

The Raindrop of Dallas Education Scholarship Program (RESP) Guidelines

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1. Background

The Raindrop of Dallas (Raindrop Foundation) is a nonprofit foundation focusing on using community service to target the elimination of poverty, ignorance, and conflicts. The foundation is operated exclusively for scientific, charitable, cultural, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any subsequent federal revenue law (the “Code”), including, but not limited to, the making of gifts and grants in a manner consistent with the requirements for organizations described in Section 501(c)(3) of the Code, and to conduct, accomplish, and carry on its objectives, functions, and purposes or any part thereof set forth in the governing documents of the Corporation as amended from time to time, within or outside the State of Texas.

In line with this philosophy, supporters of Raindrop Foundation often donate money to Raindrop Foundation to be used for Raindrop Foundation’s scholarships and mentoring activities, and recipients of the scholarships often contribute their own time and energy towards Raindrop Foundation’s mentoring activities for younger members of the community.

2. Proposal: Internalize the Scholarship Program and Separate it from the Mentoring Program

To address these potential issues, it was recommended taking two significant structural steps.

2.1. Internalize the Scholarship Program

First, Raindrop Foundation should formalize the scholarship program by converting it from a collaboration with individual supporters to an internal project funded by those same supporters but implemented and overseen directly by Raindrop Foundation. Like any other internal project, Raindrop Foundation would raise the funds necessary to pay for the scholarships it wishes to award, and would award scholarships according to a process that satisfies the IRS requirements. In most respects, accomplishing this probably would not require extensive, practical changes to Raindrop Foundation’s participation, since Raindrop Foundation already plays an active role in identifying recipients, soliciting donors, and generally overseeing the program.

However, Raindrop Foundation would need to institute a more formal process specifically designed to comply with IRS rules, including collecting and maintaining documentation from scholarship recipients demonstrating the proper use of scholarship funds. Raindrop Foundation would disclose the program on *its Form 990* and would report both the income from supporters and the expenditures to award recipients.

Furthermore, Raindrop Foundation should either take sole responsibility for identifying potential scholarship recipients, or establish a committee, all of the members of which are appointed by Raindrop Foundation Board, and which does not include any individual donors to that scholarship fund or relatives of such donors. If Raindrop Foundation plans to include a donor who provided funds on the selection committee, then it will need to follow more stringent requirements in awarding and monitoring the scholarships which will require more detailed legal advice.¹

This approach would enable donors to take a deduction (if desired) for their support of the program. If properly implemented, it could also allow recipients to avoid paying tax on the scholarship payments they receive. Finally, it would allow Raindrop Foundation to properly reflect its role with the program on its tax filings, protecting both Raindrop Foundation and the program from potential criticism from detractors.

2.2. Separate the Scholarship Program from the Mentoring Program

The link between the two programs at least potentially threatens the integrity of the scholarship program by inviting the IRS to consider whether the scholarship recipients are actually being paid to provide mentoring services to Raindrop Foundation.

Raindrop Foundation can reduce this risk by eliminating from the scholarship program any obligation for recipients to serve as a mentor. Scholarship recipients may still be recruited, on a strictly voluntary basis, to give back to the community, to the extent that they wish, by mentoring younger community members. Since Raindrop Foundation already has a separate mentoring program, it could integrate scholarship recipients who voluntarily choose to participate into that program on the same terms as other volunteer mentors who are not scholarship recipients.

While it will be important to maintain the voluntary nature of involvement in the mentoring program, many Raindrop Foundation scholarship recipients may voluntarily participate in the mentoring program, even without any obligation to do so, since Raindrop Foundation chooses scholarship recipients based at least in part on their dedication to volunteering, including its core pillar of community service. Raindrop Foundation's messaging to scholarship recipients can also clearly communicate: (1) that community service is an important component of Raindrop Foundation and the educational community that the scholarship recipients are joining; (2) that one way for scholarship recipients to share their intellectual talents with the community is for them to devote time and energy to supporting the community; but (3) that participation in the mentoring program is strictly voluntary and is not a condition of the scholarship. Some may opt out, but the increased integrity and safety of the scholarship program may well be a worthwhile trade-off.

