

Refer to Section {D}  
{College Relations & Development}Unit  
**Procedure for {D7 – Scholarship Gifts}**

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1. The College Relations and Development (CRD) unit receives scholarship gifts and is responsible for reviewing gift guidelines. Scholarship gifts to the annual fund are used to pay for unfunded Midway College grants (Merit scholarships) that comprise a student's financial aid package. Scholarship gifts to the annual fund are booked as unrestricted income.
  - a. The CRD unit will notify via email the Director of Admission, the Director of Financial Aid and the Director of Accounting of the receipt of funds to be awarded and the restrictions for each gift. Some gifts have strict guidelines and timelines. An email copy of the notification will be sent to the VP for Admission, the VP for Business Affairs and the Provost. The VP for CRD will remain in the email communication loop until the process is complete.
  - b. Within two days of CRD notification of the scholarship gift, the Admission unit will be responsible for identifying a list of appropriate students to submit to the Financial Aid unit for review of the financial aid packages. The student identification process will be dictated by the guidelines of the scholarship gift.
  - c. Within four days of CRD notification of the scholarship gift, the Financial Aid unit will be responsible for reviewing the student aid packages to identify students from the Admission list who are receiving the most Midway College money through Trustee and Presidential scholarships. On the fourth day after notification of the gift, the Financial Aid unit will be responsible for communicating with the CRD unit the proposed students who will receive the scholarship gifts. The CRD unit will be responsible for verifying that the students match the scholarship restriction guidelines.
  - d. On the fifth day after receiving approval from CRD, the Financial Aid unit will be responsible for processing the revisions to the student's financial aid package and notifying the student via a letter. The Director of Financial Aid will forward the letter to the VP for CRD to process with the stewardship requirements. A portion of the Midway money (Merit scholarships) will be **replaced** by the scholarship gift.
  - e. The gift will not be posted to the student's account. Scholarship gifts received after a student's financial aid package is complete serve to support Midway College dollars, and revisions become an "exchange of terms" in the contract. Exchange of terms is defined by adding the name and amount of the new gift and removing the same amount from the Merit scholarship(s) originally established in the student financial aid package. No other aid in a student's financial package will be revised as a result of scholarship gifts without authorization from CRD.
  - f. The CRD unit is responsible for contacting the students whose financial aid packages are being revised of the necessity to complete the stewardship paperwork. Stewardship paperwork includes grantor forms and other requests or acknowledgment notes to donors or donor descendants.

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2. Individuals, corporations, foundations and associations may establish an endowed scholarship fund with a minimum gift of \$10,000. Endowed scholarship gifts are booked in the endowment fund as permanently restricted income. Each endowed fund retains its identity but is added to a pool of funds to ensure prudent and efficient investment management. Midway College will hold endowed gifts in perpetuity, investing the principal and using a portion of the annual income for scholarship purposes. Each year, after considering investment returns and other factors, the administration will recommend to the Business Affairs Committee of the Midway College Board of Trustees a rate of return for all endowed scholarships and a pay-out rate.
    - a. The CRD staff will write a scholarship agreement for all endowed scholarship funds. The template form is included with these procedures.
    - b. Endowed scholarships may be named and restricted for specific purposes if the donor and College mutually agree.
    - c. Once the scholarship agreement has been signed, that endowed scholarship fund will be placed on the master list for managed investments. The office for Business Affairs will be responsible for maintaining the master list and making revisions based on new and/or revised endowed scholarship gifts. Additionally, the College Relations and Development unit will also maintain a list.
    - d. Memorial gifts and other gifts designated for scholarship support will not be treated as endowed scholarship gifts unless a scholarship agreement is written.