



**POISE Foundation**  
**Donor-Advised Scholarship Funds**  
**Uniform Procedure for Awarding Scholarships**

In order to comply with the Pension Protection Act of 2006 (HR-4), the Board of Directors at POISE Foundation has adopted a Uniform Procedure for Awarding Scholarships. The Pension Protection Act of 2006 (HR-4) prohibits donor-advised funds from making grants to individuals, including grants to educational institutions for the benefit of selected scholarship recipients. In addition, IRS rulings suggest serious issues regarding roles of donors/fund advisors in the selection process. There is considerable concern that such individuals would exert excessive donor control or undue influence in the selection process, in which case neither the scholarship grant nor the donor's gifts to establish the scholarship fund would be considered charitable. There is also concern that donors and/or fund advisors may "pre-select" individuals-meaning contributions and scholarship grants may be earmarked to route aid to a particular person. Again, such situations are not considered charitable no matter how deserving or needy that person might be, and can also place the donor and foundation at risk. As a result of the Pension Protection Act of 2006, scholarships will be awarded using one of the methods below.

**Post Secondary Institutions**

Donors can recommend an educational institution to administer the scholarship. The educational institution will administer the application process and select the student(s) based on the scholarship criteria as outlined in the instrument of gift. Education institutions will award the scholarship(s) in an objective and non-discriminatory bases, with no private benefit conferred. All scholarships are made payable to the educational institution and can be used for educational expenses such as tuition, fees, books supplies and equipment required for study. Selection of recipients is made solely at the discretion of the institution.

**K-12 School**

Donors can select a specific K-12 school to administer the scholarship. The school will administer the application process and select the students(s) based on the scholarship criteria as outlined in the instrument of gift. K-12 schools will award scholarships in an objective and non-discriminatory bases, with no private benefit conferred. All scholarship grants are made payable to the K-12 school and can used for educational expenses such as tuition, fees, books supplies and equipment required for study. Selection of recipients is made solely at the discretion of the institution.

### **POISE Foundation**

POISE Foundation can administer the scholarship through the appointment of a committee. The donor/advisor can participate as a member of the committee. POISE will administer the application process and select the students(s) based on the scholarship criteria as outlined in the instrument of gift. POISE will award scholarships in an objective and non-discriminatory bases, with no private benefit conferred. All scholarship grants are made payable to the educational institution and can be used for educational expenses such as tuition, fees, books supplies and equipment required for study. Selection of recipients is made solely at the discretion of the committee and approved by the Foundation's Board of Directors.

### **Charitable Organization**

Donors/Advisors can recommend a charitable organization to administer the scholarship. The charitable organization will administer the application process and select the student(s) based on the scholarship criteria as outlined in the instrument of gift. Charitable Organizations will award the scholarship(s) in an objective and non-discriminatory bases, with no private benefit conferred. All scholarships are made payable to the educational institution and can be used for educational expenses such as tuition, fees, books supplies and equipment required for study. Selection of recipients is made solely at the discretion of the charitable organization.