



December 21, 2021

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**2022 Scholarship Selection Committee Forms**

**ACTION REQUIRED - A representative of your Affiliated Fund must sign and return either Attachment A or Attachment B to NCF by March 14, 2022.**

*This package is being sent to the primary contact for each Affiliated Fund; please share with all members of your fund advisory committee. If you are no longer the primary contact, please forward to the appropriate person.*

Affiliated Fund Advisory Committee Members,

The Nebraska Community Foundation (NCF) amended its Scholarship Policy and Guidelines ("Policy") in 2015. The Policy which complies with the Pension Protection Act of 2006 requirements regarding scholarships with donor involvement. This law impacts scholarship funds named for (including memorial scholarships) or sponsored by individuals, families, alumni or professional groups and corporations.

To ensure compliance with the law, it is necessary for NCF to appoint the Scholarship Selection Committee members for each affiliated fund annually and to insure that no such committee is controlled by a donor. It is time to appoint Scholarship Selection Committee (SSC) members for 2022. Because you know your community or mission best, we are asking each Fund Advisory Committee (FAC) to nominate potential members of your scholarship selection committee. You cannot begin the scholarship selection process until your nominations have been approved by NCF.

Scholarship payments that are not made in compliance with the law are subject to a 20% tax. We will not make any scholarship payments that would subject any NCF affiliated fund to this tax. To avoid the embarrassment of not being able to pay a scholarship you have already announced, your affiliated fund must comply with these procedures and timelines.

Our Scholarship Administration Policy and FAQs regarding scholarship administration can be found on our Web site at <https://www.nebcommfound.org/wp-content/uploads/2021/02/2021-Scholarship-Selection-Committee-Packet.pdf>. Included with this letter are the following materials related to the SSC appointment process:

- Action Items for Fund Advisory Committees - a one-page summary of what your FAC needs to do
- Scholarship Selection Committee Nomination Forms and Instructions (Attachment A - 3 pages)
- Do Not Grant Scholarships Response Form (Attachment B - 1 page)
- Scholarship Reporting Form
- Disbursement Request Form
- Scholarship Policy & Guidelines as amended November 6, 2015

Please complete either Attachment A or B, as applicable to your fund, and return to us no later than March 14, 2022.

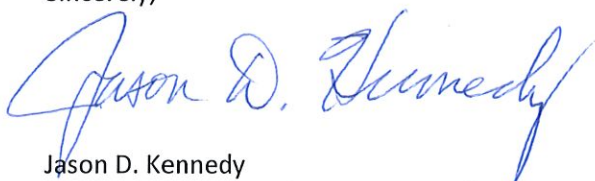
Here are a few key items to remember regarding scholarship administration:

- The FAC may not nominate an individual to the Scholarship Selection Committee if that individual has a relationship of the type set forth in the Scholarship Policy with a person who may apply for a scholarship from the Fund. In addition, there are IRS rules regarding participation of donors on SSC's. Please review the Policy before nominating individuals to the SSC.
- The fee of \$300 for each Scholarship Selection Committee (regardless of the number of scholarships awarded by the Committee) and \$20 per scholarship payment are unchanged for 2022.
- No scholarships may be awarded from an endowed account unless the balance in the account is at least \$10,000 as of March 31, 2021 (this date is based on our fiscal year grant cycles) for scholarships announced prior to June 30, 2022.
- The minimum scholarship size is \$500 per award.
- To the extent that the balance in an endowed account is insufficient to support the minimum scholarship award of \$500, we will allow the donor(s) to make a contribution to fund a \$500 current-year scholarship while the balance in the account grows. Please call us in advance if you are considering this possibility.
- Scholarships of \$2,000 or less will be disbursed as a single payment – i.e., they cannot be split into separate payments for each the first and second semester.

Our staff is available to help your Fund Advisory Committee think through your scholarship program. If you have questions regarding these issues, please contact one of the following NCF staff members: Les Long at 402.323.7330, Kara Asmus at 402.276.0029, Dena Beck at 308.832.7810, KC Belitz at 402.270.9119, Steve Brewster at 402.340.9937, Janny Crotty at 402.770.3533, Denise Garey at 308.340.1942, Jana Jensen at 308.588.6299 or Kara Weander-Gaster at 402.750.0600.

Thank you for all the good work you do on behalf of our Nebraska communities and organizations and thank you in advance for your efforts and understanding to keep NCF and your affiliated fund in compliance with the law.

