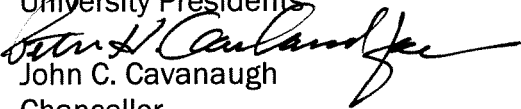


Office of the Chancellor | Dixon University Center | 2986 North Second Street | Harrisburg, PA 17110-1201  
717-720-4000 | www.passhe.edu

## Memorandum

### Via Electronic Mail

**TO:** University Presidents

**FROM:**   
John C. Cavanaugh  
Chancellor

**DATE:** April 9, 2009

**RE:** Amended Board of Governors' Policy 1996-01-A: *Sources of Funding for University Scholarships*

---

At its meeting on April 2, 2009, the Board of Governors approved the attached Board of Governors' Policy 1996-01-A: *Sources of Funding for University Scholarships*, as amended (Attachment 1). These amendments were made to provide limited flexibility for Universities to award need-based institutional scholarships to enrolled Pennsylvania students. In so doing, it eliminated the restrictions on fund sources that can be used for scholarships.

To use this policy, the Universities must have procedures in place that have been approved by the Office of the Chancellor. The procedures must address the establishment, maintenance, and administration of an institutional scholarship fund and include funding expectations, utilization guidelines, and requirements for annual reports and audits. In addition, each University's procedures must address the following:

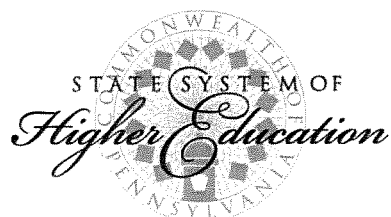
1. Since the intent of this policy revision is to allow limited flexibility as a last resource for financially needy students, its use shall be judicious.
2. Each University shall establish a limited pool of funds for this purpose. An analysis that supports the determination of the size of the pool shall be provided. Statistics on the institutional aid provided in 2007/08 and 2008/09 (estimated) in accordance with Board of Governors' Policy 1996-01-A: *Sources of Funding for University Scholarships* shall also be provided, in accordance with the attached template (Attachment 2).
3. Use of funds for scholarships for intercollegiate athletes cannot exceed the amount of University funds used for this purpose in 2008/09, unless funded by an increase in camps and conference net proceeds.

4. Continuation of scholarships is based solely upon student financial need analysis and the continued availability of funds.
5. All recipients must show satisfactory academic progress, as defined by the University and consistent with federal Title IV requirements.
6. An annual report on the distribution of these funds shall be provided.
7. The following are excluded from this program: Board of Governors' Scholar Waivers, scholarships provided by affiliated organizations, and scholarships from sources of funding that are specifically restricted for the purpose by an external source or donor.

To use institutional funds for scholarships in the 2009/10 fiscal year, please submit your University procedures to Ms. Lois M. Johnson no later than May 29, 2009. If you have any questions regarding these requirements, please contact Ms. Johnson at 717-720-4122, or via e-mail at [ljohnson@passhe.edu](mailto:ljohnson@passhe.edu).

JCC/LMJ/img  
Attachments

- c: Chief Academic Officers
- Fiscal and Administrative Vice Presidents
- Student Affairs Officers
- Financial Aid Officers
- Office of the Chancellor Executive Staff



## PA State System of Higher Education Board of Governors

---

Effective: January 18, 1996

Page 1 of 2

### **POLICY 1996-01-A: SOURCES OF FUNDING FOR UNIVERSITY SCHOLARSHIPS**

See Also:

Adopted: January 18, 1996  
Amended: April 2, 2009

---

#### **A. Purpose**

To provide limited flexibility for universities to award need-based institutional scholarships to enrolled Pennsylvania students. This policy does not apply to scholarships supported by restricted funding sources.

#### **B. Definitions**

- **Need-based institutional scholarships**—university provided financial assistance to a student, for the purpose of undertaking for-credit course work not, to exceed the full cost of attendance less other grant awards. Scholarship eligibility is based upon an analysis of financial need, to include information reported in the Free Application for Federal Student Aid (FAFSA).

#### **C. Administration**

1. Scholarships may be granted to students who meet the following criteria:
  - a. domiciled in Pennsylvania;
  - b. has completed the FAFSA for the award year; and,
  - c. has demonstrated financial need.
2. Scholarships administered as a result of this policy must meet the following criteria:
  - a. awards are based upon student financial need;
  - b. awards are “last dollar;” all other gift aid sources must be used prior to awarding an institutional scholarship; and,
  - c. the total financial aid awarded to a student cannot exceed the cost of attendance.

3. To use this policy, presidents must develop university procedures for establishing and maintaining an institutional scholarship fund and its administration. University procedures must include funding expectations, utilization guidelines, and requirements for annual reports and audits. University procedures must be submitted to the chancellor for approval.
4. Nothing herein shall be deemed to govern the awarding of scholarships that are based on sources of funding which are specifically restricted for that purpose by an external source or donor.

**Pennsylvania State System of Higher Education**  
**Use of Miscellaneous Educational and General Funding Sources for Institutional Scholarships\***  
*(Insert rows as needed)*

Fund Source	2007/08 Awards		2008/09 Awards	
	Number	Total Dollars	Number	Total Dollars
Unrestricted gifts				
Unrestricted endowment income				
Corporate sponsorship				
Camp/conference revenue				
football				
soccer				
baseball				
softball				
basketball				
field hockey				
other (specify):				
_____				
_____				
_____				
Total camp/conference revenue	-	-	-	-
Other similar event revenue (specify):				
_____				
_____				
_____				
Other sources, as approved (specify):				
_____				
_____				
_____				
_____				
<b>Grand Total</b>	-	-	-	-

\*As specified in Board of Governors' Policy 1996-01-A: *Sources of Funding for University Scholarships*, as in effect January 18, 1996–April 1, 2009.