¹ The participation of donors on the selection committee could cause the scholarship program to fall within rules governing "donor advised funds", which are beyond the scope of this memorandum. For now, we recommend that Raindrop Foundation ensure that the program will not be subject to those rules.

3. Scholarship overview

Awarding scholarships to further the education of students is a charitable purpose, because it advances education. However, the pool of potentially eligible recipients must be sufficiently large to constitute a “charitable class.” The scholarship cannot be targeted to specific individuals, however deserving, or to a narrow and closed group of candidates. The charitable class may be fairly small, as long as the identities of the individual beneficiaries remain indefinite. Scholarships cannot be targeted in a manner that serves private interests; for example, recipients cannot be limited to members of a single family.

- a) Scholarship awards may be taxable or non-taxable to the recipient, depending on use of the funds and the conditions attached to the scholarship.
- b) Scholarship awards for tuition, fees, books, supplies and equipment required for enrollment, attendance or instruction at an educational institution² (i.e., “qualified tuition and related expenses”) are generally non-taxable for federal income tax purposes.³
- c) Scholarship awards for all other purposes, such as room, board, travel and miscellaneous expenses, are taxable.⁴
- d) Compensatory scholarships—i.e., scholarship that are conditioned upon the performance of services (e.g., working for the provider during or after the scholarship period, working for a third party determined by the provider, or working in a specific location determined by the provider)—are taxable, regardless of the use of funds.⁵

² An “educational institution,” for this purpose, is a organization that normally maintains a regular faculty and curriculum and normally has a regularly enrolled study body in attendance at the place where its educational activities are regularly carried on. See Sections 117(a) and 170(b)(1)(a)(ii) of the Internal Revenue Code (“I.R.C.”).

³ I.R.C. § 117(a) and (b).

⁴ I.R.C. § 117(a) and (b).

⁵ I.R.C. § 117(c). However, some scholarships are subject to conditions or limitations that will not be considered “services” for this purpose. For example, a law school scholarship program that required recipients to agree to work in a lower-income setting for a fixed number of years upon graduation did not represent payment for services, largely because the requirement the recipients had a lot of latitude in deciding where to work. Priv. Let. Rul. 9526020. Similarly, a scholarship program that required a certain amount of community service by recipients did not represent payment for services, because recipients were free to choose the organization for which they would perform the service, and recipients were not required to work for or under the direction of the provider. Priv. Let. Rul. 9645021.

The fact that a scholarship is taxable, however, does not necessarily mean that it must be reported by the scholarship provider. Whether the scholarship provider must report a taxable scholarship award as income to the IRS or the student, and withhold taxes from the scholarship payments, depends both on the taxable nature of the scholarship payment (compensatory or not) and whether the student is a U.S. or foreign student.

A “foreign student” for this purpose is any person who is not either a U.S. citizen or resident alien. Resident aliens include:

- a) Lawful permanent residents of the U.S. (i.e., a person who holds a green card);
and
- b) Persons that have a substantial presence in the U.S. (i.e., at least 183 days during the current and preceding two years and at least 31 days during the current year). There is an exception to the substantial presence test for students who are temporarily present in the U.S. under a F, M, J or Q visa, which means these students will be considered foreign students.⁶

An organization may generally rely on a student’s withholding certificate--i.e., an IRS Form W-8Ben or Form 8233 (for foreign students) or an IRS Form W-9 (for U.S. students)--to determine their status. So it’s advisable to seek a withholding certificate from scholarship recipients whenever possible.