Sincerely,



Jason D. Kennedy  
Chief Financial and Administrative Officer



**SCHOLARSHIP ADMINISTRATION  
ACTION ITEMS FOR FUND ADVISORY COMMITTEES  
Calendar Year 2022**

This outline summarizes the actions that need to be taken with respect to scholarships awarded by your Affiliated Fund:

**For Affiliated Funds that DO NOT award any scholarships:**

1. If your Affiliated Fund either does not have any scholarship accounts or does not intend to select any scholarship recipients or make any scholarship payments from any of the accounts within your affiliated fund during 2022, the chairperson or treasurer of your Fund Advisory Committee (FAC) should sign the 2022 “Do Not Grant Scholarships Response Form” (Attachment B) and return it to NCF.
2. Retain a signed copy of your Response and the rest of this information in the event that your Affiliated Fund decides at a future date to award scholarships.

**For Affiliated Funds that DO award scholarships:**

1. Read all of the information in this packet. Remember that you cannot begin the scholarship selection process until steps 1-3 are complete.
2. Submit your Scholarship Selection Committee Nomination Form (Attachment A) to NCF.
3. Wait to receive Scholarship Selection Committee notification of approval from NCF. Please allow two weeks from the date submitted for NCF to review paperwork.
4. After receiving approval from NCF regarding your 2022 Scholarship Selection Committee you may begin the scholarship selection process.
5. Familiarize yourself with the NCF Scholarship Policy & Guidelines (as amended November 6, 2015) and follow all requirements.
6. Look at your quarterly fund report to find out how much is available to grant from each of your endowed scholarship accounts. If you have questions, check with NCF.

**Contact NCF if you have questions regarding this process**

- Kara Asmus, Affiliated Fund Development Coordinator.....402.276.0029
- Dena Beck, Affiliated Fund Development Coordinator.....308.832.7810
- KC Belitz, Chief Operating Officer.....402.270.9119
- Steve Brewster, Affiliated Fund Development Coordinator.....402.340.9937
- Janny Crotty, Affiliated Fund Development Coordinator.....402.770.3533
- Denise Garey, Affiliated Fund Development Coordinator.....308.340.1942
- Jana Jensen, Affiliated Fund Development Coordinator .....308.588.6299
- Les Long, Controller .....402.323.7346
- Kara Weander-Gaster, Affiliated Fund Development Coordinator.....402.750.0600





## SCHOLARSHIP SELECTION COMMITTEE NOMINATION FORM INSTRUCTIONS

For scholarship selections during the period:  
January 1, 2022 through December 31, 2022

Refer to the Nebraska Community Foundation Scholarship Administration Policy as amended November 6, 2015 for additional information regarding the process for putting a Scholarship Selection Committee (SSC) in place for your affiliated fund. The Pension Protection Act of 2006 mandated changes to the federal law governing certain scholarship awards, so it is important to follow these procedures carefully.

“Affiliated Fund Name” is the name of your community foundation fund (e.g., Hometown Community Foundation Fund); “Account within Affiliated Fund” is the name of the particular account (e.g., Jane Smith Memorial Scholarship).

### Attachment A, Page 2

#### Part I: Nominations for Scholarship Selection Committee (SSC):

- Nominations of SSC:
  - Nominate at least four but no more than seven individuals for the Scholarship Selection Committee.
  - At least one nominee must be a current member of the Fund Advisory Committee for your Affiliated Fund.
  - Do not nominate any individuals who may have a relationship of the type set forth in the Scholarship Policy with a person who may apply for a scholarship from the Fund. (See NCF Scholarship Policy & Guidelines for definition of family member).
- Qualification of Nominees:
  - Briefly state each individual’s qualifications to serve on the SSC. Examples would include educators (principal, guidance counselor, teacher) and community or civic leaders.

#### Part II: List All Scholarships

- List each Scholarship that will be awarded by the nominated SSC.
- State the account within the Affiliated Fund from which scholarship is to be paid.

#### Part III: FAC Signoff

- The SSC Nomination Form must be completely filled out and signed by an officer (chairperson, vice chair, treasurer, secretary) of the Fund Advisory Committee.

#### Part IV: Appointment:

- NCF will need to appoint the SSC for your affiliated fund every year, even if your Fund Advisory Committee wants to nominate the same individuals who served on the SSC in the previous year.
- The scholarship grant process cannot begin until NCF has appointed your SSC for the current award cycle.

### Attachment A, Page 3

- SSC Member Information Form:
  - A copy of the information form must be completely filled out and signed by each SSC nominee.
  - Keep copies of each information form for your committee records.
- Submit all pages to NCF in a single package by mail to P.O. Box 83107, Lincoln, NE 68501 or by fax to (402) 323-7349.
  - Upon approval of the SSC, NCF will return a signed copy of Page 2 to the Fund Advisory Committee. Please allow two weeks from submission for NCF to review all documents.

