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MANAGING TOWSON UNIVERSITY FOUNDATION SCHOLARSHIPS AND AWARDS

INTRODUCTION

The Towson University Foundation, Inc. (the Foundation) was established by the university to receive and manage donor contributions. Many of these contributions are meant to establish scholarship funds, which can take the form of endowed or operating scholarships. Endowed scholarships are those where the original gift dollars are invested and a portion of investment earnings are made available annually via spendable income for scholarships. Operating scholarships are also funded by donors, with the difference being that all gift dollars are available for immediate use.

The Foundation and the university have a legal obligation to manage and administer funds according to donor-established intent and purpose. To ensure the highest standards of stewardship, the Foundation has assigned each Foundation fund to a Program Director – the university employee closest to the program or students the fund is designed to benefit. In some cases, the Program Director has assigned an Alternate Program Director (also known as Program Director for purposes of this handbook). The Program Director agrees to take on specific responsibilities and adhere to the procedures and timelines instituted by the Foundation and is entrusted with the duty of carrying out the donor’s intent.

The Foundation works closely with the Development Office to ensure donor funds are stewarded properly. The Development Office is responsible for fund raising and maintaining relationships with donors. A Program Director may be contacted by the Foundation or the Development Office from time-to-time to obtain information that may be forwarded to the donor.

The Foundation cannot allow Program Directors or their Alternates to contribute to funds under their signatory control, as it is a violation of IRS regulations and USM Board of Regents policy. This includes contributions made through the payroll deduction program of the Faculty/Staff Giving Campaign. There can be no exception.

If the Program Director fails to adhere to the policies set forth in this manual, he/she may be removed from these duties. The Foundation retains the ultimate responsibility in carrying out the legal requirements of gift instruments (documents governing gift administration) and so reserves the right to supercede a Program Director’s decision in the rare cases it is deemed necessary.
**RESPONSIBILITIES**

1. New Program Directors must attend a one-on-one training session with a Foundation representative.

2. For each scholarship under purview, the Program Director will receive a copy of the MOU or Gift Letter established by the donor, Criteria Compliance and Notification form. These documents define the donor-stipulated criteria and selection process for the scholarship and must be kept confidential.

3. The Program Director must advertise, process applications, and select recipients according to the specification of the gift documents. If a selection process is designated, the Program Director retains ultimate responsibility for carrying out the donor-stipulated criteria. In cases where a selection committee convenes, these documents may be shared with committee members and Alternate Program Directors.

4. The recipient selected must meet all of the criteria as stated in the gift document. To this end, the Program Director is required to sign a Criteria Compliance form indicating compliance with the terms of the gift document.
   
   a. If it is found that the student selected *does not meet the criteria* and the student has already been notified, the Program Director must select another eligible recipient. Under no circumstances will funds be rescinded from the initially selected student. It is the responsibility of the Program Director to find another Foundation/University funding source.

   b. If there is a question of interpretation of the criteria as written, it is the responsibility of the Program Director to clarify with the Foundation **PRIOR TO** selecting/notifying a recipient.

5. If Financial Need is a criterion, the Program Director must forward the final slate of potential recipients to the Financial Aid Office for verification of need. Financial Aid will verify need through review of students’ FAFSA forms or statement of Change in Circumstances (*form available in Financial Aid office*). US citizens and non-residents who are permanent residents are eligible to fill out the FAFSA form.

Scholarship representatives **MUST NOT** select recipients of their scholarships. If a representative currently sits on a selection committee, they must do so in a non-voting capacity only. If undue influence is thought to be exerted by the representative, the Program Director must contact the Foundation immediately. Scholarship representative...
influence in the selection process may negate the tax-deductible status of the donor’s original contribution and may subject both the Foundation and the donor to IRS penalties.

6. If the Program Director or Selection Committee cannot find an applicant who meets stated criteria, they must contact the Foundation with this information as soon as possible so that a course of action may be determined.

7. Upon selection of recipient, the Program Director must notify the student in writing of the award. *(Notification letter is attached to the Criteria Compliance form).*

8. The Program Director must fill out all required Foundation scholarship forms by the Foundation’s established deadlines (see TIMELINE section below).

