



Policies and Procedures

Higher Education and Campus Ministry (HECM) Scholarship Awards

Revised December 1, 2014

1. Setting up an Award

- a. Groups or individuals interested in establishing an award should visit the church's website at www.cascadeumc.org and obtain a copy of the "Guidelines for Establishing a Higher Education & Campus Ministry Award."
- b. All sponsoring groups or individuals must have an approved Awards Registration Form on file with the scholarship committee in order to establish an award account.

2. Award Account

- a. Once the Awards Registration Form has been approved an account will be created by the Cascade UMC Accountant or their designee and the coordinator of the award will be notified. Donor(s) should make **all checks payable to Cascade UMC**.
- b. In order to comply with IRS contribution guidelines, the HECM Scholarship Committee reserves the right to authorize all disbursements from the account (**IRS Publication 3833, p. 15**).
- c. Once funds are deposited into an award account, ownership belongs to the church and not the sponsoring group or donor(s).
- d. While sponsoring groups are free to select reasonable criteria for their award (i.e. a particular college classification, school, GPA, Essay Title, Outreach, etc.) and select their recipients, the HECM Scholarship Committee reserves the right to (1) determine the dates of selection, (2) approve all recipients, and (3) be solely responsible for authorizing checks from the account. This is consistent with the IRS contribution regulations.
- e. Awards cannot be designated for relatives or specific individuals (**IRS Publication 526, p. 2 & Publication 3833, p. 5**). Under IRS regulations, awards for room, board, clerical help, travel, equipment and other expenses that are not required for enrollment in or attendance at an eligible educational institution are not tax deductible (**IRS Publication 970, p. 5**).
- f. Award sponsors are not allowed to select recipients outside of the normal HECM Scholarship Program process (**IRS Publication 3833, p. 15**).
- g. Award sponsors are not allowed to transfer funds from a HECM award account to a non-HECM award account.

3. Endowed Awards

- a. Once the criteria for establishing an award is satisfied, an endowed award account can be set up by any sponsoring group for any dollar amount.
- b. An award is considered fully endowed at the amount of \$25,000.
- c. Distribution from an endowed account can only occur if the account balance is over \$25,000 and cannot cause the balance to be less than \$25,000.
- d. Such awards will require an Endowed Award Letter.

4. Types of Awards

- a. There are two types of awards, Higher Education and Campus Ministry (HECM) Awards and Sponsoring Group Awards.
- b. HECM Awards are based on funds allocated by the church finance committee each year at the annual retreat. Graduating High School Senior Awards are included in HECM Awards.
- c. Sponsoring Group Awards are based on funds made available by donors who sponsor specific awards with defined criteria that is approved by the HECM Scholarship Committee.

5. Category of Awards

- a. A Scholarship is an award of \$1,000 or more.
- b. A Grant is an award of \$500-\$999.
- c. A Book Award is an award of \$200 to \$499.
- d. Additional categories may be defined by the HECM Scholarship Committee from time to time.

6. Criteria of Awards

- a. Sponsoring groups are free to select reasonable criteria for their awards (i.e.: a particular college classification, school, GPA, Essay Title, Outreach, etc.).
- b. The HECM Scholarship Committee reserves the right to approve all criteria and recipient selections (**IRS Publication 970, p. 15**).
- c. Once the online application becomes available on January 1st the award criteria cannot be changed until after the application deadline for that year.

7. Fundraising

- a. Once the Award Registration Form has been approved and the account has been established, the sponsoring group may advertise the Award in the *Messenger* and solicit members to contribute.
- b. Cascade UMC does not allow any other form of fundraising on church property.

8. Interest

- a. Effective December 31, 2002, interest will be added to the end-of-year balance in each non-endowed award account. The church's banking institution will determine the interest percentage.
 1. Interest will be calculated by taking the total dollars in all endowed award accounts at the end of the calendar year and dividing it by each individual award balance to determine the percentage value. Each percentage value will then be multiplied by the total interest earned for the year.
 2. This calculation will be based on the 12/31 balances in each account and the appropriate interest will be added to each account no later than January 15th of the following year.
- b. Endowed Awards will be invested by the Church Treasurer in an interest bearing account with a local financial Institution. Awards can only be made from the interest over and above the \$25,000 endowed investment.