- Once your SSC has been approved and you have received notification from NCF, you may begin the scholarship selection process.

If you have questions or need assistance, please contact one of the following individuals at NCF:

- Kara Asmus, Affiliated Fund Development Coordinator.....402.276.0029
- Dena Beck, Affiliated Fund Development Coordinator.....308.832.7801
- KC Belitz, Chief Operating Officer.....402.270.9119
- Steve Brewster, Affiliated Fund Development Coordinator.....402.340.9937
- Janny Crotty, Affiliated Fund Development Coordinator.....402.770.3533
- Denise Garey, Affiliated Fund Development Coordinator.....308.340.1942
- Jana Jensen, Affiliated Fund Development Coordinator .....308.588.6299
- Les Long, Controller..... 402.323.7346
- Kara Weander-Gaster, Affiliated Fund Development Coordinator.....402.750.0600



**SCHOLARSHIP SELECTION COMMITTEE NOMINATION FORM**

For scholarship selections during the period:  
January 1, 2022 through December 31, 2022

*See SSC Member Information Form (Attachment A, Page 3) and Instructions (Attachment A, Page1)*

Affiliated Fund Name: \_\_\_\_\_

**Part I – Nominations for Scholarship Selection Committee (SSC)**

	Names of individuals nominated for SSC by Fund Advisory Committee	Qualifications for serving on SSC
1.		
2.		
3.		
4.		
5.		
6.		
7.		

**Part II – List all scholarships administered by the Affiliated Fund to be awarded by the above SSC**

Name of Scholarship	Account within Affiliated Fund from which scholarship is paid

**Part III – Fund Advisory Committee Signoff**

We recommend the nomination of the above-named individuals to serve on the Scholarship Selection Committee and state that to the best of our knowledge the group of individuals nominated would not cause the SSC to be “donor controlled” with respect to any of the scholarships to be administered by the SSC. All scholarships will be awarded in accordance with NCF’s Scholarship Administration Policy.

Printed Name of Fund Advisory Committee Officer: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Part IV – Appointment of SSC members by Nebraska Community Foundation (to be completed by NCF)**

Nebraska Community Foundation hereby appoints members of the Scholarship Selection Committee for the above-named affiliated fund as follows:

\_\_\_\_ All individuals nominated by the FAC except for (list): \_\_\_\_\_

Individuals appointed who were not nominated by the FAC (list): \_\_\_\_\_

Signature of Nebraska Community Foundation representative: \_\_\_\_\_ Date \_\_\_\_\_







## SCHOLARSHIP SELECTION COMMITTEE NOMINATION FORM

For scholarship selections during the period:  
January 1, 2022 through December 31, 2022

### Scholarship Selection Committee Member Information Form

(this page must be completed by each nominee for the Scholarship Selection Committee)

Name of Individual (please print): \_\_\_\_\_

Affiliated Fund Name: \_\_\_\_\_

Please review the list of scholarships on Attachment A, Page 2 of the Scholarship Selection Committee Nomination Form and answer the following questions with respect to each scholarship. If the answer to any question is “yes”, please provide the name of the scholarship from the list in Part II on page 2 and the pertinent facts at the bottom of this page.

		<u>Yes</u>	<u>No</u>
1.	Are you or a family member the donor for which the fund, account or scholarship is named?		
2.	For any memorial scholarship, are you a family member of the individual being memorialized?		
3.	For any scholarship named for an alumni or professional group, are you a member of the group?		
4.	For any scholarship named for a corporation or other business, are you an officer or employee of the corporation or other business?		
5.	Do you have a professional advisory relationship (e.g., attorney, accountant, investment advisor) for the donor of any scholarship fund?		
6.	Do you have a family member who may be applying for a scholarship? If yes, stop here; you may not serve on the Scholarship Selection Committee (See the Scholarship Policy & Guidelines, as amended November 6, 2015, for a definition of family member).		

Additional information with respect to all “yes” answers:

Signature: \_\_\_\_\_









SCHOLARSHIP REPORTING FORM

Instructions: This form, along with a completed Disbursement Request Form, should be submitted at the time you want the scholarship payment to be made. This form must be filled out completely. The Selection Committee Chair must sign and date the form before submitting to the Nebraska Community Foundation.

To comply with IRS reporting requirements, the Nebraska Community Foundation requires a separate reporting form for each scholarship awarded by your fund.

