



Awarding SIU Foundation Scholarship Funds

Updated By: Kimberly Hawk
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Overview

The Southern Illinois University Foundation (Foundation) solicits, holds, and distributes private support for the benefit of Southern Illinois University (University), its students and community. Donors can restrict their gift to benefit a certain purpose, such as scholarships. Donors can further restrict their gift to benefit students meeting certain criteria.

This document is to assist the budget officer in awarding scholarships within the donor restrictions documented in the gift agreement. Donor gift agreements are legally binding contracts between the Foundation and the donor. Currently the gift agreements are titled Administrative Provisions.

Role of Scholarship Committees

Since the Foundation is a separate entity from the University, it does not have access to a student's educational records which include items such as GPA and class status. The Foundation has delegated the selection of the scholarship recipient to University staff. As part of the donor agreement, the donor may have designated a certain selection committee. The budget officer is to work with the committee in the awarding process. This committee must consider the amount available for the scholarship, the timing of scholarship, and the donor's restrictions in regard to recipient qualifications and award amount limitations. **The budget officer will be required to document the name of every person responsible for the scholarship selection and attach them to the voucher.**

Role of the Budget Officer

Since the donor gift agreements are legal documents, the Foundation takes its fiduciary role very seriously. If it is determined a budget officer is not following the donor restriction criteria, they will lose their delegated fiduciary role as budget officer and will be asked to use other funds to reimburse the scholarship fund for any misappropriated expenditures. Once the role of budget officer has been revoked, the re-instatement process must include a request from the Dean, Provost, or division head to re-instate the staff member, and the staff member must attend both a budget officer training session and a scholarship compliance training session. 100% of this staff member's scholarship vouchers will be subjected to a full audit for the period of one year to ensure they are following procedures.

As part of the stewardship of the private gift, the budget officer must also provide information to the students to assist them in providing a "thank you" for this philanthropic support. Student scholarship payments are not disbursed until the scholarship voucher can be matched to the corresponding thank you letter.

During the Spring semester, the Foundation will request justification from each unit regarding any scholarship not awarded for the past academic year and the reason why it was not awarded. A record will be kept of those scholarships, and if after two consecutive full fiscal years the scholarship has not been awarded, the Foundation and Dean will review the criteria and determine what needs to be done to be able to award the scholarship in the future.

Step 1 - Determining Funds Available:

The Spend Cash report has the account information sorted by department. Due to the timing of the award, the budget officer should consider either the Ending Cash balance (cash balance as of the report or "To" date) or the Projected July 1 balance (Ending Cash balance plus Projected July 1 Transfer from Endowment). The Foundation's Executive Committee usually approves the projected spending distribution mid-February. Once the spending distribution is approved, the balances will be posted and the Budget Officer Coordinator will notify the budget officers.

Step 2 - Determine Donor Restrictions/Criteria

The report containing the criteria for the scholarship is the Restrictions and Stipulations report which provides all pertinent donor restriction included in the donor agreement.

Donors may request or have a preference of certain criteria the student should possess in order to be selected to receive the scholarship. Common criteria are:

- A. Declared major in a certain college
- B. Declared major in a certain department
- C. Financial need
- D. Student is from a certain high school or is a permanent resident in a certain location
- E. Student's class standing
- F. Student GPA at the time of awarding
- G. Student maintains a certain GPA
- H. Student essay

The account below has 5 donor stipulations:

Restrictions and Stipulations:

The [REDACTED] will be open to all applicants with the following qualifications, regardless of race, color, religion, sex, national origin, disability, age or veteran status: 1. Must have declared major in the College of Business. 2. Must be a southern Illinois student who graduated from a high school in Jackson or Williamson counties. Community college students are eligible as long as the high school AND the community college are both located in Jackson and/or Williamson counties. 3. Must demonstrate financial need with preference given to a deserving student who is working or plans to work to help pay for college expenses. 4. The applicant must submit an essay that addresses his or her financial situation in regard to paying for college. 5. The recipient or recipients may apply for renewal for additional semesters as long as he/she maintains enrollment status as a student

Common criteria definitions

All scholarship recipients must meet any specified criteria at the time of their selection.

