



PIPELINERS CLUB OF OKLAHOMA CITY SCHOLARSHIP POLICY

Effective Date: September 10, 2015 Revised: March 8, 2023

1.0 PURPOSE

- 1.1. Formation. Pipeliners Club of Oklahoma City (hereinafter referred to as the "Corporation") has adopted this policy to establish a uniform method for soliciting students, acquiring applications, selecting scholarship recipients, and maintaining records in accordance with requirements and guidelines set forth by the IRS.
- 1.2. Authority. The Scholarship Committee has been authorized by the Board of Directors of the Corporation (the "Board") to develop scholarship policies and procedures to be approved by the Board. The Scholarship Committee will consist of a minimum of three (3) Members in good standing. The Scholarship Committee will appoint a Member in good standing to be a Scholarship Specialist whose duty will be to aid the Scholarship Committee in administering this Scholarship Policy.

2.0 SCOPE

- 2.1. Corporation Scholarships. This policy applies only to scholarships awarded under the Corporation's scholarship program where the Scholarship Committee has complete decision-making authority to award scholarships. There may be one or more types of scholarships based on the funds available.
- 2.2. Decision Making Authority. Any scholarship award decision made by the Scholarship Committee will be final. The Scholarship Committee's decision-making authority will be reported on Form 990 and contemporaneous minutes shall be taken at all meetings of the Scholarship Committee and maintained with the corporate records.
- 2.3. Membership Year. January 1 to December 31 (aka calendar year).

3.0 POLICY

- 3.1. General. To receive a scholarship, an applicant must be a full-time student attending a qualified educational institution. In addition, if the qualified educational institution is a vocational/trade school, the applicant must be pursuing an industry related certification.

Scholarship award eligibility shall be limited to the Corporation's Members in good standing or a relative of a Member in good standing. For purposes of this Scholarship Policy, to be in good standing, a Member must have:

- 3.1.1. Paid membership dues for a minimum of two membership years including the current year and one year preceding the filing of a scholarship application.
- 3.1.2. Attend at least 50% of club meetings and participate in or volunteer for at least 1 fundraising event in the previous and current membership year.
- 3.1.3. When a family has multiple club members, scholarships are awarded per family, not per member.



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- 3.1.4. Allocation of funds will be based on student's relationship to member and limited to:
- Tier 1: Member, spouse, children
 - Tier 2: Grandchildren
 - Tier 3: Niece/Nephew
- 3.2. Public Announcements and Applications. Notice of the availability of scholarships will be placed on the Corporation's website.
- 3.3. Application Process. Scholarship applications will be made available online. Incomplete applications will not be reviewed. Changes in applications must be approved by the Scholarship Committee.
- 3.4. Personal Information. The Scholarship Specialist will remove all personal information from all completed applications to ensure the identity of the applicants remains anonymous.
- 3.5. Committee. Individuals with subject matter expertise who are not on the Board but are a Member in good standing of the Corporation may be members of the committee in addition to the three (3) Members in good standing on the committee. The Scholarship Specialist shall not be a member of the Committee.
- 3.6. Review and Selection Process. The Scholarship Committee will review the applications provided by the Scholarship Specialist and select the scholarship recipients.
- 3.7. Choice of Educational Institution and Use of Funds. Scholarship awards will only be tax free to the recipient if the recipient is a candidate for a degree at an eligible education institution and uses the scholarship award to pay qualified education expenses. Therefore, scholarships will only be awarded to students attending an education institution listed on the Department of Education's Accreditation database and where the scholarship award will only be used for qualified education expenses such as tuition, fees, and course-related expenses such as books, supplies and equipment.
- 3.8. Records. Records will be maintained in accordance with *Revenue Ruling 56-304, 1956-2 C.B. 306*. Such requirements are set forth below under Procedures.
- 3.9. Control of Funds. Treasury Regulations and the Internal Revenue Service through Revenue Rulings provide rules and regulations which must be met by the Corporation. when giving scholarship awards and aid for the Corporation to maintain tax exempt status.
- 3.10. Obligation to provide Scholarship. Awards will be based on merit and/or need. The Corporation is under no obligation to award any scholarship in any given year; however, scholarships may not be withheld for the sole purpose of growing the assets of the Corporation.



