



## UNIVERSITY OPERATING PROCEDURE

### **Title:** Scholarship Administration

#### Overview

It is the stewardship responsibility of the University to ensure compliance with the spending guidelines or restrictions set forth by donors in governing gift agreements of Student Scholarship Funds. Student Scholarship Funds help maintain the affordability of a UVM education for students and their families.

Scholarship administration at the University is centralized within Student Financial Services (SFS), University Financial Services (UFS), and the UVM Foundation in order to achieve the following objectives:

- Ensure compliance with donor intentions or restrictions for the use of Student Scholarship Funds, including academic unit involvement in selection of scholarship recipients as required or necessary based on the fund language.
- Establish efficient processes that support transparency and accountability regarding the use of Student Scholarship Funds.
- Allow for timely reporting to donors by the UVM Foundation.
- Increase flexibility within the general fund by using private scholarship resources as the primary source of institutional aid to students.

All scholarship funds will be awarded in an institution-wide process coordinated by SFS at the beginning of each fiscal year. Scholarship funds will be used as the primary source of institutional aid to students, and financial need will be a consideration for all scholarship awards unless prohibited by donor restrictions. This procedure applies to all undergraduate and graduate student scholarship gift and endowment funds except College of Medicine scholarships.

#### Applicability of the Procedure

This Operating Procedure applies to all employees of the University of Vermont who are involved in any part of the awarding of student scholarship funds.

#### Definitions

**Fiscal Officer:** The individual responsible for daily budgetary and spending management of a restricted fund. The Student Financial Services Scholarship Administrator is the Fiscal Officer for all student scholarship funds.

*Student Scholarship Funds*: Donor-restricted funds whose expenditure is limited by the donor in whole or in part to student scholarships. Student scholarships may take one (or both) of the following forms:

- *Endowment Funds*: An endowment fund is a permanently restricted resource that the University or the UVM Foundation holds in perpetuity. The principal amount of an endowment fund cannot be spent. Instead, the principal is invested, and the income derived from those investments is applied towards the purpose(s) identified by the donor.
- *Restricted Gift Funds*: A restricted gift may be expended towards the purposes identified by the donor.

## Procedures

### Roles and Responsibilities

#### Student Financial Services (SFS)

- Coordinate the institution-wide process for awarding scholarship funds at the beginning of the fiscal year, ensuring that academic units are included in the process as required or necessary based on fund language, that all donor restrictions are met, and that scholarship funds are used as the primary source of institutional need-based support to the maximum extent possible.
- Serve as Fiscal Officer for student scholarship funds, responsible for budgeting, ensuring that all funds are awarded each year, and ensuring that funds are not overspent.
- Communicate with students about their financial aid packages, including institutional support.

#### University Financial Services (UFS)

- Establish and implement internal controls for all gift and endowment expenditures, including Student Scholarship Funds.
- Ensure that all Student Scholarship Funds are awarded and administered in compliance with donor intentions and restrictions.

#### UVM Foundation

- Secure and manage new student scholarship support.
- Manage donor stewardship and reporting.

#### Academic Units

- Participate in the selection of student scholarship recipients as required or necessary based on donor restrictions.
- Adhere to deadlines and spending guidelines for the scholarship awarding process as set by Student Financial Services.
- Designate a college or school Scholarship Liaison to serve as the primary point of contact with SFS and with faculty and staff in the college or school regarding student scholarships.

## **Scholarship Awarding Process**

All Student Scholarship Funds are awarded by SFS at the beginning of the fiscal year via the Banner student information system. Incoming students receive their financial aid packages by the end of March; returning students receive their financial aid packages in early June. The aid packages contain UVM's commitment of need-based gift aid for the upcoming year for those who qualify. The need-based gift aid commitment will be determined on an annual basis. Students selected to receive scholarship funds will have some or all of their need-based gift aid commitment supported by the endowment or gift scholarship fund.

## **Spending Plans and Budgets**

SFS will develop budget estimates of the amount of scholarship funds available for expenditure in the upcoming fiscal year based on endowment income and annual giving data provided by UFS and the UVM Foundation. For gifts made directly to the University, new gifts received or gifts that become spendable before June 15 will be included in the awarding cycle for the upcoming fiscal year. Gifts received or gifts that become spendable after June 15 will be held until the following fiscal year's awarding cycle. For gifts made to the UVM Foundation, new gifts received or gifts that become spendable by December 31 prior to the beginning of the academic year will be included in the awarding cycle for that academic/fiscal year. If, however, a gift is received after either deadline and the donor requests that a Restricted Gift be awarded immediately (not held for the next award cycle), those funds may be awarded on a one-time basis. The SFS Scholarship Administrator will provide spending guidelines and awarding instructions to the college or school's Scholarship Liaison on an annual basis.

Standard spending goals by fund type:

For Endowment Funds (funds 320 and 321) the entire annual income will be awarded each year so long as there are students who meet the donor restrictions. If the full annual income is not spent due to a student becoming ineligible after initial awarding, or any other reason, the remaining unspent balance will be rolled to the next fiscal year. Each year, all efforts will be made to spend in full any balance rolled from a prior fiscal year, in addition to the annual income.

For Restricted Gift Funds (funds 310 and 311) a reasonable spending plan will be created and followed based on donor intentions and restrictions, the size of the fund, and whether there are anticipated future gifts. SFS will determine and document spending plans based on donor intentions, working with the academic units when appropriate.