- Full time student – as defined by the Office of the Registrar, currently 12 hours for ANY semester, including Summer
- GPA – Unless otherwise specifically defined within the donor restrictions, if criteria only state "GPA of X" then GPA will be a student's most recently completed semester's SIU cumulative average at the time of the award process. If the scholarship is renewable, the GPA will be the most recently completed semester's SIU cumulative average at the time of renewal.

- Class Standing – sophomore, junior, or senior standing as defined by the Office of the Registrar. (Current minimums: Sophomore – 26 hours, Junior – 56 hours, senior – 86 hours)
- Financial Need – student budget minus expected family contribution. This can only be obtained via written verification from the Financial Aid Office. This is a federally defined and regulated term. Financial need cannot be verified or demonstrated by any entity other than the SIU Financial Aid Office.
- Academic Good Standing– as defined by the Office of the Registrar
- Preference criteria - should be considered if applicants are tied in all required criteria.

FOR THE ANNUAL AUDIT OF SCHOLARSHIP VOUCHERS, THE BUDGET OFFICER MUST ATTACH DOCUMENTATION THE STUDENT HAS MEET ALL CRITERIA. THIS INFORMATION SHOULD BE OBTAINED FROM BANNER OR ANOTHER *AUDITABLE* SOURCE. A STATEMENT “ATTESTING” THAT THE RECIPIENT IS ELIGIBLE IS *NOT* CONSIDERED TO BE FROM AN AUDITABLE SOURCE. SEE ANNUAL AUDIT SECTION.

Step 3 – Determine the Selection Committee

Please notice the selection committee information is located in the “Selection” section of the Restrictions and Stipulations report.

Selection:

The selection of the recipient(s) of the [REDACTED] Scholarship will be made by the Scholarship Selection Committee of Southern Illinois University Carbondale College of Business. The Committee will be responsible for notifying the recipient(s) and the Foundation in order that the student or students may receive their stipends in a timely manner. Award letters for the [REDACTED] Scholarship shall carry the names of the honorees of this award in such manner that the recipient(s) will understand the source of the funds awarded.

The majority of the scholarships are awarded by a committee of the University, College or Department or a certain University Staff member by position like the example above. However, the donor may indicate an individual or group of individuals such as below.

Selection:

Recipient shall be selected by a committee consisting of two staff members from the SIUC College of Business and one senior staff member from the First National Bank and Trust Company.

The budget officer **must coordinate the organization of the selection committee as indicated in the agreement** to award the scholarship. The budget officer is to make an effort to contact the named individual(s) and convene a committee meeting which includes the named individual(s). If the budget officer needs assistance in contacting the named individual(s), please seek assistance from the Foundation. If an individual specifically indicates they are no longer interested in participating or are not available to participate or the individual no longer has the

capacity to participate, the budget officer may document that the individual has declined to or cannot participate and convene the group and award the scholarship without their participation.

The budget officer will be required to document the person(s) responsible for the scholarship selection and attach them to the voucher.

Step 4 – Determine the Timing and Payment Dates of the Award

Information about the timing of the scholarship may be located either in the Stipend section or in the restriction section of the Restrictions and Stipulations report.

Stipend:

The Scholarship(s) will be applied toward tuition and will be awarded on an annual basis and paid in two installments - once for fall and once for spring.

Restrictions and Stipulations:

The [REDACTED] Scholarship will be open to all applicants with the following qualifications, regardless of race, color, religion, sex, national origin, disability, age or veteran status: 1. Must have declared major in the College of Business. 2. Must be a southern Illinois student who graduated from a high school in Jackson or Williamson counties. Community college students are eligible as long as the high school AND the community college are both located in Jackson and/or Williamson counties. 3. Must demonstrate financial need with preference given to a deserving student who is working or plans to work to help pay for college expenses. 4. The applicant must submit an essay that addresses his or her financial situation in regard to paying for college. 5. The recipient or recipients may apply for renewal for additional semesters as long as he/she maintains enrollment status as a student.

A majority of the scholarship recipients are selected in the spring for upcoming academic year's fall/spring semesters. The student's situation can change during this delay. A student could have changed their major or decided to take a break from the University. How to handle these situations is usually indicated in the Cancellation section.

Cancellation:

A recipient or recipients will forfeit their scholarship upon changing to a major course of study outside those described in these Administrative Provisions or upon withdrawal from Southern Illinois University Carbondale. The Selection Committee may then re-award the remaining funds or add them to the scholarship funds for the next academic year.