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- 3.11. Minimum Balance. The corpus of the Scholarship Fund shall be maintained at a minimum of \$5,000.00

4.0 PROCEDURE

The following procedures will be utilized in awarding scholarships:

- 4.1. Applications. The Scholarship Committee will appoint a Specialist to manage the application process up to providing the applications to the Scholarship Committee for review.
- 4.1.1. Public Announcements and Applications. The Scholarship Specialist will direct applicants to the Corporation's website to acquire applications.
- 4.1.2. Due Diligence. Each application received will be reviewed by the Scholarship Specialist to ensure the application is complete. The Scholarship Specialist may research any issue where the Scholarship Committee may need or want additional information or where there may be a question as to the validity of the information.
- 4.1.3. Personal Information. The Scholarship Specialist will remove all personal information from each completed application and assign each completed application a number. The application number will be utilized in the screening, review, and selection process to ensure the identity of the applicant is concealed.
- 4.2. Review and Selection by Scholarship Committee. The Scholarship Committee shall be responsible for reviewing applications as provided by the Scholarship Specialist.
- 4.2.1. Corporation Members as a Class. Scholarships may be awarded to a class in terms of being available to an open-ended group, rather than to pre-selected individuals. Therefore, the Scholarship Committee may provide scholarship awards only to members of the Corporation as a class or their respective relatives. However, other than Members of the Corporation as a class, scholarships shall be awarded in a non-discriminatory fashion.
- 4.2.2. Conflict of Interest. Conflicts of Interest are not anticipated since all personal information will be removed from the application prior to going to the Scholarship Committee. However, should any member of the committee recognize an applicant or the applicant's family by the information given in the application, such committee member will immediately notify all other committee members of the conflict and will not participate in the screening or review of any applications for that specific scholarship type. The remaining committee members will have the authority to act without the committee member with the conflict. Failure to notify the committee of a conflict will result in removal from the committee and/or the Board of Directors of the Corporation if such committee member is a Director, and/or as a Member of the Corporation
- 4.2.3. Selection Criteria. Selection criteria will include, but are not limited to the applicant's scholastic record, financial support need, and outside activities such as social, service



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organization, societies, and sports. In addition, the Scholarship Committee may request an interview with the applicant.

4.2.4. Consideration. Member/Sponsor involvement as a volunteer in Club leadership, committees or events, may have a positive impact on scholarship award amounts as determined by the Committee.

4.2.5. Notification. Scholarship recipients will be notified in writing of the committees' decisions.

4.2.6. Distribution of Funds. Scholarship funds will be sent directly to the qualified educational institution to be placed in the scholarship recipient's bursar account to be managed by the qualified educational institution to ensure funds are only spent for qualified education expenses only.

4.3. Reports. The following information will be maintained on every individual who receives a scholarship award or aid of any type from the Corporation in accordance with Revenue Ruling 56-304, 1956-2 C.B. 306. Such requirements are as follows:

4.3.1. Maintain adequate records and case histories to show:

- The name and address of each recipient of a scholarship award or aid.
- The amount of the scholarship award or aid distributed to each individual;
- The purpose for which the scholarship award or aid was given;
- The manner in which the recipient was selected and the relationship, if any, between the recipient and any Scholarship Committee Member, Director, Officers or Member of the Corporation; a grantor or substantial contributor to the Corporation or a member of the family of either; and/or, a corporation controlled by a grantor or substantial contributor, in order that any or all scholarship award or aid distributions made to individuals can be substantiated upon request by the IRS.

4.3.2. Any diversions of funds from their intended purposes will be investigated. The following actions will then be taken:

- All reasonable and appropriate steps to recover diverted funds will be taken, including but not limited to, the Treasurer contacting each college/school at the end of the first semester or first half of the year to ensure funds have been used by student. When funds are unused, request a refund / reimbursement to the Club;
- Other scholarship awards or aid already provided will be monitored to ensure they are used for their intended purpose or will be immediately recovered prior to being expended;
- Further scholarship awards or aid will be withheld until assurances are received that future diversions will not occur; and,
- Scholarship award or aid recipients will be required to sign an affidavit stating that they will take extraordinary precautions to prevent future diversions from occurring.



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4.4. Oversight of Awards. The Scholarship Specialist will be responsible for monitoring all scholarship awards, and ensure the appropriate reports are being provided by the scholarship recipient in a timely manner.

4.4.1. The Scholarship Specialist will report concerns to the Scholarship Committee. The Scholarship Specialist may request that a scholarship award be terminated by the Scholarship Committee or the Scholarship Committee may make the decision to terminate without a recommendation from the Scholarship Specialist.

Recommended by the Scholarship Committee and approved by the Pipeliners Club of Oklahoma City Board of Directors on the 10 day of September 2015.

Revisions by the Scholarship Committee approved by the Board of Directors on the 8 day of March 2023.

Signed Board President, Pat Gavula

Chandra Clark

Signed Board Secretary, Chandra Clark