3.1 Scholarship Guidelines

These scholarship guidelines have been adopted by Raindrop Foundation to facilitate compliance with federal tax law governing charitable scholarship programs. These guidelines include specific practices to promote compliance with the following requirements:

- All awards must be given for charitable purposes.
- Recipients must be members of a sufficiently broad and indefinite “charitable class.” Scholarship funds cannot be established to benefit pre-selected individuals.
- Scholarship recipients will be chosen by a scholarship selection committee. All members of the committee will be appointed by Raindrop Foundation.
- Raindrop Foundation must broadly disseminate eligibility requirements, application procedures and deadlines for each scholarship, to enable any eligible student to apply.
- Raindrop Foundation’s Board of Directors must approve, in advance, the eligibility requirements for each scholarship, as well as the selection process and evaluation criteria to be used to choose recipients. The process will require each applicant to be measured against the board-approved selection criteria and will

⁶ I.R.C. § 7701(b).

- also require the committee to use a selection process that takes all committee members' views into account (through voting, an aggregate of numerical rankings or a similar method).
- Raindrop Foundation will not grant scholarships to individuals if doing so presents a conflict of interest for Raindrop Foundation. Under this policy, relatives or household members of donors or selection committee members will not be eligible for awards. In addition, every member of the selection committee must disclose any close working, familial, social, or other relationship with an applicant or the parents of an applicant and must refrain from voting on that particular applicant. We require committee members to sign a statement acknowledging these requirements and committing to follow them.
 - The scholarship check will be made payable to the educational institution, restricted to the named student's account; or to the individual student's name.

4. Raindrop Foundation Scholarship Recipient Selection Procedures

4.1 Eligibility for scholarships

Eligibility for scholarships will be determined ultimately by the Raindrop Foundation Board of Directors, upon recommendation from the Committee (as defined in Section 4.4 below).

As discussed below, certain students are not eligible for awards due to conflict of interest concerns. To ensure a fair process, all applicants must adhere to the same deadlines and submit the same required application form and other application materials.

Scholarships may be reserved for applicants of a particular sex, race, ethnic background or religion, so long as such eligibility requirements do not violate public policy.

4.2 Availability of scholarship information and applications

Raindrop Foundation will take reasonable steps to make the availability of the scholarship known to students who would be eligible to apply. Application deadlines, eligibility requirements and application materials must be broadly disseminated sufficiently in advance of the application deadline to give all eligible students a chance to apply.

4.3 Educational institution requirements

Each scholarship recipient must be:

- a) A primary or secondary school student; or

- b) An undergraduate or graduate student at a college or university, pursuing studies or conducting research to meet the requirements for an academic or professional degree; or
- c) A student attending an accredited educational institution (such as a community college) that provides an educational program acceptable for full credit toward a bachelor's degree or higher; or
- d) A student attending an accredited vocational school that offers a training program to prepare students for gainful employment in a recognized occupation; or
- e) A student attending an accredited educational institution (such as language schools or TOEFL preparation schools) that can issue I20 document for international students.

Physical campus requirement. The school attended by the student must maintain a regular faculty and curriculum and normally have a regularly enrolled body of students in attendance at the place where it carries out its educational programs. Correspondence schools, or schools that operate exclusively on-line programs, are not eligible.

Accreditation. Raindrop Foundation will only offer scholarships to recipients studying in the United States. Educational institutions must be accredited by an agency recognized by the U.S. Department of Education.⁷

For profit and non-profit schools. Students attending academic or vocational schools that meet the above criteria, including accreditation, are eligible, whether the schools are for-profit or nonprofit.

4.4 Evaluation criteria

Other scholarship evaluation criteria may include, but are not limited to, the following:

- Prior academic performance.
- Performance on tests designed to measure ability and aptitude for the applicant's course of study.
- Recommendations from the applicant's instructors or others who have knowledge of his or her capabilities.
- Biographical information regarding an applicant's career, academic and other relevant experiences.
- Financial need.
- Quality of written application and any required writing samples, portfolio samples, etc.
- Evidence of artistic, scientific or other special talent relevant to the scholarship.
- Conclusions the Committee may draw from written materials or personal interviews as to the applicant's motivation, character, ability or potential.