Older accounts may not have provided this guidance. The above cancellation statement is the Foundation's basic default policy. If a student no longer meets the criteria in which the restrictions and stipulation section indicate should be "maintained" then the student will forfeit the scholarship, and the committee must re-award the scholarship for the given semester.

Step 5 – Determine the Amount of the Award

The scholarship may have a restriction for the dollar amount. These restrictions can usually be found in the Stipend Section. If there is no amount restriction, the budget officer will determine the award amount, taking into consideration the cash balance available for the academic year.

Stipend:

Scholarships in the amount of \$250 will be awarded on an annual basis.

Step 6 – Complete the Scholarship Voucher

The Scholarship Voucher and its instructions are located on the Foundation’s website at www.siuf.org. Click on “Intranet” link at the bottom right of the page, then on the “Scholarship Administration” link for all of the Foundation’s scholarship forms and information. The Scholarship Voucher and Scholarship Voucher Instructions also appear in the “Forms” section on this web site.

Highlights to remember when completing the scholarship voucher:

1. Complete page 1. Your Acrobat program will automatically complete pages 2, 3, & 4.
2. Print all 4 pages, obtain budget officer signature, and make a copy to retain in your office.
3. Adhere to the deadlines for each of the three scholarship payout dates.
4. Complete all of the contact information fields.
5. Do NOT attach/include blank pages, cash balance reports or restrictions/stipulations reports.
6. Complete every field in the Student Information Box.
 - a. FULL student name
 - b. NEVER nicknames
 - c. Correct spelling of student name
 - d. Dawg Tag
 - e. Verify citizenship and mark voucher appropriately
 - f. Attach CSV if recipient is not a U.S. citizen
 - g. YEAR means calendar year
 - h. Future payments are NOT created by noting them on the right side of the voucher.
 - i. Future payments can only be processed by a separate voucher.
7. Correctly indicate the Foundation account name and number. (NOT 110xxxx.)
8. All answers must be provided in the Verification Box at the bottom of the voucher.
 - a. All named awards must be paid directly from the named fund for that award if a named fund exists for that award. If the cash balance is not sufficient for the award, a transfer may be requested. A departmental/activities fund may transfer the amount of the deficit into the named fund to bring up the cash balance to the amount of the award. Departmental activities funds may not be used on a voucher if a named fund exists, even in the absence of cash in the named fund.
 - b. The hours exception may only be granted for funds which do not require the recipient to be a full-time student.
 - c. Thank you letters should be written to the donor and mailed to the Donor Relations Office at 1235 Douglas Drive, Mail Code 6805.
 - d. Awards cannot post to the student’s bursar account until the thank you letter is received by the Donor Relations Office.
 - e. Cumulative award amounts for an account cannot exceed that account’s cash balance.
 - f. Proof of eligibility of the student must be attached to the voucher. If the Qualification

Verification screen from Academic Works is attached, no other proof of eligibility is required. Every scholarship voucher must include documentation proving eligibility of the recipient for EVERY item listed as a requirement in the stipulations. This documentation must come from Banner or another AUDITABLE source. A statement “attesting” that the recipient is eligible is NOT considered an auditable source.
g. The NAME(S) of the person(s) selecting the recipient must be attached to the voucher.

9. Each page of the voucher and documentation attached should be printed on one side of the paper.
10. The voucher should be bound by a paperclip, not a staple.
11. The voucher should be in the following order: page one, page two, documentation, committee list.
12. Do not mail page three or four to the Foundation.
13. There should be no documentation outside of the paperclip securing the voucher.
14. All copies needed for multiple vouchers should be made and attached prior to submission.
15. Pages one, two, and attached documentation should be mailed to the Foundation at Mail Code 6805.
16. Page three should be mailed to Financial Aid at Mail Code 4702.
17. Page four may be printed to assist the student with the thank you process.

OTHER INFORMATION

History of Prior Recipients and Activity

You may run the Scholarship Recipients report to review all scholarship activity for a given account. Information in the report would include student name, payment date, and more. If a payment is listed in this report, then that payment has been submitted to the Financial Aid Office. If a listed payment has not yet appeared on a student’s bursar account, please contact the Financial Aid Office. The Foundation will be unable to comment on what the posting issues may be in another office on campus.

