

HOUSTON ENDOWMENT

A PHILANTHROPY ENDOWED BY JESSE H. AND MARY GIBBS JONES

JESSE H. AND MARY GIBBS JONES SCHOLARS PROGRAM

NEW GUIDELINES FOR JONES SCHOLARS

General Information

1. Each Jones Scholar is eligible to receive up to \$16,000, based on the Scholar's uncovered amount before loans, to support undergraduate studies at a qualified college or university. If a Scholar has no uncovered amount before loans in a given year, Houston Endowment (the Foundation) will not issue a scholarship payment for that year. "Uncovered amount before loans" refers to projected college costs not covered by support from the expected family contribution (EFC), work-study, college scholarships and grants, etc. (See Appendix of Definitions for a list of terms widely used in the realm of financial aid, including EFC.)
2. Scholars are expected to attend a four-year college or university accredited by one of the regional commissions within the six geographic areas that cover the United States.
3. Generally, Scholars are expected to begin their higher education with the fall semester immediately following high school graduation and continue in consecutive years.
4. Scholars are expected to enroll as full-time students, as defined by the college or university. Federal standards require that full-time students complete a minimum of 12 credit hours each semester or a total of 24 credit hours for the full college year, or its equivalent.
5. It is the Scholar's responsibility to determine what income tax, if any, is due on his or her scholarship payments (see Taxability of Scholarships General Rules section below).
6. Scholarship aid cannot be transferred or assigned.

Responsibilities of Scholars

7. **First Year Scholars:** By May 1 in the year of high school graduation, the Scholar must mail the Foundation the signed Houston Endowment Jones Scholar Agreement and Authorization to Release Educational Records and Information. Before June 1, the Scholar must send the Foundation (a) a copy of a letter of acceptance from the college or university that he or she will attend, (b) a completed copy of the Foundation's Annual Support Worksheet form (a fillable/savable PDF found on our website at www.houstonendowment.org), and (c) the university's financial aid notification/award letter.
8. **Continuing Scholars:** Before June 1 of each subsequent year, the Scholar must provide (a) a statement of intent to return to the college or university of record, (b) an official transcript, (c) a newly completed Annual Support Worksheet form (a fillable/savable PDF found on our website at www.houstonendowment.org), and (d) a copy of the university's financial aid notification/award information.
9. The Scholar must complete the Annual Support Worksheet form to request scholarship aid from the Foundation toward the uncovered amount before loans. The Foundation will review the worksheet 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.
10. Support is limited to a maximum of \$5,000 per academic year, but actual payments are based on the Foundation's determination of eligible financial need in its Annual Support Worksheet review. Scholars are eligible to apply until they graduate with a bachelor's degree, exhaust the total limit of \$16,000, or reach the sixth anniversary of the July 1 immediately following their selection as Jones Scholars.

11. At the end of each fall semester (or its equivalent), the Scholar must send the Foundation a copy of his or her grade report. Official transcripts are required only at the end of the academic year, as noted in Point 10 above. Additionally, a final transcript is required at the completion of the Scholar's undergraduate studies.
12. If transferring to another university following a full academic year, the Scholar must furnish the 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 Foundation any unused portion of scholarship aid.

Special Circumstances

13. 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.
14. Scholarship 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.
15. 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

16. 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.
17. 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.
18. 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>.

Contact Information
Houston Endowment
Attn: Jones Scholars Program
600 Travis, Suite 6400
Houston, Texas 77002-3000

Ms. Constance Bickham (Last names H-Z) cbickham@houstonendowment.org / 713-238-8131 / Fax 713-632-6131
Ms. Harriet Garland (Last names A-G) hgarland@houstonendowment.org / 713-238-8136 / Fax 713-632-6136
Web site: www.houstonendowment.org

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Appendix of Definitions

<http://www.finaid.org/questions/glossary.phtml#> FinAid Web site Copyright © 2011 by FinAid Page, LLC. All rights reserved. Mark Kantrowitz, Publisher.

Award Letter

An official document issued by a school's financial aid office that lists all of the financial aid awarded to the student. This letter provides details on their analysis of your financial need and the breakdown of your financial aid package according to amount, source and type of aid. The award letter will include the terms and conditions for the financial aid and information about the cost of attendance. You are required to sign a copy of the letter, indicating whether you accept or decline each source of aid, and return it to the financial aid office. Some schools call the award letter the "Financial Aid Notification (FAN)".

Campus-based Aid

Financial aid programs are administered by the university. The federal government provides the university with a fixed annual allocation, which is awarded by the financial aid administrator to deserving students. Such programs include the Perkins Loan, Supplemental Education Opportunity Grant and Federal Work-Study. Note that there is no guarantee that every eligible student will receive financial aid through these programs, because the awards are made from a fixed pool of money. This is a key difference between the campus-based loan programs and the Direct Loan Program. Do not confuse the two, even though both loans are issued through the schools.