Name of Scholarship Fund: \_\_\_\_\_

Selection Committee Chair: \_\_\_\_\_ Phone: \_\_\_\_\_

Names of Selection Committee: \_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

\*\*\*\*\*

Scholarship Recipient Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Student ID \_\_\_\_\_ or Social Security No. \_\_\_\_\_
(only if Student ID Number not known)

Residence Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ Award Amount: \_\_\_\_\_

Apply To: [ ] Fall semester only
[ ] Spring semester only
[ ] Split equally Fall/Spr.
[ ] Other \_\_\_\_\_

College/University \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

\*\*\*\*\*

How was the scholarship recipient selected?

\_\_\_\_\_

[ ] By checking the box, the Selection Committee Chair certifies that no Scholarship Selection Committee member is a family member (as defined in the Scholarship Policy & Guidelines) of the scholarship recipient. Contact NCF before awarding this scholarship if there is a family relationship between a Scholarship Selection Committee member and a proposed scholarship recipient.

Selection Committee Chair: \_\_\_\_\_ Date: \_\_\_\_\_
(signature)

Please sign and return this form with a completed Disbursement Request form to: Nebraska Community Foundation
P. O. Box 83107 | Lincoln NE 68501 | 402.323.7330 | Fax 402.323.7349





## DISBURSEMENT REQUEST FORM

For Internal Use Only	
Ck Date	Inv. #
Acct. Code	
Description	
Acct. Code	
Description	
Acct. Code	
Description	
Total \$	1099

(Fund name)

(Account name)

<b>Pay to:</b> <i>Name of the payee for the check and address to which the check is to be mailed</i>	<b>Charitable Purpose of payment:</b> <i>(i.e.: Grant, project expense including identification of project, meeting expense, postage, supplies or other expense category)</i>	<b>Amount of payment</b> <i>Please list each payment separately. Include sales tax.</i>

**Please attach ORIGINAL invoice, receipt or other documentation for this payment.  
You must include vendor invoices with details; not statements.**

Disbursement request over \$1,500 for community funds or \$5,000 for organizational funds require two signatures.

Phone: \_\_\_\_\_

Signature(s) of person(s) authorized by the Fund Advisory Committee to request disbursements

Submission Date: \_\_\_\_\_

- The disbursement must be for charitable purposes and to an allowable payee. If you have questions, please contact our Accounting Staff before submitting at [info@nebcommfound.org](mailto:info@nebcommfound.org) or 402.323.7330.
- If you wish to have a check sent to your fund advisory committee for a special presentation, please note that clearly on the form; otherwise, we will mail the check directly to the payee.
- Disbursement Requests received by Monday with all necessary documentation and signatures will be paid by Friday of the same week.
- We recommend that you keep a photocopy of your completed Disbursement Request for future reference.

This form may be photocopied. It is also available on the NCF website at [www.nebcommfound.org](http://www.nebcommfound.org)







## SCHOLARSHIP POLICY & GUIDELINES

Adopted by the Nebraska Community Foundation Board of Directors

February 7, 2007

As Amended November 6, 2015

### I. Purpose

The purpose of this Scholarship Policy & Guidelines (“Policy”) is to guide Nebraska Community Foundation staff and affiliated fund advisory committee members and Scholarship Selection Committee members in the requirements for awarding scholarships in compliance with Internal Revenue Service (“IRS”) rules. This Policy also provides a consistent process for awarding scholarships.

### II. Scope

This Policy applies to all grants for scholarships for an individual to attend an educational institution when the affiliated fund advisory committee or a sub-committee thereof is involved in the selection of scholarship recipients.

This Policy does not apply to grants from an affiliated fund to an educational institution if the educational institution will select the scholarship recipient(s) in accordance with its own policies and procedures for scholarships.

Grants to individuals for charitable purposes other than scholarships are subject to other IRS restrictions and are not covered by this Policy. NCF staff should be consulted prior to considering such grants to individuals.

### III. Awarding of Scholarships

IRS rules require that scholarships be awarded on an “objective and nondiscriminatory basis”. This requires that (1) the pool of eligible recipients be large enough to constitute a “charitable class”, i.e. that there is “indefiniteness” as to who will receive the benefit; (2) the selection criteria may not result in discrimination in violation of the law; and (3) the persons involved in selecting recipients are not in a position to benefit directly or indirectly from the selection process. In order to meet these requirements, all affiliated funds granting scholarships must comply with the following:

- Grantee Pool - A scholarship fund or account may define the applicant pool by academic standards, financial need, residency, organization or field of interest, or graduation from a specific Nebraska high school(s), subject to NCF staff approval of the selection criteria. The affiliated fund should widely publicize the availability of scholarships in order to assure a broad applicant pool.
- Nondiscriminatory Selection Criteria - Using religion, race, ethnic origin, or gender as criteria for a scholarship is not allowed unless approved in advance by NCF.
- Objectivity of Selection Committee Members – Objectivity means that there is neither a real nor a perceived conflict of interest.
  - Individuals who have a family member serving on the Scholarship Selection Committee (as described below) are not eligible to be awarded a scholarship in any circumstance.