Thank You Process

An important responsibility of the budget officer is to have the recipient “thank” the individual(s) designated by the donor(s) to receive the “thank you” letter or note. All thank you notes must be submitted to the Donor Relations Office at the SIU Foundation. A sample memo to the student recipient follows:

Request For Thank You Text:

This scholarship opportunity was made possible by the generosity of our donor(s). We ask that you please write a letter of appreciation to the donor(s), thanking them for their generous donation. We ask that you share a little about yourself and how this scholarship will impact you.

The letter of appreciation should be addressed to the donor and can be submitted via online form or email at our website: siuf.org/students/thank-your-donor.php.

The funds for this award will not be released to your Statement of Account until the thank you note has been received at the SIU Foundation Office.

Foundation policy is that all scholarship recipients must thank the donors, or other designee, for each award they receive.

Random Audit of Scholarship Selection

The Foundation will conduct a random audit of scholarship payments. At the time a scholarship voucher is received, the Foundation Accounts Payable Staff will review the voucher to make sure all fields have been completed, to make sure that all “yes” or “no” answers are in compliance with fund stipulations, and to make sure that attachments are included for items 5 and 6 on the voucher. The Foundation will then conduct an ongoing “full” audit of a sample percentage of the scholarship payments. In the full audit, the attachments included for items 5 and 6 are further reviewed item by item to verify that each detail of the stipulations has been satisfied by the documentation provided. This audit will be to determine if the budget officers awarding Foundation scholarships are following the criteria to be used when selecting recipients as identified by the original signors. Prior to posting scholarship payments for each day, the scholarship entries will be captured by a report that will randomly sort them. The first entry on the report, then every 20th entry will be flagged for full audit by an automated counter in the financial database. This ensures that a minimum of 5% of the scholarship entries per day will be audited for content. During the “full” audit, compliance to every fund stipulation must be confirmed, demonstrated by the documentation attached to the scholarship voucher. If the voucher is found to lack sufficient documentation, that entry is coded to reflect that the voucher was submitted without providing all required evidence that the student met the criteria of the award. The voucher preparer will be contacted and given the opportunity to submit the required documentation. If no documentation exists, the award cannot be paid. If documentation is provided, the entry will post with an error code. By June 30, a report generated by the error code will be presented to the CEO regarding the findings of the scholarship selection audit for the ending fiscal year. Further analysis may be done to identify any department submitting an excessive number of scholarship vouchers found to be missing the required documentation.

FAQ

When do I need to send the scholarship voucher for payment?

Vouchers to be paid (the first and second pages of the voucher) should be received by the Foundation Accounts Payable Office **one month** in advance of each of the annual semester payout dates. This allows the Foundation enough time to perform the preliminary auditing process required for each voucher and to verify receipt of the thank you letter.

- Vouchers for the up-coming **Spring** semester are paid on December 1st, submit by **November 1st**.
- Vouchers for the up-coming **Summer** semester are paid on April 1st, submit by **March 1st**.
- Vouchers for the up-coming **Fall** semester are paid on July 1st, submit by **June 1st**.

A voucher for a current or past semester may be submitted any time and will normally be paid within a couple of days after being received by the Foundation. Scholarship vouchers may be submitted for past semesters given the student met the enrollment criteria required by the fund stipulations during the given semester.

PLEASE NOTE: The Financial Aid Office deadline for submitting estimates is different than the Foundation deadline for vouchers. Estimates (the third page of the voucher) should be submitted to the Financial Aid Office by March 1st of each year for all three upcoming semesters, Summer, Fall, and Spring. The portion of the voucher to be processed for payment (pages 1 and 2) may be forwarded to the Foundation at the same time the estimate is sent to the Financial Aid Office, but it is not required at that time. If the vouchers are forwarded to the Foundation in advance of the payout dates listed above, they will be pre-audited and held until the appropriate payout date.

What if the criteria are too restrictive?

The Foundation, **not the donor**, has the ability to modify the criteria. There are several laws and regulations regarding donor restrictions. To request a review of the criteria, please contact the CFO of the SIU Foundation. Provide the reason why the criteria makes it impossible to award. Examples include: discontinued program, change in selection committee, and new federal or state regulations. Requiring the student to submit an essay or complete an application are not reasons for change.