College Work-Study (CWS)

College Work-Study is simply a part time job. This term is sometimes erroneously used to refer to the Federal Work-Study Program.

Cost of Attendance (COA)

(Also known as the cost of education or "budget") The total amount it should cost the student to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation, and personal and incidental expenses. Loan fees, if applicable, may also be included in the COA. Child care and expenses for disabilities may also be included at the discretion of the financial aid administrator. Schools establish different standard budget amounts for students living on-campus and off-campus, married and unmarried students and in-state and out-of-state students.

Expected Family Contribution (EFC)

The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income and assets. The difference between the COA and the EFC is the student's financial need, and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or death of a parent) that may affect your ability to pay for your education, tell your financial aid administrator (FAA). He or she can adjust the COA or EFC to compensate. See Professional Judgment.

Federal Work-Study (FWS)

Program providing undergraduate and graduate students with part-time employment during the school year. The federal government pays a portion of the student's salary, making it cheaper for departments and businesses to hire the student. For this reason, work-study students often find it easier to get a part-time job. Eligibility for FWS is based on need. Money earned from a FWS job is not counted as income for the subsequent year's need analysis process.

Financial Aid Package

The complete collection of grants, scholarships, loans and work-study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that unsubsidized Stafford loans and PLUS loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

Gift Aid

Financial aid, such as grants and scholarships, which does not need to be repaid.

Grant

A type of financial aid based on financial need that the student does not have to repay.

Need-Based

Financial aid that is need-based depends on your financial situation. Most government sources of financial aid are need-based.

Outside Scholarship

A scholarship that comes from sources other than the school and the federal or state government.

Parent Loans for Undergraduate Students (PLUS)

Federal loans available to parents of dependent undergraduate students to help finance the child's education. Parents may borrow

Appendix of Definitions (continued)

up to the full cost of their children's education, less the amount of any other financial aid received. PLUS Loans may be used to pay the EFC. There is a minimal credit check required for the PLUS loan, so a good credit history is required. Check with your local bank to see if they participate in the PLUS loan program. If your application for a PLUS loan is turned down, your child may be eligible to borrow additional money under the Unsubsidized Stafford Loan program.

Pell Grant

A federal grant that provides funds of up to \$5,550 (2010-11) based on the student's financial need.

Perkins Loan

Formerly the National Direct Student Loan Program, the Perkins Loan allows students to borrow up to \$3,000/year (5 year max) for undergraduate school and \$5,000/year for graduate school (6 year max). The Perkins Loan has one of the lowest interest rates and is awarded by the financial aid administrator to students with exceptional financial need. The student must have applied for a Pell Grant to be eligible. The interest on the Perkins Loan is subsidized while the student is in school.

Self Help Aid

Financial aid in the form of loans and student employment. If every financial aid package is required to include a minimum amount of self-help aid before any gift aid is granted, that level is known as the self-help level. For example, the self-help level will be \$8,150 at MIT in 1995-96 (The Tech, March 7, 1995, Vol. 115, No. 9, Page 1). MIT has one of the highest self-help levels of private colleges and universities, with an average self-help level of around \$5,500 at the more expensive schools.

Stafford Loans

Federal loans that come in two forms, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans aren't. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6 month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Undergraduates may borrow up to \$31,000 (\$5,500 during the freshman year, \$6,500 during the sophomore year and \$7,500 during the third, fourth and fifth years) no more than \$23,000 of which may be subsidized (\$3,500 during the freshman year, \$4,500 during the sophomore year and \$5,500 during the third, fourth and fifth years) and graduate students up to \$65,500 including any undergraduate Stafford loans (\$20,500 per year, no more than \$8,500 of which may be subsidized). The difference between the subsidized loan amount and the unsubsidized limit may be borrowed by the student as an unsubsidized loan.

Higher unsubsidized Stafford loan limits are available to independent students, dependent students whose parents were unable to obtain a PLUS Loan and graduate/professional students. Undergraduates may borrow up to \$57,500 (\$9,500 during the freshman year, \$10,500 during the sophomore year and \$12,500 during each subsequent year) and graduate students up to \$138,500 including any undergraduate Stafford loans (\$20,500 per year). These limits are for subsidized and unsubsidized loans combined. The amounts of any subsidized loans are still subject to the lower limits for dependent students. Certain medical school students may borrow an aggregate amount of \$224,000.

State Student Incentive Grants (SSIG)

A state-run financial aid program for state residents. The states receive matching funds from the Federal government to help them fund the program.

Subsidized Loan

With a subsidized loan, such as the Perkins Loan or the Subsidized Stafford Loan, the government pays the interest on the loan while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution. See Stafford Loans for information about subsidized Stafford Loans. See also [Unsubsidized Loan](#).

