



POLICY STATEMENT 106 ADMINISTRATION OF SCHOLARSHIP, FELLOWSHIP AND EXEMPTION PROGRAMS

POLICY DIGEST

Monitoring Unit: Office of Enrollment Management
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I. PURPOSE

This policy statement offers guidance to university personnel concerning their responsibilities for administering scholarship, fellowship, and exemption programs (*awards*). The university strives to utilize awards to attract and retain students with exceptional academic ability, leadership skills, unique talents, and diverse perspectives that further the university's mission and strategic goals. These resources motivate students to strive for reaching and maintaining their academic goals and help to provide access to students who demonstrate financial need. These awards are provided to students without requiring them to provide a service in return.

Public confidence in university stewardship of these resources is achieved when the highest ethical standards of impartiality and fairness are maintained through all stages of processing awards and when internal controls operate effectively. The internal control structures for awards depend heavily on a dean or director's appointment and supervision of the selection committee members and independent reconcilers. Individuals assigned duties related to administration of awards must effectively carry out their responsibilities according to the provisions in this policy.

II. DEFINITIONS

Award: cash or an exemption from paying tuition or fees given to a student in recognition of their performance or financial status; reduces the calculated financial need within a student's total cost of attendance amount

Authorizing Documentation: the documentation which establishes the rules and criteria for making the award and is signed by the authorizing party, such as a donor, and LSU

Cash: a type of award payment which is given to a student by crediting their account at the university; the cash award may be the value of tuition or fees or a fixed amount

Exemption: a type of award payment which allows the recipient to not pay all or some portion of an assessed tuition or fee; the value of an exemption cannot exceed the value of the assessed tuition or fee

Fellowship: a type of cash award primarily given for academic excellence on a competitive basis; typically not a salary or a wage, because no services are required of the student in order to receive the award; the award represents support to the student as opposed to compensation for services; fellowship awards may be considered taxable income by the Internal Revenue Service

Independent Reconciler: the responsible party who ensures the funds expended are appropriate in terms of amount and are awarded to the correct recipient(s); this person should not have access to the awarding system nor should he or she be on the selection committee

Scholarship: a type of award which may be disbursed as either a cash award or an exemption of tuition or fees; made to support a student's education; given for academic excellence on the basis of need or other criteria as specified in the authorizing documents

Selection Committee: the responsible parties designated to select students to receive a scholarship based on criteria defined in the originating documents, as amended, for the award

Tuition: a charge to students for instructional services that may be assessed per term, per course, or per credit; does not include student activity or special user fees, non-resident fees, special course fees, and fees for other services

III. GENERAL POLICY

All parties involved in the administration of scholarships and exemption programs must adhere to the following:

- A. Award programs must be approved by proper authorities.
- B. Documentation of proper approvals of each new award program must be submitted to the university offices designated to establish the infrastructure for processing awards.
- C. Criteria must be established for initial and continuing eligibility that is consistent with the authorizing documentation.
- D. The term or duration of an award must be clearly defined and consistent with the authorizing documentation.
- E. The dean or director must assign at least two full-time LSU employees to the selection committee unless the award's authorizing documentation specifically allows otherwise.
- F. Donors may not name recipients or participate in any part of the selection process for any scholarship fund to which they contributed or established.
- G. An independent reconciler of the university's accounts must be assigned and supervised by the dean or director to perform reconciliations on a timely basis.

IV. PROCEDURES

A. Approval by Proper Authorities

Awards funded from institutional resources are subject to approval by the Louisiana Legislature, the Louisiana Board of Regents, the LSU Board of Supervisors, or other designated authorities. Awards made from private sources, such as funding by donors, are coordinated with and approved by the LSU Foundation, the LSU Alumni Association, the Tiger Athletic Foundation, or other private entities.

All awards, regardless of the source of funds, must follow the procedures outlined in this policy statement. Proposals for any new award program using institutional funding must be routed by the dean through the Office of Enrollment Management for approval by the Office of Academic Affairs, in consultation with the Office of Finance & Administrative Services. The Office of Academic Affairs will submit the final proposal, if necessary, to the Board of Supervisors through the President. Awards made from sponsored agreements are approved by federal, state, or private sponsors.

B. Documentation of Proper Approvals

Once the appropriate approvals have been received, a university account for the scholarship can be requested. Depending on the source of funding, all documentation supporting the approved award program must be submitted as follows:

Submit approved documentation (i.e. AS498 form) to:

- the Office of Budget & Planning if utilizing unrestricted or auxiliary funds
- the Office of Sponsored Program Accounting for sponsored agreements
- the Financial Accounting & Reporting staff in the Office of Accounting Services if utilizing non-sponsored agreement restricted funds

Submit approved documentation (i.e. AS509 form) to:

- The Financial Accounting & Reporting Staff in the Office of Accounting Services for endowed scholarships

Submit additional approved documentation (i.e. AS492 form) to:

- the LSU Foundation to establish an account for awards through the LSU Foundation

These offices will then route the award program documentation to the Office of Enrollment Management which will notify the department once the award has been fully established.

