



## **Timothy Scholarship Fund Guidelines**

### **Purpose**

The Timothy Scholarship Fund (TSF) was originally created by The Generosity Trust (TGT) to enable children of Chattanooga area ministry leaders to have an opportunity to receive the post high school education that they feel will enable them to grow into the man or woman God intended for them to be. It has been revised to also include a select number of additional students as well (see Eligibility below for more complete information).

The TSF addresses a number of concerns, primarily:

1. Many pastors, ministry leaders, and students training for ministry lack the financial resources to provide for post-high school education.
2. Many students incur debt to attend college.
3. Persons close to the ministry and the individual would like to help if they were made aware of the need and had a vehicle to assist.

### **Description**

The Timothy Scholarship Fund is a component fund of The Generosity Trust. When a student applies to the Trust, a committee reviews the candidate's qualifications for a scholarship. If the candidate is eligible, the committee then recommends a level of annual scholarship assistance. The committee also approves an Advocate to present this need to persons close to the family and/or the ministry. After approval by the Board of TGT, the Trust then receives contributions to that fund, and issues a tax-deductible receipt to the donor. The Trust then disburses the funds to the school for the benefit of the student.

### **Structure**

The TSF Committee is appointed by The Generosity Trust Board of Directors and meets several times each year to review applications and recommend to the TGT Board of Directors the following:

- New candidates for Timothy Scholarships;
- Annual scholarship amounts;
- Any changes in scholarship term, procedure, or policy; and
- Names of person or persons who will constitute the Development Committee to raise money for the Fund Committee. The persons on the Development Committee are known as "Advocates."

### **Eligibility**

Students may qualify for a scholarship to cover up to a maximum of 80% of their educational expenses. In order to be eligible for such a scholarship, the student must:

- Be a young man or woman of good character, and exemplify Christian morals; and
- In the opinion of the Committee, have the ability to succeed in their school of choice; and
- Be a dependent child or grandchild of a Chattanooga area pastor or ministry leader, or be a current Dora Maclellan Brown Scholar, or be a student from the Chattanooga area studying for ministry at the post-high school level; and
- Be attending, or planning to attend, a school full time; and
- Have the ability to pay for the balance of his or her education.

### **Application Process**

- Submit Application to the TSF Committee at The Generosity Trust.
- Be approved to establish a TSF with The Generosity Trust.
- Equip the Advocate with the information he or she needs to identify and notify people that may have an interest in funding the educational needs of the student.
- Fund the TSF for the amount and term approved.
- Attend the school of his or her choice, remain in good standing with the school and provide regular grade transcripts, financial statements, and a letter updating the Foundation as to his or her school involvement, successes and plans.

### **Application Document**

1) The Student Application consists of:

- Biographical information sheet,
- Letter of Testimony of faith in Jesus Christ,
- Copy of Letter of Acceptance from the school,
- An outline of expenses and anticipated funding sources (including this scholarship fund),
- Letter explaining why this scholarship fund is important to the student, and
- Student evaluation of his or her expected grade performance.

2) The Parent Application consists of:

- General information sheet--
  - ministry employment,
  - dependent status of the child,
  - financial need defined and explained
- Note: Only applicable if student is dependent upon parents for support

3) The Advocate Application consists of:

- Agreement to serve on the Development Committee of the TSF with responsibility to obtain funds to assist the student nominated;
- Abide by the development guidelines;
- Agree to report gifts, pledges, commitments to the TGT office after a gift or pledge is received; and
- Be available to answer questions regarding the TSF.

### **The Work of the Advocate**

Once a scholarship candidate has been approved, the Advocate may instruct prospective donors to direct their gifts, (cash and non-cash gifts such as marketable securities) to the TSF at The Generosity Trust, designating in writing the TSF to which the donor wishes the support directed. The Advocate informs the donor that a gift to the TSF constitutes a legal, tax-deductible gift as outlined in this document. Gifts will not be returned should the donor have a change of heart or the intended student loses his or her eligibility under the TSF guidelines. As each gift is received, TGT will send a receipt to the donor and notify the student's Advocate.

Note: Receipts for tax-deductible gifts can be issued to any donor who is not in the direct blood-line of the Timothy Scholar. In other words, gifts from parents and grandparents are not tax-deductible; gifts from uncles, aunts, cousins and siblings are tax-deductible.

TGT will maintain separate accounting for each fund and provide reports to the Advocate regarding the amount of funds designated for their fund. TGT will not advance scholarships larger than the amount that is designated for the individual fund. However, TGT will make distributions for amounts less than the total if the amount of educational expenses to be paid from the fund is less than the amount in the fund.

The TSF Committee will periodically meet and review the available scholarship funds for each TSF. Based on available funds, pledges, and commitments, the Committee will recommend to the Board of Directors an annual scholarship amount for each student. The students, school, and the Advocates will be notified in writing of the scholarship amount for that year.

Administrative costs for the TSF are partially covered by The Generosity Trust charging a 1% fee of all contributions received. TGT will also retain any interest or other earnings accumulated on gifts maintained on Fund balances.

### **Control of Funds**

The Board of The Generosity Trust is responsible for all funds received under the Timothy Scholarship Fund Program. The Board, in its discretion, may apply funds received for any particular student to the educational expense of other students if it deems such action advisable.

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