9. Definition of Awards

- a. A HECM award is defined as a Cascade UMC HECM monetary gift presented to a student.
- b. The primary focus of the scholarship program is to provide incentives for our high school seniors as they transition into their freshman year of college on a full time basis.
- c. This program is not designed to pay full tuition.
- d. In cases where additional funds are available or when sponsoring groups fund incentive awards, allocations will be made to continuing undergraduate and graduate students.

10. Eligibility Requirements

- a. Full time students enrolled in regionally accredited colleges or universities during the fall or spring semester are eligible to apply for awards. **Please Note:** award funds are not available for the summer semester.
- b. Consideration will be given to Cascade UMC members who are at least part-time students pursuing a degree from a regionally accredited college or university.
- c. Outreach students are eligible to apply for Cascade UMC Awards. In some instances, outreach students may not be required to complete the standard application.
- d. Submitting an application does not guarantee selection as an award recipient.
- e. Students who are enrolled or plan to enroll in private high schools, preparatory technical schools, certificate programs and unaccredited colleges/universities are not eligible to apply to the Cascade UMC HECM Scholarship Program.
- f. Students must meet the eligibility requirements of a particular award as outlined in the Awards Matrix published by the HECM Scholarship Committee.

11. Outreach Student

- a. An outreach student is defined as a non-Cascade member who is enrolled in a regionally accredited college or university.
- b. Outreach students for some awards (i.e.: HECM International Student Award, The Summerhill Award, The Therrell High School Award, etc.) are not required to complete a formal application.
- c. The objective of the scholarship program is to award at least 30% of all awards to outreach students.

12. Continuing Students

- a. A continuing student is defined as a student who is enrolled in a regionally accredited college or university beyond their freshman year.

13. **Scholarship Application**

- a. The online application will be available on **January 1st of each year**. **Hard copy applications will not be accepted.**
- b. Applicants must complete the Cascade UMC HECM Scholarship Application and submit it electronically on or before the designated date and time.
- c. There are some awards designated for Cascade UMC members only.
- d. All applications must include one official high school or college transcript. Copies of transcripts or unofficial web-based transcripts will not be accepted. Applications without official high school or college transcripts will be disqualified.
- e. All applications must include one recent photo for inclusion in the Souvenir Booklet. A **200 x 300 pixel** photo in **JPEG format** must be uploaded to your online application. Photos with other subjects included and of poor quality will not be included in the souvenir booklet. High school seniors are required to upload their high school picture or another professional photo. All other applicants should upload a high quality head shot photo.
- f. All applications must include a typed essay as required by the specific award being applied for.
- g. All applications must include recommendation forms/letters as required by the specific award being applied for.

14. **Application Deadline**

- a. The application deadline is **5PM EST on the 2nd Friday of February of each year**, or the application cut-off date as designated by the HECM Scholarship Committee.

15. **Listing of Awards**

- a. All HECM Awards are listed in the HECM Awards Matrix published by the HECM Scholarship Committee.
- b. This matrix is posted at www.cascadeumc.org

16. **Annual Award Process**

- a. The usual award process shall be defined as: (a) the advertisement for the acceptance of scholarship applications between January 1st and the 2nd Friday of February of each year, (b) the distribution of notification letters in April of each year to those students who submitted an online application and official transcript by the deadline; and (c) the distribution of award funds will be September - October of the granting year for fall semester students and January - February for spring semester students.
- b. Awards funds will not be disbursed if the Award Certificate and/or Enrollment Verification document from the Registrar's Office are not submitted by the deadline designated by the HECM Scholarship Committee.
- c. Students desiring to claim their awards in the Spring Semester should inform the HECM Scholarship Committee chairperson no later than October 1st of the granting year.
- d. The HECM Scholarship Committee does not handle any special award requests outside of the normal awards process, regardless of the circumstances. Such requests should be referred to the Community Fund.

17. **Graduating High School Senior Award**

- a. Graduating high school seniors who have been members of Cascade UMC for one year, as of December 31st of their senior year **and submit an electronic application and official transcript by the deadline** are eligible for one of the HECM Graduating High School Senior Awards.
- b. These awards are based on the most recent cumulative Grade Point Average (GPA) of the student's senior year as of the application deadline date.
- c. The awards are not automatic or retroactive.
- d. **Students must apply by the application deadline in order to be eligible.**
- e. The amount of HECM Graduating High School Senior Awards will be determined based on the budget allocation to the HECM by the Church's Finance Committee.