What is the significance of a full-time student and the hours exception field on the scholarship voucher?

Some funds have the donor-specified restriction of “full time student.” This means that no part-time student is eligible. A scholarship payment for a part-time student is automatically canceled and refunded to the Foundation. To provide for exceptions to the automatic refund process, often for graduating seniors in their final semester, the Foundation offers an “hours exception” in the bottom portion of the scholarship voucher. When a fund does not require a full-time student, this field may be utilized at the discretion of the budget officer. HOWEVER, for funds requiring a full-time student, this field must be marked “no,” as an exception for a part-time student would never be in compliance with the stipulations of the fund. The exception allowing a part-time student to receive the award may only be granted from a fund allowing for part-time recipients.

If the restrictions for a fund require a full-time recipient, that recipient must be a full-time student all the way to the final day of the semester. The full-time status of a student at the time the voucher is prepared is irrelevant because that status can change during the semester. If the student is registered full-time, there is no negative consequence for that student by selecting

“no” for the hours exception field. If the student is NOT registered full-time, he/she is not eligible for an award from a fund requiring full-time status.

What must I include with the scholarship voucher?

In order to comply with the audit of the scholarship payments, the budget officer must attach verification they followed donor restrictions. (Please see steps 2 and 3 above and the Scholarship Voucher Instructions document.) The Qualification Verification screen from Academic Works is the simplest and most accurate way to capture all proof of eligibility. Many of the criteria may also be supported by screens printed from the Student Information system. For example, region of origin may be supported by a screen from Banner listing the home address of the student. If there is a question about which Banner screen should be used to support given criteria, the department or faculty member should speak with the scholarship coordinator within that individual college. Documentation proving eligibility should come from an AUDITABLE source, and the retrieval of the documentation should be easily re-created by an auditor. A statement “attesting” to the fact that the recipient is eligible is NOT considered to be from an auditable source and is NOT sufficient documentation. For instance, “I, Professor XYZ, promise that the recipient met the GPA, hometown, and essay requirements for this fund.” Such statements were discovered to have been falsified in the past and can no longer be accepted as “fact” or as “proof.” Statements from faculty or other SIU employees supporting the eligibility of a scholarship recipient may only be accepted when providing insight into **non-quantifiable** criteria such as “attitude” or “potential.” If the fund requires an essay, a copy of the essay must be attached to the scholarship voucher. If the fund requires an application, the completed application must be attached to the voucher. If the fund requires letters of recommendation, those letters must be attached to the voucher. If the fund requires a departmental nomination, that nomination must be attached to the voucher. The documentation attached to the scholarship voucher should include everything the selection committee had/viewed to determine that the recipient was eligible when making the selection.

The budget officer will be required to document the person(s) responsible for the scholarship selection and attach them to the voucher. The budget officer may verify the committee members by attaching a list of names of those selecting the recipient. (Please see page 2 of the Scholarship Voucher Instructions document.)

What if the fund does not have a large enough cash balance to make the required/committed payment?

All named awards must be paid directly from the named fund for that award if a named fund exists for that award. If the cash balance of the named fund is not sufficient for the award, a transfer may be requested. A departmental activities fund or another non-restrictive fund may transfer money into the named fund to bring the cash balance up to the amount needed for the award(s). The scholarship payment should NOT be made from the departmental fund. The named scholarship should only be made from the named fund. Departmental funds should only pay scholarships when there is no named fund corresponding to the award.

How do I get training on the Foundation's accounting systems?

Jenny Miller is currently responsible for all System Viewer Web Maintenance. You may contact her at jennymi@foundation.siu.edu or (618) 453-4905.

Where are the forms located?

All of our forms are located on our website. Select the INTRANET button at the bottom right of the home page and then click on the "Forms" link. Scholarship forms and documents can be accessed by clicking on the "Scholarship Administration" link on the page brought up by clicking on the INTRANET link.

For further questions please contact:

1. Kimberly Hawk, completing/compiling scholarship vouchers and associated documents
kimberh@foundation.siu.edu
(618) 453-4920
2. Mecca White, all questions at the School of Medicine
meccaw@foundation.siu.edu
(217) 545-8024
3. Leslie Bousquet, assist with account balance and activity information
leslieb@foundation.siu.edu
(618) 453-4643