⁷ Note to Client: We assume that Raindrop Foundation does not intend to support students studying abroad, but please let us know if this assumption is not correct.

5. Scholarship Committees

Raindrop Foundation shall maintain a scholarship committee (the “Committee”) of three or more individuals shall review all applications and recommend awards. Committee members will generally be volunteers, but staff and donors also may serve, subject to the following conditions.

5.1 Committee evaluation process

The Committee shall follow the following process to result in an objective and nondiscriminatory process for selecting the candidate(s) who best satisfy the eligibility requirements and selection criteria for the scholarship:

- The Committee shall evaluate or rank all the applicants in a consistent and fair manner using the board-approved selection criteria.
- Each Committee member shall evaluate each applicant (unless a Committee member must recuse him or herself pursuant to conflict of interest policies discussed below).
- The Committee shall have a process for aggregating the individual evaluations to take the view of all Committee members into account (through averaging numerical rankings, voting or a similar method).

5.2 Conflict of Interest Policy

To maintain the integrity and fairness of the scholarship program, the following conflict of interest policy will apply to the scholarship program.

5.2.1 Students who are disqualified from receiving awards

To avoid a conflict of interest, no scholarship awards may be made to:

- a) Any Committee member or any child or grandchild of (or member of the household of) a Committee member;
- b) Any Raindrop Foundation employee with authority to make discretionary decisions regarding scholarship administration⁸, their supervisors or any child or grandchild of (or member of the household of) such employee; or
- c) Any officer or director of Raindrop Foundation or any child or grandchild of (or member of the household of) such officer or director.

⁸ For example, this would include employees with authority to appoint Committee members, confirm the selection of recipients recommended by the Committee, or decide on the amount of awards within the range set by the board of directors.

5.2.2 Disclosure of close relationships and recusal from participation

A member of Committee must disclose in writing any past or current relationship with an applicant or the parents or guardians of an applicant, including working, familial, social or other relationships. Any Committee member with a close connection to an applicant must refrain from ranking or voting on that applicant or participating in any Committee deliberations regarding such application.

5.2.3 No economic benefit to donors or committee members

No member of the Committee, and no substantial donor, may receive any monetary benefit, direct or indirect, from a scholarship grant.

6. Use and Renewal of Awards

The scholarships that Raindrop Foundation will grant will have two components: Educational and Living Allowance. A student may be eligible for either or both components.

6.1 Use of Scholarships

The terms of all educational scholarships shall require the funds to be used only for (1) tuition and fees required for enrollment or attendance at an eligible institution; (2) fees, books, supplies and equipment required for courses of instruction at the institution.

The living allowance scholarships may be used for room, board, and other living expenses while enrolled at the institution. It is important to note here that living allowance scholarship will be a taxable income to the student.

Unless the board of directors approves otherwise, no part of a scholarship may be used as payment for teaching, research, mentorship or other services that the scholarship recipient is required to provide as a condition for receiving the scholarship.

6.2 Duration and Renewal of Scholarships

Unless the Board of Directors determines otherwise, all awards will be one-time scholarships. Past recipients of a scholarship may apply for additional scholarships in subsequent years, if they continue to meet eligibility requirements. If the board of directors determines that a particular scholarship shall be renewable, or made for period longer than one year, payment of awards in subsequent years will be contingent on Raindrop Foundation's receipt of adequate documentation that the student continues to meet the scholarship's eligibility criteria, including any criteria the board of directors sets for the renewal of awards.

7. Distribution and Supervision of Scholarships

7.1 Preconditions to distributions

Initial awards. Prior to distributing any scholarship, staff shall:

- Confirm from the application materials that the student meets the eligibility requirements established by the board of directors and this policy.
- Confirm that the educational institution where the student is enrolled is eligible under this policy.
- Obtain confirmation of enrollment.
- Obtain a written grant agreement from the student, which demonstrates that the student understands the terms and conditions to be eligible for and the continuation of a scholarship award.

