
SCHOLARSHIP PROGRAM POLICY

Sage Oak Charter Schools (“SOCS” or the “Charter School”) has adopted this policy to establish the Student Scholarship Program to support the academic goals of graduating SOCS seniors who exemplify the Sage Oak core values of service, accountability, a growth mindset, and excellence. This structured and transparent policy ensures compliance with financial and legal requirements.

Objectives and Expectations

The program is designed to:

1. Enhance educational opportunities for high school seniors.
2. Maintain compliance with IRS regulations for SOCS’s 501(c)(3) status.
3. Establish sustainable and transparent scholarship practices.

Key Policy Areas

1. Establishment and Management of the Scholarship Fund
 - a. SOCS operates as a 501(c)(3) nonprofit with federal income tax exemptions for educational purposes. The advancement of education may take the form of grants, scholarships and awards, promotion of the arts, humanities, and science, and job training.
 - b. Scholarship funds comply with IRS regulations, including Revenue Rule 77-380, permitting grants for educational advancement.
 - c. SOCS is authorized to create a donor-restricted scholarship fund with contributions specifically designated for scholarships.
 - d. Scholarship program revenue will not exceed 33% of SOCS’s total revenue to maintain tax exemption.
2. Donation Plan and Tax Compliance
 - a. Cash (check) donations will be managed by the Business Services department and deposited into a dedicated scholarship fund.
 - b. Donors will be provided with information regarding the tax-deductible nature of their contributions and how their donations align with Sage Oak’s mission.
 - c. The scholarship fund will be fully accessible and reviewed during the annual fiscal audit to ensure transparency and compliance.
 - d. All contributions will be documented with details on the type, donor, and intended use.
 - e. In-kind donations will be assessed for alignment with SOCS’s mission and nonprofit compliance.
 - f. Standardized gift-acknowledgement letters will be sent to donors in a timely manner.
3. Application and Evaluation Process
 - a. A structured application will be used to communicate clear timelines for

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- submission, review, and award notification.
- b. A selection committee of impartial committee members with no personal or financial conflict will evaluate applicants using a defined rubric to ensure fairness.
- c. Periodic evaluations will be done to enhance application and selection processes to ensure continuous improvement of the program.
- 4. Scholarship Criteria and Allocation
 - a. A selection process will be used to make awards through an impartial, transparent process detailed for each award.
 - b. A financial model will be used to support the long-term impact of gifts, whereby gifts that exceed the amounts identified for annual awards will roll over to future fiscal periods. The scholarship fund will not make awards in amounts greater than the sum of the amounts gifted.
- 5. Outreach and Collaboration
 - a. SOCS's Community Outreach department will build partnerships and increase visibility for the scholarship program.
 - b. The Community Outreach department will take strategic initiatives to raise donor awareness and promote program engagement.
 - c. The Community Outreach department will use collaboration involving principals, academic staff, and external stakeholders to identify candidates and refine goals.
 - d. The Community Outreach department will solicit donations from vendors, community members, and other benefactors for donations to the program.

Implementation and Oversight

- 1. The SOCS Superintendent or designee oversees implementation, donor relations, and compliance tracking.
- 2. An annual report to the Board may include updates on program performance, donor engagement, and financial status.

Review and Amendment

The SOCS Board of Directors will review this policy periodically to reflect program growth, legal updates, and organizational priorities.