

IABA Foundation
Grant Policies and Guidelines
Adopted May 17, 2010
FEIN: 26-4499028

I. COMPLIANCE WITH FEDERAL AND STATE LAWS

In all matters concerning the expending of IABA Foundation's resources, its board of directors shall fully comply with all State and Federal regulations pertaining to public charities. Specifically this should include requirements under IRC Section 501(c)(3); prohibited transactions under IRC Section 4958, and other relevant regulations of the Internal Revenue Code of 1986.

II. THE NATURE OF IABA FOUNDATION'S GRANT BENEFITS

The purpose of IABA Foundation's grant program is to advance its mission by providing scholarships at the undergraduate and graduate levels to qualified black students who are interested in pursuing an actuarial career in order to influence the successful academic achievement, civic growth, and career development of black actuaries.

The number and magnitude of scholarships made each year will be set annually by IABA Foundation board of directors. Grants will be disbursed primarily to individual scholarship recipients who are selected on a nondiscriminatory basis in accordance with the grant application and these policies and procedures.

IABA Foundation may further provide grants to charitable, educational or scientific institutions recognized as tax-exempt under IRC 501(c)(3); as well as other, non-exempt organizations exclusively for charitable, educational or scientific purposes, as long as IABA Foundation retains proper discretion and control within the meaning of Rev. Rul. 68-489.

III. NON-DISCRIMINATION STATEMENT REGARDING GRANT APPLICATIONS

The board of directors of IABA Foundation shall make all necessary efforts to ensure that funds are awarded in furtherance of its mission stated above, and without regard to the gender, age, religion, disability, national origin, marital status, sexual preference, parental status, military discharge status or source or level of income of the potential applicants. Application forms will be made available to all who ask for them, which shall request only information pertaining to the applicant meeting IABA Foundation's eligibility requirements and charitable mission.

IV. NON-SCHOLARSHIP GRANTS

Grants may be given to any organization as described in Article II of this document, or to

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individuals for purposes in addition to qualified scholarships, as long as the use of the funds by the organization or the individual will advance the charitable purposes of IABA Foundation, and the IABA Foundation retains proper discretion and control within the meaning of Rev. Rul. 68-489.

V. ELIGIBILITY FOR SCHOLARSHIP RECIPIENTS

Individual scholarship applicants should demonstrate interests consistent with IABA Foundation's charitable purposes and illustrate that the grant money will promote those purposes through the individual's intellectual advancement. In order to be considered for a Scholarship, applicants must meet the following qualifications:

- be admitted to a college or university in the United States or Canada offering either a program in actuarial science or courses that will serve to prepare the student for an actuarial career;

For students entering or in a US college or university:

- have taken the Scholastic Aptitude Test (SAT) with a minimum math score of 600 or the ACT Assessment with a minimum math score of 28, or equivalent testing results for students outside of the USA;
- have a GPA of at least a 3.0 on a 4.0 scale, or the equivalent.

For students entering or in a Canadian college or university:

- have acceptance into a four-year university in Canada with the intent to pursue a degree in
 - actuarial science
 - mathematics or
 - Economics with a sufficient Mathematics component
- have a GPA of at least a 3.0 on a 4.0 scale, or the equivalent.

Applicants must further submit a completed scholarship application with the following supporting documents:

- two recommendation forms completed by instructors and/or advisors at the applicant's educational institution, sent directly from the educational institution;
- an official, sealed, and current transcript or transcripts sent directly from the applicant's educational institution(s), which reflect two semester's worth of grades;
- a copy of educational examination scores taken (PSAT, SAT, ACT, etc.);
- a copy of the college or university's estimation of tuition, fees, and other expenses for the

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school year;

- a Resume;
- a Personal Statement.

Additional criteria to be considered by the Scholarship Committee for the purposes of choosing between applicants, but which shall not be required for eligibility, include:

- completed calculus and probability courses;
- attempting, or having already passed, an actuarial exam;
- completing, or having completed, Validation by Educational Experience (VEE) requirements;
- proficient communication skills;
- evidence of determination and self-motivation;
- a demonstration of interest in and familiarity with the actuarial profession

The amount of each grant is in the discretion of the IABA Foundation board of directors. There are no discriminatory criteria in the grant allocation decision except as is necessary to accomplish the charitable purposes of IABA Foundation and not prohibited by law. However, no relative or employee of a board member, committee member or employee of IABA Foundation may be an applicant for a grant. Disqualified relationships include immediate family members, employees, other legal dependants.