- A family member of an applicant may not serve on the Scholarship Selection Committee at all; it is not sufficient for the family member to excuse him/herself from the discussion of the related applicant or of a particular scholarship.
- Family members include the individual's, parent, grandparent, great-grandparent, sibling, spouse, child, grandchild, or great-grandchild. Step-relatives in the same relationship as the preceding sentence are considered family members for this purpose.
- The Fund Advisory Committee should avoid nominating individuals for a Scholarship Selection Committee even if they are not family members of applicants, but have other close relationships with a scholarship applicant such that others in the community might perceive a lack of objectivity.

Additional requirements for awarding scholarships include the following:

- Scholarship awards must be for study at an educational institution. An educational institution is a school, college or university which maintains a regular faculty and curriculum and has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on.
- NCF must appoint the Scholarship Selection Committee prior to the beginning of the scholarship announcement, application, and selection process in order to comply with IRS requirements.
- The Scholarship Selection Committee is responsible for widely publicizing the availability of scholarships, providing application forms to interested individuals, evaluating the applications based on the selection criteria for each scholarship and selecting recipients.

#### **IV. Scholarship Selection Committees (“SSC”)**

- Each affiliated fund that awards one or more scholarships shall have a Scholarship Selection Committee consisting of four or more individuals, at least one of whom must be a current Fund Advisory Committee member of the affiliated fund.
- To ensure compliance with the requirements for scholarships implemented by the federal law known as the Pension Protection Act of 2006 (“PPA”), no SSC may be controlled by a donor or parties related to a donor with respect to any of the scholarships to be awarded by the SSC. “Donor” shall include anyone reasonably determined by NCF to be covered by the provisions of the PPA, and shall include:
  - Family members in the case of a donor-advised fund established by such family. Pursuant to the PPA, this definition of family member is broader than that in Section III above.
  - Family members of a deceased individual in the case of a memorial fund.
  - Members of a professional or alumni group which sponsors a scholarship.
  - Employees of a corporation in the case of a fund established by the corporation.
  - To ensure that a SSC is not controlled by a donor, less than 50% of the membership of the SSC may be a donor, family or employees of the donor, or individuals who serve in an advisory capacity to the donor, with respect to any scholarship to be awarded by such SSC.
- Annually, on a schedule to be determined by NCF, each Fund Advisory Committee shall nominate individuals to participate on the Fund’s Scholarship Selection Committee. As stated in Section III above, a person who will have a family member apply for a scholarship may not serve on the SSC.

- Annually, NCF will appoint the Scholarship Selection Committee for each affiliated fund. While the nominations made by the Fund Advisory Committee will be taken into account, NCF in its sole discretion will select the SSC members.

#### **V. Scholarship Fund and Award Minimums**

- A minimum of \$25,000 in initial contributions is required to establish a scholarship fund or account.
- The minimum amount of an annual scholarship award to any one recipient is \$500. NCF encourages affiliated funds to award scholarships in larger amounts in recognition of the high cost of education.

#### **VI. Procedures for Payment of Scholarship Awards**

- The SSC must complete a Scholarship Reporting Form for each scholarship awarded.
- The Scholarship Reporting Form, along with a Disbursement Request Form, should be submitted to NCF when payment of the scholarship is to be made.
- NCF, in accordance with the law, must retain final responsibility for all distributions. Accordingly, NCF may not approve a selection made by the SSC if the information on the Scholarship Reporting Form or other information known to NCF indicates that the recipient was not selected on an objective and nondiscriminatory basis or the award is not consistent with the purposes of the fund or account from which the scholarship is to be paid.
- Payment will be made to the educational institution for the benefit of the student, not directly to the scholarship recipient.
- Scholarship awards of \$2,000 or less will be paid to the educational institution in a single installment. Scholarships of more than \$2,000 may be paid in one or two installments at the discretion of the fund advisory committee.

It is intended that this Policy be in compliance with all IRS requirements for scholarship awards. Additional procedures beyond those stated herein may be put into place in order to meet such requirements.