by the Foundation's Board of Directors on:

September 13, 2017

Date

Melanie O'Shea

Board Secretary