

## CHRISTIAN EDUCATION SCHOLARSHIP POLICY

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### A. Purpose

The Richland Lutheran Church (RLC) Christian Education Scholarship was created from the balance(s) of all previous scholarship accounts, ongoing gifts and memorials. The purpose of the RLC Christian Education Scholarship is to provide financial assistance to RLC's congregation members who have been in good standing for at least two years with post-secondary education expenses from an eligible educational institution and are candidates for degrees in Christian studies that are theological, biblical, and/or ministerial which will assist recipients in advancing God's Kingdom. (Ref. Addendum – IRS Publication 970, chapter 1, pg. 5-6).

### B. Administration

The RLC Christian Education Scholarship is administered by a committee of three members commissioned by Congregation Council. Members of the Scholarship Fund Committee will have staggered 3-year terms.

The Scholarship Fund Committee's activities will include:

1) Define funding, develop a sustainable budget, and determine the number of and amount of scholarships to be offered, annually.

- The scholarship(s) shall be distributed from the earnings of the invested funds.
- Inform/educate members of the congregation as to the ongoing needs for contributions/memorials to the scholarship account.
- Submit a financial report to the council, annually.
- At the time of the financial report, the committee will recommend the number of scholarships to be awarded and amount for the following year for Council approval.

2) Define the application and evaluation criteria.

- Write and annually review an application form for the RLC Christian Education Scholarship.
  - a) To be included on the application will be an essay as to how the applicant's course of study will assist/equip the applicant for Christian service which will advance God's Kingdom.
  - b) The Committee may take "need" into consideration in their application criteria.
  - c) Recipients may be awarded scholarships for multiple years, not to exceed four years.

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d) Any applicant(s) who does not meet the established criteria and who the Committee wishes to consider for award will be referred to the Congregation Council along with the Committee's rationale.

3) Administer scholarship selection and follow-up with recipients.

- Advertise/ promote the annual scholarship.
- Annually review applications and conduct interviews before prayerfully selecting a recipient(s).
- Scholarship(s) will be awarded annually on or about December 1 and payment will be made directly to the education institution in the name of the scholarship recipient(s). In years when there are no eligible applicants, no award will be made.
- Create, annually review, and use a "follow-up" procedure to "check on" recipients.

### Memorial Acknowledgements:

**A. Bruce Higley Scholarship:** a scholarship established by Kathy Higley in memory of her husband, Bruce, who had a lifelong passion for and career in science and engineering.

**B. Grimsrud Lutheran Scholarship:** a scholarship established by Richland Lutheran Church with gifts made in memory of Pastor Milton and Solvig Grimsrud, and a previous Lutheran Educational Aid Fund (LEAF) balance.

**C. Grimsrud Christian Seminary Scholarship:** a scholarship established by Richland Lutheran Church.

**D. Gary Lucke Memorial Scholarship:** a scholarship established by Nancy and Daryl Lucke in memory of their son, Gary, who was killed in an automobile accident while a student at Washington State University.

**E. Mark Black Award:** a leadership and financial award established in memory of Mark Black who was killed in the Vietnam War.

**F. Richland Lutheran Church Grant:** an educational grant established by Richland Lutheran Church.

**G. Ruth Smith/Mary Jane O'Black Loan Fund:** a loan established from the Smith and O'Black memorials to provide no-interest loans to applicants.

**ADDENDUM**

**Scholarships and Fellowship Grants (IRS Pub. 970, Chapter 1, pg. 5-6)**

A scholarship is generally an amount paid or allowed to, or for the benefit of, a student (whether an undergraduate or a graduate) at an educational institution to aid in the pursuit of his or her studies. A fellowship grant is generally an amount paid for the benefit of an individual to aid in the pursuit of study or research.

**Amount of Scholarship or Fellowship Grant**

The amount of a scholarship or fellowship grant includes the following:

- The value of contributed services and accommodations. This includes such services and accommodations as room (lodging), board (meals), laundry service, and similar services or accommodations that are received by an individual as a part of a scholarship or fellowship grant.
- The amount of tuition, matriculation, and other fees that are paid for or remitted to the student to aid the student in pursuing study or research.
- Any amount received in the nature of a family allowance as a part of a scholarship or fellowship grant.

**Tax-Free Scholarships and Fellowship Grants**

A scholarship or fellowship grant is tax free (excludable from gross income) only if you are a candidate for a degree at an eligible educational institution.

You may be able to increase the combined value of an education credit and certain educational assistance if the student includes some or all of the educational assistance in income in the year it is received. See examples in coordination with Pell grants and other scholarships in Chapter 2 and Chapter 3.

A scholarship or fellowship grant is tax free only to the extent:

- It doesn't exceed your qualified education expenses;
- It isn't designated or earmarked for other purposes (such as room and board), and doesn't require (by its terms) that it can't be used for qualified education expenses; and
- It doesn't represent payment for teaching, research, or other services required as a condition for receiving the scholarship. For exceptions, see Payment for Services, later.

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Use Worksheet 1-1 to figure the amount of a scholarship or fellowship grant you can exclude from gross income.

### **Candidate for a Degree**

You are a candidate for a degree if you:

Attend a primary or secondary school or are pursuing a degree at a college or university; or

Attend an educational institution that:

Provides a program that is acceptable for full credit toward a bachelor's or higher degree, or offers a program of training to prepare students for gainful employment in a recognized occupation; and

Is authorized under federal or state law to provide such a program and is accredited by a nationally recognized accreditation agency.

### **Eligible Educational Institution**

An eligible educational institution is one whose primary function is the presentation of formal instruction and that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where it carries on its educational activities.

### **Congregational Council Disclosure:**

RLC is a congregation of Christ followers who are making disciples who Worship, Grow, Serve, and Steward. In light of our mission/vision and to better ensure its fulfillment, the Congregation Council believes financial assistance should be offered only to those who are seeking post-secondary education in Christian studies. Such faith-based education will help to instill core values that are biblical and better prepare students for Christian ministry with sound theological education and practical ministry training.

In the process of combining the funds from all previous scholarship accounts, ongoing gifts and memorials, best efforts were made to contact and receive approval from the donors.