

Bovay Foundation Educator Grant Guidelines

Educator Grants are given to one teacher, per year from each county – Lamar County in Alabama, Lyon and Osage Counties in Kansas, and Chickasaw County in Mississippi – to further professional studies in the pursuit of a Master's Degree or higher.

- The Scholar must notify the foundation that he or she will accept the grant and send the foundation (a) a copy of a letter of acceptance from the college or university that he or she will attend, (b) the school's financial aid notification/award letter and (c) a completed copy of the foundation's application form.
- The Scholar must apply for grant aid from the foundation toward the uncovered amount before loans. The Bovay Foundation will review the application and notify the student of the dollar amount to be released for the school year. If a payment is made, a check in the approved amount will be sent to the institution.
- Support is limited to a maximum of \$5,000. This is the total amount to be used over the course of the academic program. Actual payments are based on the foundation's determination of eligible financial need in its application review.
- If transferring to another university following a full academic year, the Scholar must furnish the Bovay Foundation a copy of the letter of transfer acceptance from the new institution and an official transcript before June 1. If transferring at mid-term, the Scholar must furnish the above items by January 1 and instruct the university to return to the Bovay Foundation any unused portion of grant aid.

Special Circumstances

- Under special circumstances, and subject to approval by the foundation of a Scholar's written request, a reasonable break in continuous education may be allowed for pursuit of a service activity or an educational endeavor that is part of an organized program run by a recognized nonprofit organization or academic institution. Breaks to pursue employment or engage in business-oriented ventures (other than internships that earn college credit) are not allowed.
- Grant aid may be canceled at the foundation's discretion if the Scholar does not fulfill the outlined responsibilities or because of academic failure, lack of academic progress, or withdrawal for other than approved reasons or upon the request of the Scholar's college or university.
- In the event that illness or disability interrupts progress, upon written request of the Scholar that is accompanied by written verification from a physician, the foundation may approve a reasonable break in continuous education.

Taxability of Scholarships General Rules

- Scholarship funds are not considered gross income for income tax purposes if the amount is received as a qualified scholarship by an individual who is a candidate for a degree at an educational institution.
 - A "qualified scholarship" includes any amount received by an individual as

a scholarship that the individual can prove is used for qualified tuition and related expenses.

- “Qualified tuition” is tuition and fees required for enrollment or attendance at an educational institution. “Related expenses” are fees, books, supplies and equipment required for courses of instruction. Scholarship funds used for other expenses, such as room and board, must be included in gross income.
- Each Scholar is responsible for determining whether scholarship aid, in whole or in part, must be included in gross income. In other words, the Scholar is responsible for determining what portion of the scholarship payments were used for qualified tuition and related expenses.
- Scholars should contact a tax advisor for assistance or see IRS Publication 970 – Tax Benefits for Education, available on the IRS Web site at:
<http://www.irs.gov/pub/irs-pdf/p970.pdf>.