9. It is the practice of the Foundation to award as close to the maximum amount of aid available. For *endowed scholarships*, the Program Director is asked to spend all or close to the spendable income available in a given fiscal year *unless* there are alternate instructions in the gift document or an exception has been sought and granted by the Foundation. *Operating scholarships* are to be spent according to the gift documents; if there is no gift document, the Program Director may determine the amount of awards, though the Foundation strongly prefers that an annual award be made.

10. To respect and protect the privacy of our students and scholarship representatives, Program Directors **MUST NOT** give scholarship representatives addresses to students, or student addresses to scholarship representatives. Thank you notes will be requested of all student recipients by the Development Office, who will then forward the information to the representatives of the fund. The Development Office will also oversee any exchange of biographical information between scholarship representatives and student recipients.
TIMELINE

Endowed Scholarships – projects beginning with “358XX” and above

Only the spendable income, which has been allotted from the earned interest for the fiscal year, may be spent. You will be notified in the fall of funds available to award in the following academic year. Use the donor-specified gift document and follow the stated criteria.

Operating Scholarships – projects beginning with “35100”

Account balances in operating funds continually fluctuate; therefore, amounts available for award can change day-to-day. (Please refer to your monthly report sent by the Foundation’s Bookkeeper). Use gift document or Criteria Compliance form to guide number and amount of awards. If none are specified, number and amount of awards are at the discretion of the Program Director or selection committee. Unless otherwise specified in the gift document (or if an exception has been granted by the Foundation), the Foundation prefers that an award be made annually.

September-November

During this time, Program Directors will be notified of funds available to award in the following academic year. The awarding of scholarships is handled a fiscal year ahead of the current fiscal year, so the Program Director should almost always be working with the next year’s funds.

November – March

- Advertise scholarship
- Process applications
- Form and meet with selection committee (if required)
- Select recipient(s)
- Prepare paperwork
- Notify recipient(s) when you confirmation from the Foundation

February 20 - DEADLINE for Non-need based scholarships*

All scholarship paperwork is due to the Foundation.

April 1 -- DEADLINE FOR Need-based scholarships*

All scholarship paperwork is due to the Foundation. (See page 1, #5.)
**August (Fall semester) and January (Spring semester)**

Funds post to student accounts.

*Exceptions to the award deadline are made for those with awards based on performance or other talent competitions, or commencement awards that cannot be completed earlier in the semester.*
PAPERWORK PROCESS

The following forms are sent to the Foundation once the recipient is selected.

1. SCHOLARSHIPS FOR CURRENTLY ENROLLED STUDENTS

   • Towson University Institutional/Foundation Scholarship Award form - Signed by the Program Director (see FAQ #13).

   • Criteria Compliance form – Each scholarship has its own unique form due to donor confidentiality and can only be obtained from the Foundation. Program Director signs the form stating that he/she is in compliance.

   • Notification Letter -- A DRAFT copy of the notification is to be sent to the Foundation (attached to the Criteria Compliance form).

   • Copies of documents required in the Criteria Compliance form (essay, resume, transcript, etc.)

   • Once the scholarship is processed by the Financial Aid Office, the Foundation will notify you that the scholarship has been processed and inform you to send the notification letter to the student.

2. CASH AWARDS CANNOT BE GIVEN DIRECTLY TO STUDENTS

   • In accordance with the Financial Aid Office, the Foundation does not cut checks directly to students. All awards must come to the Foundation in the form of a scholarship to be sent to Financial Aid and credited to the student’s account with the Bursar. This includes gift cards and text books if text books are used for their courses.
SHOWING TOWSON UNIVERSITY’S APPRECIATION

The Development Office oversees the following processes to show Towson University’s appreciation to our scholarship representatives and donors.

Student Recipient Thank You to Scholarship Representative(s)
Shortly after receiving their scholarship, scholarship recipients will be contacted by the Development Office through email to complete a profile about themselves and write a thank you note to their scholarship representative(s). The recipient’s response will be formatted into a Word document and mailed to the scholarship representative(s) during the academic year. Students should contact scholars@towson.edu with any questions about the thank you process.

Foundation Scholars Luncheon
Every spring, the Foundation Board hosts the Foundation Scholars Luncheon to which all scholarship representatives, scholarship recipients, Program Directors, and select campus leadership are invited. This luncheon is an opportunity for our scholarship representatives to meet their recipients, for Towson to celebrate the achievements of our students, and for Towson to acknowledge the generosity of our scholarship representatives.

