

of his relationship to the donor, officer or founder of the foundation may win the scholarship. The Treasury only requires that standards be set and maintained in every grant or scholarship program. It is recommended that in the case of scholarships for the purpose of higher education that grade averages be required and "tight" accounting practices be maintained.

The above procedures are the common steps taken where the foundation (REFERENCE TO GRANT PACKAGE EXHIBIT FOR EXAMPLES) both funds and administers the scholarship program.

There are other ways to accomplish many of the same objectives. Perhaps an easier way would be for the college chosen by the foundation to receive the scholarship to administer the fund and recommend a winner. That is, the applications for the scholarship would go to the college. The college would process the applications and recommend winners to the foundation's board of directors, and then the board of directors would decide to accept or reject the decision of the college.