Supplemental Education Opportunity Grant

Federal grant program for undergraduate students with exceptional need. SEOG grants are awarded by the school's financial aid office, and provide up to \$4,000 per year. To qualify, a student must also be a recipient of a Pell Grant.

Unmet Need

In an ideal world, the Financial Aid Office (FAO) would be able to provide each student with the full difference between their ability to pay and the cost of education. Due to budget constraints the FAO may provide the student with less than the student's need (as determined by the FAO). This gap is known as the unmet need.

Unsubsidized Loan

A loan for which the government does not pay the interest. The borrower is responsible for the interest on an unsubsidized loan from the date the loan is disbursed, even while the student is still in school. Students may avoid paying the interest while they are in school by capitalizing the interest, which increases the loan amount. Unsubsidized loans are not based on financial need and may be used to finance the family contribution. See Stafford Loans for information about unsubsidized Stafford Loans. See also [Subsidized Loan](#).



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"Education is necessary for equality of opportunity" – Jesse H. Jones, 1950

JONES SCHOLAR AGREEMENT

I, the undersigned student, accept the honor of designation as a Houston Endowment Jones Scholar and agree to participate in the Jones Scholars Program, subject to the terms set forth in the Guidelines that accompanied my Award Letter. I understand that my participation in the Jones Scholars Program is also contingent on my commitment to meet each of the following requirements:

1. I will complete a copy of an Authorization to Release Educational Records and Information and return it to Houston Endowment (the "Foundation") by May 1.
2. I will keep the Foundation informed of my current home mailing address, e-mail address, and phone number while a Jones Scholar. I understand that in the event the Foundation cannot contact me, my participation may be terminated.
3. I will meet all Foundation deadlines. If I am not able to meet a deadline, I will contact the Foundation before the deadline to discuss the circumstances.
4. I understand I am expected to maintain full-time enrollment during the regular academic year, as defined by my college or university. If my status changes to part-time enrollment, withdrawal, or transfer, I will contact the Foundation immediately to discuss the circumstances.
5. I will promptly and truthfully complete and submit the Annual Support Worksheet as explained in the Guidelines.

I give the Foundation permission to use my name, likeness and/or high school/college history in any of its publications or presentations.

I accept and agree to the terms of Houston Endowment's Jones Scholars Program and I understand that if I fail to meet any of the above requirements, or misrepresent any information provided for participation in the program, I may be dropped from the program and lose the possibility of scholarship funds.

Scholar Signature

Date

Print Name

**Please return this agreement form by May 1 to Houston Endowment at
600 Travis, Suite 6400, Houston, TX 77002, Attn: Jones Scholars Program.**

Please retain a copy for your files.

AUTHORIZATION TO RELEASE EDUCATIONAL RECORDS AND INFORMATION

Houston Endowment will need information regarding a Jones Scholar's academic records, registration status, billing statements and financial aid information to determine the amounts payable under the terms of the Jones Scholars Program. We generally ask the Jones Scholar directly for these records, but from time-to-time we can expedite scholarship processing by working with the college or university directly.

The Family Educational Rights and Privacy Act (FERPA) is federal legislation governing access to and disclosure of student education records. It restricts the personal information that can be released by colleges and universities without the written consent of the student. For more information on FERPA, visit <http://www.ed.gov/policy/gen/guid/fpco/ferpa/index.html>.

By signing this form, the student consents to the release of his/her education records and/or other information needed to administer the Jones Scholars Program to Houston Endowment Inc.

Name:(Print) _____ **Student ID:** _____

Phone: _____ **Email:** _____

I hereby give permission to the following institution:

Name of College or University: _____

to release any of my educational records and/or other information needed to administer the Jones Scholars Program to Houston Endowment Inc., 600 Travis Street, Suite 6400, Houston, Texas 77002, 713-238-8100.

I understand the information may be released in writing (including by email), orally (including by telephone), or in the form of copies of written records, to members of the staff of Houston Endowment.

I understand that I have a right to inspect any written records released pursuant to this authorization. I understand that this authorization may be revoked by providing written notification to the institution. I hereby release the institution named above, its trustees, officers, employees, including the registrar, agents or assigns, from any and all liability for release of the information to Houston Endowment.

Scholar Signature

Date

**Please return this release form by May 1 to Houston Endowment at
600 Travis, Suite 6400, Houston, TX 77002, Attn: Jones Scholars Program.**

Please retain a copy for your files.

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ACADEMIC YEAR 2012 - 2013 ANNUAL SUPPORT WORKSHEET INSTRUCTIONS

Jones Scholars operating under the New Guidelines must complete the Annual Support Worksheet. The worksheet is a fillable PDF and can be saved. Please fill it out completely. On or before June 1, submit to Houston Endowment the completed Annual Support Worksheet and all other required documents to request scholarship aid toward the uncovered amount before loans. We will review the worksheet and notify you of the dollar amount to be released for the upcoming academic year. If a payment is approved, a check will be sent to your institution.

