Tips for Creating a Scholarship Fund

Establishing a scholarship fund is a great way to financially support your members and further the honor society's mission and vision. Below are several steps you should consider before starting your scholarship fund.

1 **Determine the purpose (or reason) for awarding the scholarship. Examples:**

- Recognize members who have excelled in the field of study.
- Provide financial support for professional development or training.

2 **Determine the criteria for the scholarship fund.**

Your scholarship can be awarded based on merit, such as academic achievement, leadership skills, or community involvement. The criteria for awarding the scholarship should be objective and nondiscriminatory. Thereby, making you selection based on the most deserving member. Note: you will need to check with state, federal and IRS guidelines to make sure your scholarship fund program adheres to all legal requirements.

3 **Determine how the scholarship program will be funded.**

There are many options to consider when determining how to fund your scholarship program. Here are a couple examples:

- Ear mark a percentage of your budget to go toward the scholarship program.
- Use contribution money from individuals, grants, or other organizations

Once again, don't forget to check your local and state laws regarding the receipt of money to your organization. Check out the Harbor Compliance website for more information about fundraising in your state.

4 **Determine who will administrate the scholarship program and how often funds will be awarded.**

You'll need to appoint an administrator or committee to oversee the scholarship program. The administrator (or committee) will need to determine when and how often the awards will be made within the fiscal year. Additionally, the administrator will establish a deadline date for application submission.

5 **Create the scholarship application (online or paper).**

While many organizations are requiring online application submission there are pros and cons for each option.

Pros: Ease and convenience - member don't' need to worry about spending money on postage to submit the application.
The online application process makes it easy for the applicant to review and correct errors.

Cons: Security – Sending personal information online can be risky if the submission portal does not have the proper security protocol.

6 Award the scholarship.

You'll need to determine how the funds will be awarded, for example, direct deposit or paper check.