Thanking Donors to Your Funds
The Development Office strongly recommends that Program Directors send a thank you note to donors of their funds. Program Directors will receive giving reports weekly if a gift is made to their funds. The report shares the donor’s contact information for acknowledgment. If the Program Director would rather send acknowledgments quarterly, bi-annually, or annually to their fund donors, then please contact the Manager of Donor Relations at donorrelations@towson.edu for an updated list of donors and their contact information. Sample acknowledgments are also available upon request.

Some Program Directors send annual reports on their funds’ progress or holiday greetings to their funds’ donors. The Manager of Donor Relations can prepare contact information for such communications as well. Contact donorrelations@towson.edu with any questions or requests.
FREQUENTLY ASKED QUESTIONS

1. How do I advertise the scholarship?
   There are many ways to reach students:
   • Departmental/College web sites;
   • T3 daily postings;
   • flyers in classrooms;
   • faculty announcements in appropriate classes;
   • Scholarship Seeker (you will be prompted to review this annually);
   • emails/letters to students meeting the profile.
   If you are having difficulty advertising your scholarship, contact the Foundation.

2. What do I do if no eligible student applies?
   If all advertising options have been exhausted, contact the Foundation to determine next steps. The Foundation will work with the Financial Aid Office to see if they can query eligible students. Those students may then be contacted by your office to suggest they apply.

3. Why do I need to select recipients so early?
   It is to the student’s benefit that they are selected and notified of the award the semester prior to receiving the funds. This allows students to plan their finances and allows the funds to be applied directly to their bursar’s account as their bills come due. Late selections (made within the academic year they are receiving the funds) often result in the student receiving rebate checks late in the semester, which is not preferable.

4. How much leeway do I have in interpreting the scholarship criteria?
   All explicitly-stated criteria must be followed.

5. The academic program has changed, and the scholarship’s criteria no longer apply. What do I do?
   Contact the Foundation directly to determine if a change needs to be made.

6. Why do I have to use all of the spendable income available for endowed scholarships?
   It may sound odd to award $1,122.33 rather than a nice round $1,000, but every dollar helps a student. It is the Foundation’s policy to award all available funds.

7. The donor has contacted me directly to talk about the scholarship/criteria/recipient. Please refer all donor inquiries to the Foundation.
8. **Who notifies the student that they have received the scholarship?**
   The Program Director is responsible. A sample letter is available in this manual.

9. **What if the student tells me she wants to send a thank you note?**
   Let her know the Development Office will be contacting her soon to complete a thank you, or have the student send her inquiry to scholars@towson.edu.

10. **How do I cancel a scholarship?**
    Send an email to the Foundation giving the project number, semester, amount, student name, student id number and the reason for the cancellation.

11. **Can I make a gift to the scholarship or program I manage?**
    The Foundation cannot allow Program Directors or their Alternates to contribute to funds under their signatory control, as it is a violation of IRS regulations and USM Board of Regents policy. This includes contributions made through the payroll deduction program of the Faculty/Staff Giving Campaign.

12. **I would like to raise funds for this scholarship by holding an event or sending a solicitation – who can I talk to about this?**
    You must contact the Development Office to discuss your plans. All fundraising events and solicitations **MUST** be approved by the Development Office in order to coordinate with existing solicitations and ensure proper tax and recognition credit. (See Development Contact List).

13. **How do I get to the Foundation forms?**
    - www.tufoundation.org
    - Click on the Resource tab
    - At the Program Director link, sign in with your TU User name and password
    - Scroll down to Forms
    - Select the Scholarship Award form

   *Please note that the Criteria Compliance and Notification Letter form are not on the website due to confidentiality purposes. If you don’t have this form, contact Char Gallagher, Foundation, cgallagher@towson.edu or at 410-704-5442*

14. **Who is eligible for need-based scholarships?**
US citizens and non-residents who are permanent residents are eligible and must fill out the FAFSA form *(form available in Financial Aid office)*. University Policy states that international students are not eligible for need-based scholarships. The ISSO (International Student and Scholar Office) explains that in order to be admitted to Towson University, international students must evidence an ability to meet the full cost of their education or they are not accepted. International students are not excluded from receiving scholarships based solely on merit, or even those scholarships where “need may be a consideration”, as the program director has the discretion to include “need” as he/she wishes.