Staff shall also obtain all required records and documentation from the Committee before scholarships are disbursed, in order for Raindrop Foundation to be able to document the fairness of the process.

Renewals. If a scholarship is renewable, then prior to distributing any subsequent year payment, staff shall work with the student and/or institution to verify eligibility for continued funding.

7.1.2 Distributions to the educational institution

If Raindrop Foundation decides to distribute the scholarship in terms of direct payment to the educational institutions, awards shall be paid to the educational institution where the student is enrolled.

The educational institution must agree to use the award for the scholarship recipient's educational expenses only while such student is enrolled at the institution. Any unused money resulting from a change in the student's enrollment status shall be refunded to Raindrop Foundation by the institution.

7.1.3 Distributions to the student directly

It is the general policy of Raindrop Foundation to distribute scholarships directly to the students. In the event that the board of directors approves a direct distribution of scholarship funds to the student, the scholarship recipient must agree in a written grant agreement to use the educational award for his or her educational expenses only while

such student is enrolled in and attending the institution to which he or she was admitted when the scholarship was awarded, to provide the reporting described in 7.2. below, and to repay any amounts that are not so used. Prior to distributing funds to a scholarship recipient, Raindrop Foundation shall verify that the recipient is not on the OFAC Specially Designated Nationals list. Awards paid directly to a student will generally be paid for the upcoming academic semester or quarter.

7.2 Supervision of scholarship awards

7.2.1 Awards paid pursuant to written agreements with institutions

If the award is paid to the educational institution and the institution has agreed to use the award to defray the recipient's expenses or to pay the funds to the recipient only while he or she is enrolled, no additional supervision of the scholarship is required.⁹

7.2.3 Awards for academic support services

If any awards are made to scholarship recipients for the student to receive any academic support services such as tutoring, mentoring and/or academic counseling, staff shall supervise such awards in the manner provided above for grants to individual students, except that reports shall generally be provided by the institution or agency that receives the funding.

7.3 Awards to residents studying in the United States

Scholarship providers are not required to report taxable or non-taxable scholarship awards to U.S. students as income, either to the IRS or the student, or to withhold taxes from the scholarship payments, so long as the scholarship is not conditioned on the performance of services.¹⁰ The federal tax laws consider it the student's sole responsibility to know what is taxable or not, and to report income accordingly on his or her personal tax returns.¹¹

Realizing, however, that most students will not know what is taxable or not, and may not even suspect that some portion of a scholarship award may be taxable, the IRS has encouraged scholarship providers to voluntarily alert recipients that at least some portion of an award may be taxable. Specifically, IRS Notice 87-31 states:

⁹ If Raindrop Foundation would like to pay scholarship funds directly to students, please seek advice of counsel and update to this portion of the memorandum.

¹⁰ IRS Notice 87-13, 1997-1 CB 475.

¹¹ IRS Notice 87-13, 1997-1 CB 475.

[T]o assist students in understanding their federal tax liabilities, it is recommended that the grantor formally advise the recipient in writing that amounts granted ... for expenses ... are taxable income, if the aggregate scholarship or fellowship amounts received by the recipient exceed tuition and fees (not including room and board) required for enrollment or attendance at the educational institution and fees, books, supplies and equipment required for courses of instruction."

Although there is no penalty for failing to provide such information to the recipients, it may nonetheless be useful and considerate to alert recipients to their potential tax responsibilities. Providers may wish to send a letter that directs students to IRS Publication 970¹² for additional information.

7.4 Awards to non-resident aliens studying in the United States

If the student is a nonresident alien studying in the United States, Raindrop Foundation would be required under IRS rules to report and withhold on any amounts that are taxable income to the recipient (e.g., funds used for any purpose other than tuition, required fees and the purchase of mandatory books and course materials).