C. Eligibility Criteria

Initial eligibility criteria are those standards that each recipient must meet to initially qualify for an award. Continuing eligibility criteria are those standards that each recipient must meet on a continuing basis to retain the award for subsequent semesters.

Documentation of student traits or characteristics, such as leadership, citizenship, and participation in extracurricular activities, may be collected on an award application form, which may list activities, organizations in which the student held office, and other pertinent information. Students may be asked for letters of recommendation from instructors, professors, teachers, counselors, and others, or they may be asked to write an essay. Additional data may be collected utilizing the university's student records system. Self-reported student data can be used in determining student eligibility.

Documentation of financial need may include completion of the Free Application for Federal

Student Aid (FAFSA) available through the Office of Enrollment Management or data collected on an application where, for example, the student attests to personal income, family income, household size, and other relevant information descriptive of the student's base of financial support.

Documentation of eligibility must be retained for all award recipients for three years, or longer if specified by a sponsored agreement, following the fiscal year in which the award was made and will be subject to audit review. For all eligibility criteria, appropriate documentation must be reviewed by the selection committee and retained. Where compliance with the eligibility criteria is already on file in central university databases, such as grade point averages, the electronic record is sufficient. It is not necessary to create paper documents from these databases when the electronic version is properly secured and available for review.

Each award's authorizing documentation must be kept on file within the department or administrative unit and referenced during awarding.

D. Term, Duration, and Value of Award

Award recipients must be advised of the duration for which they can expect to continue receiving an award, subject to their meeting the continuing eligibility criteria and to the availability of funds. Students must also be advised if they can expect to receive the award in a summer semester. No commitments to future awards can be made unless funding is secured. Concerning the value of exemptions, those funded through unrestricted funds typically include only *tuition* and exclude required fees. All awards must have an appeal process for loss of the award due to extenuating circumstances. Originating documentation, including any amendments and award letters, must include the duration for which a student is eligible to receive the funding. In general, awards are offered for a maximum of eight semesters. Extensions may be considered for approved five-year degree programs.

E. Selection Committee

Scholarship awarding requires the use of a selection committee unless the process is automated based on established, defined criteria, leaving it free of biases. The committee must include at least two full-time employees unless the award terms specifically allow otherwise (e.g. faculty-selected awards for students in a specific course). Each committee member, including those who may not be LSU faculty or staff, must abide by Family Educational Rights & Privacy Act (FERPA) guidelines and regulations. The dean or director typically serves in an oversight role, which includes appointing and instructing selection committee members and ensuring that established directives are followed. All scholarships must be awarded based on criteria listed in the originating documentation, as amended. The dean or director may serve on the selection committee as one of its members. Documentation of members comprising the selection committee must be kept with the awarding support documents. It is recommended that scholarships are awarded following the timeline put forth in consultation with the Office of Academic Affairs.

F. Review and Reconciliation of University Accounts

Reconciliation of the university's financial award accounts involves reviewing transactions that appear on the university account to determine if those transactions are accurate and whether they are supported by proper documentation, including the written approval of the selection committee members. Reconcilers must be trained to identify and resolve inconsistencies on a timely basis.

Should the reconciler find any irregularity, internal auditors must be advised immediately.

Good faith efforts must be made to ensure independence in the reconciliation process. Reconciliations are considered independent when performed by an employee who has no other responsibility or access associated with evaluating applicants for eligibility or processing awards. The minimum requirements of reconciliation involve validating recipient eligibility and contract award amounts, verifying the appropriateness of expenditure funding, and confirming compliance with university policies. Reconciliation must occur at minimum once per semester, and all supporting documentation must be kept on file for audit purposes.

G. Private Donations

University personnel who seek private donations to fund awards should be aware that there are constraints on how these funds may be accepted and used. Every reasonable effort should be made to honor a donor's request for making an award.

Appropriate award restrictions may include academic merit, special talents, financial need, and other characteristics consistent with the university's mission and goals. Donations should not be accepted that are based solely on such factors as age, disability, gender, marital status, national origin, race, religion, sexual orientation, or veteran's status. Pursuant to Sec. III. G. of this policy, a donor may not name recipients nor participate in the selection process.

University personnel who intend to seek donations for awards must obtain approval of the language for the proposed restrictions from the Office of Academic Affairs or the LSU Foundation, as applicable.

H. Budget Considerations

Award programs are administratively and fiscally managed by various administrative units as appropriate.

Before awards are made, it is the responsibility of each awarding authority to assure adequate funding is available within the appropriate award accounts. A budget for each award program must be kept and managed by the department or authorizing agent.