

Bellora Scholarship Fund Administration Plan (updated June 12, 2019)

The Grace Church of Harmony Bellora Memorial Scholarship fund established in June 2013 at Grace Church of Harmony is a closed fund (no additional contributions toward it will be accepted) that will be administered to expire after 15 years - 2028.

The funds will be invested in an annuity that will return for distribution an amount of money each year until 2028. The distribution from the annuity may vary from year to year. The treasurer of Grace Church of Harmony will monitor the annuity and report its status annually to the congregation. The Trustees may recommend changes to the annuity and to this administration plan for implementation after due consideration by and a majority vote of the full consistory.

Distributions from the fund will be administered by the Trustees. The Trustees shall be the senior pastor or one of his associates, a current officer of consistory, and two members in good standing of Grace Church, appointed by the Consistory. Except for the pastor, members of the Trustee board will be appointed to one year terms and may serve up to two consecutive years. Consistory will establish a means to stagger membership such that the Trustee board will always be populated with at least two members with prior experience. Trustees may be removed by a majority vote of Consistory for cause.

Scholarships shall be awarded for tuition expenses at colleges, community colleges, technical, and trade schools. Graduate level awards are confined to seminaries. Students may apply for scholarships for a total of four (4) academic years except for students pursuing a divinity degree who may apply for an additional four (4) years. Scholarship payments will be made directly to the institutions. An award may not exceed a current academic year's tuition cost and may not be applied to subsequent years.

An applicant must be an active member in good standing of Grace Church of Harmony who has been a regular attender for the 12 months prior to applying. An applicant must present to the Trustees (deliver to the Church Office in a sealed envelope labeled "Bellora Scholarship Application"):

1. A letter of application per Attachment A
2. A letter of good standing from one of the pastors for each application cycle per Attachment B. (Note: The applicant should give attachment B to one of the pastors. The pastor will then forward the completed attachment directly to the Bellora Scholarship Trustees.)
3. Evidence of their previous year's grade total demonstrating a minimum point average of 2.5 on a scale of 4.0.
4. A completed income declaration form (Attachment C)

Awards: The Trustees will communicate clearly to the members of Grace Church each spring the opening of another scholarship year. Completed application packages will be accepted by the Trustees up to **June 1st**. The trustees will notify Consistory of awards for inclusion in the July Consistory minutes.

Scholarships will be granted to all students who meet the defined criteria and who present a completed application package based on financial need by the requested deadline.

Awards will be a proportional amount based on three tiers of combined income per attachment C.

Tier 1 - combined applicant and parents' taxable income \$0- \$65,000 in the previous tax year.

Tier 2 - combined applicant and parents' taxable income \$65,001 - \$115,000 in the previous tax year.

Tier 3 - combined applicant and parents' taxable income \$115,001 - \$165,000 in the previous tax year.

No award available for combined applicant and parent's taxable income above \$165,000

The Trustees will then evaluate the applications and the applicant's Tier position and determine the amount to be awarded to each. The Trustees may reject an application based on factors other than need. The pastor member of the Trustees will report the rejection to the Executive Committee of the Consistory.

The Trustees will distribute all monies delivered by the annuity each year. The award by tier will vary each year depending on the number of applicants and their position on the tier bracket. Tier 1 awards will always be two times the amount of a Tier 2 award and four times the amount of a Tier 3 award per Attachment D

Example:

If the funds to be distributed are \$22,000 and there are 18 Applicants - 7 in Tier 1 , 8 in Tier 2, and 3 in Tier 3,
The calculation is:

$$\begin{aligned} X &= \text{Tier 1 award amount} \\ 22,000 &= 7*X + 8*(0.5X) + 3*(0.25X) \\ 22,000 &= 12X \\ \text{Tier 1 award} &= \$1,872.34 \\ \text{Tier 2 award} &= \$936.17 \\ \text{Tier 3 award} &= \$468.08 \end{aligned}$$

In the event there are no Tier 1 applicants, the trustees will apply the factor of 1 to this tier in order to establish the base award. The funds allocated to this imaginary applicant will be distributed equally to the entire pool.

In no case may any applicant(s) receive a scholarship that exceeds \$7,500 in a single year. In the event that this rule is applied and there are undistributed funds, the treasurer is instructed to hold such funds and add them to the subsequent year's distribution.

In years 6 and 11, the Trustees will review the income Tier levels and determine if any adjustments are appropriate.

Students must reapply each year in order for the Trustees to consider change in need.

Attachment A

Applicant _____

Current Address _____

Phone number _____

Email address _____

Institution I will be attending _____

Address _____
(treasurer's office that will receive funds)

Student ID number if available _____

Major course of study _____

Grade point average for my last academic year. _____
(High School or College)

Tuition for the upcoming academic year _____

This is my _____ year of application for a Bellora scholarship
(1st, 2nd etc)

Statement describing attendance and involvement with Grace Church of Harmony or other Christian based activities if your circumstances prevent regular attendance at Grace Church. Please include contact information.

Attachment B - Pastor's letter of good standing

Note: Applicant is to provide Attachment B to one of the pastors. The pastors will then forward the completed form directly to the Bellora Scholarship trustees.

To: GCOH Bellora Memorial Scholarship Trustees

Date _____

I have examined the record of _____ and find that:

_____ meets membership, and participation qualification of 12 months minimum
Y / N

_____ has attended regularly
Y / N

_____ has demonstrated active support within the limits of their circumstance
Y / N

Sincerely

Senior Pastor, Associate Pastor

Attachment C - Declaration of Tier Eligibility

Add together the 'taxable income(s)' from IRS form 1040 - line 43, IRS form 1040EZ – line 6, and/or IRS form 1040A – line27 of the applicant and both parents and check the appropriate Tier level below.

_____ Tier 1 combined taxable income \$0 - \$65,000

_____ Tier 2 combined taxable income \$65,001 - \$115,000

_____ Tier 3 combined taxable income more than \$115,000 less than \$165,000

Attachment D - provided for informational purposes only – for use by the Bellora Scholarship trustees

Awards worksheet

Total qualified applications received _____

Number of Tier 1 income applicants (a) _____

Number of Tier 2 income applicants (b) _____

Number of tier 3 income applicants (c) _____

$$(a) * X + (b) * 0.5 X + (c) * 0.25X = \$22,000 \text{ (or the total of funds to be granted)}$$

Solve equation for X

X = Tier 1 scholarship

$\frac{1}{2} X$ = Tier 2 scholarship

$\frac{1}{4} X$ = Tier 3 scholarship