Scholarship providers generally are not required to report and withhold taxes on non-taxable scholarships to foreign students. They are required to report and withhold taxes on taxable scholarships (both compensatory and non-compensatory).¹³ Once a provider determines the recipient is a foreign student, it must therefore take the additional step of restricting or ascertaining how the scholarship funds will be used, to determine its reporting and withholding obligations. The actual obligation to report and withhold is imposed on the "withholding agent" for the scholarship, which may be the scholarship provider itself or someone else down the chain. The withholding agent is, basically, the organization that has control over or custody of the grant funds to be paid to the foreign student or to a third person on behalf of the foreign student.¹⁴ This is generally the last person to handle the funds before they are remitted to the foreign student or a third person on behalf of a foreign student. Taxable scholarships to foreign individuals should be reported on IRS Form 1042 (to the IRS) and IRS Form 1042-S (to the student). A scholarship provider that fails to withhold the required taxes is liable for those taxes, plus interest and penalties. There are additional penalties for failure to file the required information returns. A provider should, therefore, consult with legal or tax counsel to clarify who serves as the withholding agent for the scholarship, and not simply assume that the provider is not a withholding agent. Taxable scholarships are subject to either a 14% or 30% back-up withholding rate, unless a treaty exemption applies. The 14% withholding rate applies if:

¹² <http://www.irs.gov/pub/irs-pdf/p970.pdf>

¹³ See Treas. Reg. § 1.1441-2(b)

¹⁴ See I.R.C. § 1441(a).

1. The recipient is a degree candidate (this requirement does not apply if the scholarship provider is a 501(c)(3) organization, a governmental entity or an international organization);
 2. The recipient is temporarily present in the U.S. on a F, J, M or Q visa;
 3. The scholarship is for study or research in the U.S.; and 4. The scholarship is incident to a non-taxable scholarship.¹⁵ The 30% withholding rate applies in all other cases.¹⁶
- Examples of situations in which the 30% rate might apply include:

1. the student is not a candidate for a degree,
2. the scholarship is for study or research abroad ,
3. the student is in the U.S. under a visa other than a F, J, M or Q visa.

Scholarship payments may also be subject to state withholding and reporting obligations. The provider should first determine whether the student is a resident for state income tax purposes, and if so, whether state withholding and reporting is required.

7.6 Awards conditioned on a student's performance of services

A **scholarship** conditioned on the student's performance of services or forbearance in pursuing other earned income opportunities, however, is handled much differently than a straight scholarship award. In this case, the scholarship provider must make a decision whether, under the relevant facts and tax law, the recipient is to be treated as an "employee" or as an "independent contractor," and comply accordingly with the applicable reporting and withholding requirements that go along with that relationship.¹⁷ If the recipient is to be treated as an "employee," then the scholarship provider must withhold for federal and state income tax purposes, if applicable thresholds are met, and pay and withhold for applicable payroll taxes.¹⁸ Such "wages" are also to be reported to both the recipient and the IRS on Form W-2.

If the recipient is to be treated as an "independent contractor," then such "earned income" must be reported to both the recipient and the IRS on Form 1099 if the payments exceed \$600.¹⁹ Although the scholarship provider would not be responsible for withholding or

¹⁵ I.R.C. § 1441(b).

¹⁶ I.R.C. § 1441(b).

¹⁷ See IRS Publication 1779, Independent Contractor or Employee, available at www.irs.gov/pub/irs-pub/p1779.pdf

¹⁸ Withholding for the purposes of FICA and FUTA will depend on the nature of the employment and the status of the organization. See, e.g., Prop. Treas. Reg. § 1.117-6(d)(4) and IRS Publication 15, Circular E, Employer's Tax Guide, available at www.irs.gov/pub/irs-pub/p15.pdf.

¹⁹ I.R.C. § 6041(a). Although the instructions for the Forms W-2 and 1099-MISC contemplate that payments conditioned on the performance of services will be considered employee wages, there are some circumstances under which the recipient would be considered an independent contractor, and filing of a 1099 would be appropriate. See, e.g., BERTRAND M. HARDING, JR., THE TAX LAW OF COLLEGES AND UNIVERSITIES 298 n.4 (3d ed. 2008)

payroll taxes in this situation, the recipient may have to pay estimated taxes and self-employment taxes, as well as report the payment as part of the recipient's gross income.

