

SCHOLARSHIP GUIDELINES FOR CHAPTERS

Revised March 2021

Ninety-Nines Chapters and Sections fall under the guidelines of Internal Revenue Code 501(c)(3). Part of the code mandates that the chapter/section funds cannot be used to benefit one individual because the funds are considered "public" money of a charitable organization. This necessitates having formal scholarship applications, backed up by rules and requirements.

Therefore, chapters with individual scholarship programs must be very careful to assure that their program is one which is made available to a wide range of applicants - NOT just chapter members. The requirements can be set up in one of several ways. Applications can be accepted from

1. both men and women pilots in a designated geographical area,
2. from women pilots only - but it should then be advertised in a wider geographical area, or
3. from student pilots (either male and female or female only) – but it should then be advertised in a wider geographical area.

Even then, there is some chance of running afoul of the IRS's prohibition against "self-dealing" with chapter money.

Chapter rules should state how the scholarship is to be advertised, and make sure that it gets a fairly wide exposure. Using The Ninety-Nines Scholarship Registry will assure that it gets widely publicized since that is advertised on the International web site. Set a geographical area that will ensure the ability to get a reasonable number of applicants. Sparsely populated areas may want to include an entire state, while a metropolitan area could include just a city or county. Specify what publications the scholarship will be advertised in and where flyers, brochures, or other information will be distributed.

The applications should require complete information about an applicant's background and future plans, as far as use of the scholarship is concerned. While it does not have to be based on need, that is always a "cleaner" way to go, and is subject to less scrutiny. You cannot require a photograph of an applicant except an "optional one for publicity purposes," and questions relating to sex and ethnic background can only be listed as "optional" - not required to be answered.

If a scholarship is for an already-rated pilot, copies of current certificate, medical, and BFR should be required. The application should ask for information about any violations or accidents, and whether a medical has ever been refused or lost for any reason. If for an advanced rating, where the applicant may have been flying professionally, information should be sought as to whether or not the applicant has ever been terminated from a flying job and, if so, why.

There should be an independent board or committee to evaluate the scholarship applications. It is acceptable to have chapter members on an independent committee. Develop a rubric for consistent evaluation of each scholarship application.

Money should be paid directly to a flight school or flight instructor - not be given to the applicants themselves. Substantiation of charges for funds paid must be given to the chapter, such as a bill from the school or instructor, and copies of the student's logbook showing instruction given and signed off by the instructor.

A time deadline should be put on the use of the funds. The length of time allotted may depend on the amount of the scholarship. If the quality of the flight instruction is of concern, you may require a statement as to the qualifications of the school or instructor as part of the application.

A disclaimer should appear on the application blank that the applicant signs as follows:

"Neither the XXX Chapter of The Ninety-Nines, Inc., the XXX Section of The Ninety-Nines, Inc., nor their members, agents, or representatives are responsible for the quality of any training received with this scholarship, nor for any accident, incident, or any other event which may occur while the recipient of this scholarship is performing flight training or activities relating thereto, and recipient agrees to sign a hold-harmless agreement in favor of The Ninety-Nines, Inc. International Organization of Women Pilots, its Sections and Chapters, upon receipt of the scholarship and before any flight is made."

Also, on the application blank, either before or after the disclaimer, there should be a paragraph reading, "I declare under penalty of perjury that the information I have given is true and correct, and that I meet the requirements for this school" Then include a signature line.

If you provide enough money for an applicant to obtain a rating, you may wish to provide for a pay-back by the award winner if the rating is not received, or not received within a certain time frame. It is difficult to have pay-back provisions for smaller scholarship awards that do not enable the applicant to receive a rating, unless it is something specific, such as a scholarship for ten hours of flight time, to be repaid if the applicant takes only a portion of the ten hours and then quits the program.

Your proposed scholarship guidelines should be reviewed by general counsel and/or the 501(c)(3) committee before finalizing them.

As an option for a chapter wishing to establish a scholarship as a memorial to a deceased member, make arrangements with the Amelia Earhart Memorial Scholarship Fund trustees to set up a fund in the overall 99s scholarship program to honor that particular person. There are several advantages including the fact that as an international scholarship fund, it will not be subject to the same IRS limitations that a small chapter's fund would be. In addition, applicants are from a far wider segment of the organization than is possible for a chapter program to achieve. Publicity for both the winners and the decedent (in the case of a memorial scholarship) is, again, much more widespread.

Benefit to the organization is therefore much greater, including the fact that scholarship monies awarded can have great importance in certain types of grant proposals made by the organization to foundations. It is also easier to raise funds for an international scholarship program than for a small chapter scholarship.