

Appendix A

Chapter Scholarship Program

Effective Date: 21 October 2021
Updated: 17 March 2022

1. **PURPOSE:** To establish a procedure for the startup, operation, and reporting requirements of the AOC Educational Foundation Scholarship Program, hereafter referred to as "Scholarship Program" for AOC Chapters.
2. **APPLICABILITY:** This procedure applies to establishing the criteria, reporting, and limitations of the Scholarship Program and describes the responsibilities of the AOC Educational Foundation, hereafter referred to as Foundation to support the chapters.
3. **OBJECTIVE:** The objectives of the Scholarship Program are to:
 - A. Assist in the education of students in engineering and the hard sciences, who are likely to pursue careers in electronic defense and related professions.
 - B. Support member national interest by encouraging students to enter the science and engineering fields.
 - C. Create greater awareness in the educational sector for electronic defense.
 - D. Promote member interest in chapter activities through fundraising and administration of the Scholarship Program.
4. **PROCEDURES:** The Scholarship Program operates through local chapters with the Foundation providing guidance and financial support for the initial program startup. An individual chapter may establish a scholarship/assistance program. The program must fulfill the IRS nonprofit, tax-exempt status of the Foundation and be approved by the Board of Governors of the Foundation. The procedures to organize and administer a Chapter Scholarship Program are set forth in the following paragraphs:
 - A. Establishing and maintaining a Chapter Scholarship Program.
 1. The chapter establishes its scholarship program to meet the goals of the chapter and the needs of the chapter's area. The chapter must pattern its program and procedures along the lines of those approved previously by the IRS and in compliance with the "Validation Criteria" below.
 2. The chapter shall submit a formal request for approval of its scholarship program to the Director of Membership Operations who will then submit it to the Governance Committee on the AOC Board of Governors for approval. Governance will then submit it to the Board of Governors for approval at their next meeting. . The request shall include a full description of its program, a certification that its program complies with the foundation procedure, and a copy of the program's application forms, guides, and other material.
 3. The chapter may activate the program and initiate funding prior to the Foundation Board of Governors approval but will not disburse funds under the program until the Foundation's office has formally notified the chapter of approval.
 4. The chapter Foundation must establish a bank account, separate from regular chapter operations, for all of its scholarship transactions. The chapter shall not transfer Scholarship funding to another account. The chapter shall maintain a record of all transactions for possible future audits. Educational Foundation

funds may be used for scholarships/grants and items directly related to the execution/maintenance of the scholarship and foundation accounts (i.e. scholarship dinners for the recipients, awards/plaques, fundraising events, flyers/brochures advertising the scholarship etc).

5. By 31 January of each year, the chapter shall provide a report to the Foundation containing a summary of funds received and disbursed during the preceding 12-month period including the names and college/university or high school of each recipient and the amount of the award. The report will clearly separate disbursements between loans and grants and identify funds received from the Foundation. In addition, the report shall contain a forecast of the total awards planned by the chapter in the following year.
 6. The Foundation will request that the AOC award a free, one-year membership to each recipient of a scholarship loan or grant. In those instances where the chapter's program includes multi-year awards, the chapter will advise the Foundation to adjust membership accordingly.
 7. Fundraising for support of the chapter's program must comply with IRS regulations and paragraph B – Validation Criteria, below. The chapter shall contact the Foundation for inquiries on compliance.
 8. To maintain an active status, chapters must certify, by letter, each year that they have fulfilled the requirements of the AEF by-laws and AEF chapter by-laws. The chapter shall submit a letter with the report of funds received and dispersed during the preceding 12-month period before 31 January each year.
 9. Chapter officers have a fiduciary responsibility to the Association regarding chapter funds. Chapter scholarship programs of inactive chapters must return funds to the AEF.
- B. Validation Criteria. In order to satisfy the IRS, all Chapter Scholarship Programs must comply with the following validation criteria:
1. Academic excellence or financial need shall be the primary selection criteria of applicants.
 2. An unbiased and independent body that does not consist of members of the chapter shall review applications for grants.
 3. The Foundation HQ will provide an application template upon creation of the Chapter Foundation to ensure the application is nondiscriminatory and is consistent across all Foundation scholarship programs.
 4. Selection of applicants and awards shall be on a nondiscriminatory basis without consideration of race, color, religion, sex, or national origin.
 5. An unbiased and independent body that does not consist of members of the chapter shall select grant recipients.
 6. The chapter will award funds only after the designated recipient is enrolled at an accredited college or university.
 7. The chapter scholarship procedures, including application guides and application forms, shall be available to the public.

5. **RECORDS:** The Foundation and each chapter must maintain a record of contributors for a minimum of five years. These records may be required to certify to the Internal Revenue Service that specific donors did, in fact, donate specific amounts of money to a charitable 501(c)(3) organization.