It is important for scholarship providers to be particularly mindful of the distinction between employee and independent contractor. **The IRS scrutinizes this type of classification, and often conducts audits around the issue.** Improper classification can mean that a scholarship provider is liable for some or all of back employment taxes and income taxes that should have been withheld and were not paid by the recipient, as well as interest and penalties. Therefore, providers should consult with legal or tax counsel prior to making the determination.

7.7 Form 990 Reporting of Scholarships by Tax-Exempt Entities

Tax-exempt scholarship providers (whether they are 501(c)(3) private foundations or public charities, or other types of tax-exempt entities, such as 501(c)(6) organizations) must report their scholarship activity to the IRS on their annual information returns, which are publicly available documents.

Public charities and other 501(c) tax-exempt entities report this information on IRS Form 990. If the provider makes more than \$5,000 in grants to individuals, it must complete Schedule I, Parts I and III. This requires disclosure of:

- a) Their procedures and records maintained for substantiating the grant amount, and the eligibility requirements and selection criteria used to award the grants
- b) Their procedures for monitoring the use of grant funds in the U.S.
- c) The type, amount and number of scholarships awarded (not individual names of recipients).²⁰

²⁰ See Form 990, Part IV Line 22, and Schedule I, Parts I and III.

8 Scholarship Application

8.1 Who Can Apply

An applicant must:

- 1) Be a college bound high school senior, or an ESL student, or a college/graduate student attending a United States accredited educational institution
- 2) Be a permanent resident, or U.S. citizen, or an eligible non-citizen

8.2 Eligibility

1. Academic Merit:
 - a. A cumulative GPA of 3.00 or higher in the U.S. for current college students
 - b. An entering freshman graduating from high school with a cumulative GPA of 3.00 or higher in the U.S.
 - c. An international entering freshman accepted to an accredited college, graduate program, or an educational institution in the U.S.
2. Adherence to Raindrop Foundation Principles
 - a. Raindrop Foundation is a social movement focused on using community service to target the elimination of poverty, ignorance, and conflicts. A fundamental value of the Raindrop Foundation is community service by devoting time and energy to supporting the community.

8.3 Application Package

1. Application form
2. Resume
3. Most recent Official Transcript or acceptance letter to an accredited educational institution in the U.S.
4. Proof of identification (driver's license, passport, or national ID card)
5. Two letters of recommendation confirming the student's compliance with the eligibility requirements

6. Any official document and/or a personal letter demonstrating the need for a financial aid

8.4 Selection Criteria

A committee consisting of at least two members of the Raindrop Foundation board and three volunteers from the community who are appointed by the Raindrop Foundation board will review each applicant's package. The committee will determine the recipients based on applicants' need and eligibility criteria. The Committee shall have a process for aggregating the individual evaluations to take the view of all Committee members into account.

8.5 Awards

RESP awards are composed of two components: Educational and Living Allowance. A student may be eligible for either or both components.

Any scholarship will be directly paid to the recipient; however, the recipient of the educational award has to provide the proof of documents showing that the recipient's educational expenses, i.e., (1) tuition and fees required for enrollment or attendance at an eligible institution; (2) fees, books, supplies and equipment required for courses of instruction at the institution; are covered.

8.6 Application Process

The application for the scholarships is open throughout the year depending on the availability of funds. In order to be considered for Raindrop Foundation Education Scholarship Program (RESP), an applicant must submit all required documents as one package to the committee. Applicants will be notified if they have been selected within 4 weeks of the date they submit their applications. The timeline for the RESP is summarized below:

Other resources:

<https://acceducate.org/about-acc/>

<https://islamicscholarshipfund.org/saba-scholarship/>