## **Recipient Eligibility, Selection, and Awarding**

SFS will coordinate with academic units to select recipients for scholarship funds that require academic unit involvement in recipient selection. Where possible, SFS will provide a list of potential recipients who meet the fund eligibility criteria from which the academic unit may rank recipients.

Financial need will be a consideration for all scholarship awards unless prohibited by donor restrictions. If no qualified students who have financial need can be identified for a fund, and the donor has not included financial need in the restrictions, awards will be made to students without financial need who meet the other restrictions of the fund.

In cases where restrictive fund language makes it consistently difficult or impossible to find any qualified recipients, or where the fund language may otherwise be limiting, SFS and UFS will work either with the UVM Foundation or the Office of the General Counsel to make the funds more accessible to UVM students, which may include seeking modification of a fund's terms under Vermont's Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Student scholarship awards are customarily disbursed to students in two equal amounts for the fall and spring semesters, respectively. If a scholarship recipient is no longer enrolled at UVM after the fall add/drop date, or

if a scholarship recipient's need eligibility changes mid-year, the normal practice will be to rescind the scholarship and roll forward the unspent balance to be awarded the next year.

All Student Scholarship Funds will be awarded as one-time scholarships, unless a donor specifies that a fund be renewed to the same student for multiple years.

*Graduate Student Support:* If a donor indicates that a scholarship is available to undergraduate or graduate students, the parties responsible for recipient selection will determine annually whether awarding to undergraduate or graduate students will best meet the goals of the University, college/school, and department, where applicable. For scholarships that are silent on this matter, selection will be focused to the extent possible on undergraduate support in order to increase flexibility within the general fund.

*Competitive Merit-Based Scholarships:* If a fund's recipient selection criteria explicitly or implicitly require a student to take certain actions or compete for the scholarship (for example, by completing an application or writing an essay), then scholarship aid may be awarded above and beyond the student's need-based gift aid commitment, but will be factored into the overall financial aid award, when applicable, based on federal and institutional regulations, policies and procedures.

*Funds for Student Retention:* Each college or school has a designated Restricted Gift Fund to support students who request additional financial assistance in order to remain at the University. These students may present themselves to their college or school or directly to SFS. When the student contacts the college or school for this type of assistance, his/her information should be passed to the appropriate SFS college/school liaison. A committee within SFS will review each case and make the final decision on awarding from the fund. The college or school may make recommendations about students who should be reviewed. The reviews will happen throughout the year, as students present themselves as needing additional assistance. In general, these awards will not be used for first-year students and will be offered as renewable commitments only if the fund's budget will allow and the student's circumstances warrant it. These scholarships will be offered to students in addition to their original financial aid package, but will need to be factored into the award under federal regulations. These scholarships will not be awarded to students when adding the scholarship would result in the reduction of other grant or scholarship aid.

*Funds to Support Student Research or Internships:* Recipients for scholarship funds set up with the sole or primary purpose of supporting student research or internships will be selected by the applicable academic unit. SFS will be consulted if financial need is included in the donor restrictions or preferences. Any research or internship awards paid up front to a student, reimbursed to a student for specific expenses, or expenses paid by a department on behalf of a student must be done in accordance with the University's Payments to Students Policy. Research and internship awards may be processed anytime throughout the year, and will not be subject to the timing of the main student scholarship awarding process.

*Students on Study Abroad Status:* Scholarships awarded as part of UVM's need-based gift aid commitment can be used for internal study abroad programs only. Scholarships awarded above and beyond the need-based gift aid commitment amount may be used on internal or external study abroad programs, as typically the selection for those scholarships requires additional effort on behalf of the students and staff, or has very selective criteria and is thus harder to award than other funds.

## **Recipient Notification**

SFS will notify scholarship recipients via an award message posted in the student portal when they have been selected to receive a scholarship. The UVM Foundation will also communicate with recipients of living donor funds with more information on the donor or the fund and a request to write a thank-you note.

## Expenditure Reporting

As requested, SFS will provide to Financial Analysis & Budgeting the estimated or actual scholarship spending that will support the University's commitment of need-based aid.

As requested, SFS will provide a report of total annual student scholarship expenditures to the Vice President for Enrollment Management, the Vice President for Finance, and/or the UVM Foundation President.

## Donor Reporting

SFS will provide a report of student scholarship recipients to the UVM Foundation after the fall and spring semester add/drop dates for use in the UVM Foundation's annual donor reporting process.

## Contacts

Questions concerning the daily operational interpretation of this UOP should be directed to the following:	
Title(s)/Department(s):	Contact Information:
Associate Director, Scholarships & Communications, Student Financial Services	(802) 656-1490 or (802) 656-5700 <a href="mailto:sfs@uvm.edu">sfs@uvm.edu</a>

## Forms/Flowcharts/Diagrams

- [Scholarship Payment Request](#)

## Related Documents/Policies

- [Awards, Prizes, and Winnings Procedure](#)
- [Payments to Students Guide](#)
- [Payments to Students Policy](#)
- [Refund and Bill Adjustment Policy](#)
- [Restricted Gift Fund Administration Procedure](#)

## Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

## About This Procedure

<b>Responsible Official:</b>	Vice Provost for Enrollment Management	<b>Approval Authority:</b>	Vice Provost for Enrollment Management
<b>Affiliated Policy Number(s):</b>	None	<b>Effective Date:</b>	July 23, 2015
<b>Revision History:</b>	<ul style="list-style-type: none"><li>• Approved by the Vice President for Enrollment Management July 30, 2015</li><li>• Reaffirmed February 24, 2021</li></ul>		

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