Listed below are four ways for you to acquire your personal financial aid award information. The first two ways are preferred and most common; however, if you cannot find the Cost of Attendance (COA) and Expected Family Contribution (EFC) figures, or your school does not post your financial aid information, use one of the last two options to get your figures. Do not send the school's general Estimated Cost of Attendance chart from the Web site.

1. Financial aid award notification letter from the university/college.
2. University/college Web site where you log in with your ID and password and go to your financial aid information.
3. At your request, the university/college financial aid office will email you figures specific to your COA and their institutional EFC.
4. At your request, the university/college financial aid office will complete the school's form with your personal financial aid information.

Specific Details Relating to Line Items

- **Line 1 Total Cost of Attendance (COA)** – This figure is determined by your selected university/college and is specific to you, based on your tuition, fees, books, supplies, room, board, transportation and other/miscellaneous expenses. We need the school's documentation that supports the COA figure, which is usually posted on your student page on the school's Web site. Do not send the fee statement.
- **Line 2 Expected Family Contribution (EFC)** – Public universities use the EFC determined by FAFSA. Private universities typically recalculate this figure and have an institutional EFC. We need the school's documentation that supports your EFC figure, which is usually posted on your student page on the school's Web site.
- **Line 3 Federal Work-Study, Line 4 Pell Grant, Line 5 Grants or scholarships offered by the university, Lines 6 & 7 State Grants** – These figures will be provided by your school in your financial aid award, if applicable.
- **Lines 8-12 Grants & Scholarships** – List any awards you have received from outside organizations and provide documentation that shows the terms and the amount.

Requirement Checklist for First-Year Scholars

- Mail signed Jones Scholars Agreement and Authorization to Release Educational Records and Information
- Acceptance Letter from University/College
- Annual Support Worksheet
- Financial Aid Award Information and Supporting Documentation, specific to you

Requirement Checklist for Returning Scholars

- Email Statement of Intent to Return to School of Record
- Official Transcript
- Annual Support Worksheet
- Financial Aid Award Information and Supporting Documentation, specific to you

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EXAMPLE

A PHILANTHROPY ENDOWED BY JESSE H. AND MARY GIBBS JONES

JESSE H. AND MARY GIBBS JONES SCHOLARS PROGRAM

2011 Jones Scholars (Year Graduated from High School)

Annual Support Worksheet — Academic Year 2012 - 2013

Student Name: First Pat Middle Chris Last Doe
University University you are attending Student ID Number Your University ID
E-mail Address Pat_Doe@yahoo.com Cell Phone (713) 555-1212

Summary of Annual University Costs and Sources of Support

1 Total Cost of Attendance (COA) (As determined by University)		\$24,620 (a)
Sources of Support		
2 Expected Family Contribution (EFC) (As determined by University)	<u>\$ 1,700</u>	(a), (b)
3 Federal Work-Study	<u>\$ 2,000</u>	(a)
4 Pell Grant	<u>\$ 3,800</u>	(a)
5 Grants or scholarships offered by the university (Total)	<u>\$ 3,000</u>	(a)
6 TEXAS Grant (State)	<u>\$ 5,000</u>	(a)
7 University Tuition Grant (State)		(a)
8 Other grant - describe <u>Texas Public Education</u>	<u>\$ 2,424</u>	(a)
9 Other grant - describe _____		(a)
10 Outside scholarships <u>Your High School PTA</u>	<u>\$ 1,000</u>	(c)
11 Outside scholarships _____		(c)
12 Other - describe _____ (do not include loans)		(c)
13 Total Sources of Support Before Student Loans and Jones Scholars Program (sum 2 through 12)		\$18,924
14 Uncovered Amount Before Loans (1 minus 13)		\$ 5,696
15 Requested Amount for Support (not to exceed line 14, to a maximum of \$5,000)		\$ 4,000

On/or before June 1, send this completed Annual Support Worksheet, a copy of your school's financial aid notification award and all other requirements by email, fax or mail to:

HOUSTON ENDOWMENT
Attn: JONES SCHOLARS PROGRAM
600 Travis, Suite 6400
Houston, Texas 77002-3000

Ms. Constance Bickham (Last names H-Z) cbickham@houstonendowment.org / 713-238-8131 / Fax 713-632-6131

Ms. Harriet Garland (Last names A-G) hgarland@houstonendowment.org / 713-238-8136 / Fax 713-632-6136

(a) As provided by your institution on their Web site or their financial aid notification/award letter specific to you - **please attach a copy**

(b) If attending a public university, EFC is determined by FAFSA; if attending a private university, EFC is determined by the university

(c) As provided by the awarding scholarship provider - **please attach a copy of the award letter or certificate**