



AOC Educational Foundation

OpMan 32 – Chapter Scholarship Program

Effective Date: 21 October 2021

Updated: 17 March 2022

Draft: 31 July 2025

PURPOSE: To establish procedures for chapters that wish to create and manage their own scholarship programs under the AOC Educational Foundation, ensuring compliance with IRS regulations (U.S. Chapters) and alignment with AEF objectives.

RESPONSIBILITY: Chapters are responsible for establishing their own scholarship criteria, raising funds to support their awards, and ensuring their program aligns with the AOC Educational Foundation's nonprofit status.

KEY REQUIREMENTS:

1. Program Establishment & Approval:

- Chapters may develop scholarship programs tailored to the needs of their region.
- A formal request must be submitted to the Director of Member and Chapter Operations, including program details, confirmation of IRS compliance, and application materials. Once the Director of Member and Chapter Operations has reviewed the request, it will be sent to the Director of Operations, AOC Foundation for confirmation.
- Chapters may fundraise and begin administrative setup prior to approval but may not disburse funds until official approval is granted by the Director of Operations, AOC Foundation and the chapter's EIN has been confirmed by the Director of Member and Chapter Operations.

2. Financial Management:

- A separate bank account must be created for the scholarship program.
- Funds must be used only for scholarships and directly related expenses (e.g., award plaques, marketing materials, scholarship dinners).
- All transactions must be documented and maintained for audit purposes.

3. Annual IRS Reporting Requirement for US Chapters Only:

- By March 31 each year, chapters must submit a financial report to the AOC Educational Foundation on the previous year's activities, including:
 - Funds raised and disbursed
 - Recipient names and institutions
 - Amount and type of award (grant or loan)



AOC Educational Foundation

- Chapters must also certify that they continue to meet the Foundation's bylaw requirements.
- Inactive chapter programs must return all unused scholarship funds to the AOC Educational Foundation (Chapter Sustainment).

4. **Selection & Compliance Criteria:**

- Scholarships must be awarded based on academic excellence or financial need.
- An independent, unbiased body (not chapter members) must review applications and select recipients.
- The AOC Educational Foundation will provide standardized, nondiscriminatory application templates.
- Recipients must be enrolled at an accredited college or university before funds are released.
- Chapter programs must be publicly accessible and compliant with federal nondiscrimination laws.