VI. SCHOLARSHIP COMMITTEE

The board of directors of IABA Foundation shall from time to time appoint a group of three or more individuals to serve as the organization's Scholarship committee to review applications and select recipients according to the guidelines in this policy.

VII. RECORD KEEPING

IABA Foundation must provide for the strict supervision of its grants. For each recipient of grant money, IABA Foundation's Secretary, Scholarship Committee Member, or other officer must maintain adequate records that include:

- the name and address of each recipient;
- the reasons the recipient was selected;
- the method of selection;

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- the family or business relationship, if any, to people connected with the organization;
- the original application and supporting documents submitted by the applicant;
- the amount distributed to the recipient.

All relevant information shall be retained in each applicant's file for at least three years after action is taken on it.

VIII. APPLICATION AND DISBURSEMENT PROCESS

The application and disbursement process shall be completed in the following manner:

- (1) Submission of Applications. Applications shall be made on forms provided by IABA Foundation. Applications and all supporting documents shall be acknowledged as they are received, and separate files shall be opened for each applicant. Applications must be received by an annually established cutoff date to receive consideration in a given year. Determinations of awards shall be made once a year following the cutoff date.
- (2) Processing the Application. When selecting grant recipients, the Scholarship Committee shall focus upon credentials of the applicant, and the individual's or organization's demonstrated ability to achieve the goals presented.
- (3) Disbursements. The awards shall in all cases, unless otherwise agreed, be disbursed in the following manner:
 - a. Scholarships shall be made directly to the individual's educational institution.
 - b. if the recipient is a 501(c)(3) organization, funds will be disbursed directly to that organization for the benefit of the grantee upon receipt of invoice or other written statement;
 - c. if the recipient is not tax exempt under 501(c)(3), funds shall be provided directly to the organization, only if IABA Foundation retains discretion and control within the meaning of Rev. Rul. 68-489.

IX. EXPENDITURE MAINTENANCE AND REVIEW

The Expenditure maintenance and review shall be carried out in the following manner:

- (1) Scholarship Recipients. Scholarship recipients shall be required to submit regular transcripts reflecting their academic achievement when they become available after each semester.

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- (2) Non-Scholarship Recipients. All non-scholarship recipients shall be required to provide a report to IABA Foundation, accounting for all expenditures as well as a summary of the recipient's activities as requested by the Scholarship Committee. The board of directors shall review each recipient on at least an annual basis to ensure proper accountability for all funds.
- (3) Accountability. If any grant recipient fails to provide reports as required by the Scholarship Committee, the Committee may take any action reasonably necessary to ensure effective distribution of funds in compliance with established eligibility requirements and federal and state laws applicable to the use of charitable funds including termination of grant benefits and/or repayment of funds disbursed.

X. ALTERNATIVE DISPUTE RESOLUTION

To avoid the expense and time of litigation, IABA Foundation and the grant recipient will attempt to resolve all disputes outside of court. If the parties cannot reach a resolution of the matter through their own efforts, they agree to then employ more formal dispute resolution methods. Any disputes connected with this grant award process will be brought to mediation within thirty (30) days of the date either party requests mediation in writing. If a mediator cannot be agreed upon, the parties elect to have one provided for them by the American Arbitration Association (A.A.A.) or by Judicial Arbitration and Mediation Services (J.A.M.S. Endispute). If mediation is not successful in resolving the dispute, both parties agree that the matter shall be taken to binding arbitration by a single arbitrator mutually agreed upon by the parties or by an arbitrator selected through A.A.A. or J.A.M.S. Arbitration shall occur within 60 days of the mediation.

XI. STATE AND FEDERAL REPORTING

At the conclusion of each fiscal year, the board of directors shall provide a full accounting for all funds disbursed. All irregularities shall be reported with full particulars. The grant report shall be made available in a timely manner as required.