



MOUNT ATHOS FOUNDATION OF AMERICA, INC. SCHOLARSHIP POLICY

I. Introduction: Scope and Intent of Policy

- A. Mount Athos Foundation of America, Inc. (the “Foundation”) from time to time holds and administers certain funds (the “Funds”) that provide scholarship awards to individuals to enable the recipients to pursue their commitment to Mount Athos or Mount Athos-related research. Awards made from such Funds shall be referred to as “Scholarship Awards.”
- B. The Foundation has established the following procedures pursuant to which Scholarship Awards may be awarded from the Funds. The following procedures shall be interpreted so as to ensure the Foundation’s compliance with all applicable requirements of the Internal Revenue Code (“IRC”), including Section 4966, accompanying Treasury Regulations and guidance from the Internal Revenue Service, and these procedures may be amended from time to time.

II. Grants Administration Committee

- A. Scholarship applications shall be evaluated and recommendations for awards shall be made by the Grants Administration Committee as provided in the Foundation’s Bylaws.
- B. Every member of the Grants Administration Committee charged with the evaluation of candidates for Scholarship Awards shall adhere to the relevant policies of the Foundation as they may be adopted and amended from time to time, including without limitation a conflict of interest policy. Every member of the Grants Administration Committee charged with the evaluation of candidates for Scholarship Awards shall be obligated to disclose any personal knowledge of and relationship with any potential scholarship recipient (“Recipient”) under consideration and to refrain from participation in the award process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential Recipient or Recipients are selected over others. No Scholarship Award covered by this policy may be awarded to any member of the Foundation’s Board of Directors or their families, any substantial contributor to the Foundation, any employee or volunteer of the Foundation, or any other disqualified person as defined in IRC § 4946(a) with respect to the Foundation, or for a purpose that is inconsistent with the purposes described in IRC § 170(c)(2)(B).

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- C. The Grants Administration Committee shall forward its recommendations to the Foundation's Board of Directors. The Foundation's Board of Directors shall approve each award made under this policy.

III. Application and Nomination Process

- A. Applicants for Scholarship Awards shall be required to submit such application forms and supporting materials as the Foundation may deem appropriate on a schedule to be determined by the Foundation. Individuals and organizations wishing to nominate others for Scholarship Awards shall also be required to submit such application forms and supporting materials as the Foundation may deem appropriate on a schedule to be determined by the Foundation.

IV. Selection of Recipients

- A. The Grants Administration Committee shall review all applications and make recommendations to the Foundation's Board of Directors. Upon approval of the Committee's recommendations, the Board of Directors shall send notification of the Committee's decisions to all applicants.
- B. Recipients are to be selected on an objective and nondiscriminatory basis. The group from which Recipients are selected should generally be sufficiently broad so that giving scholarships to one or more members of the group fulfills a charitable purpose; however, selection from such a group is not necessary if one or more Recipients are selected on the basis of their exceptional qualifications to carry out the purposes of the scholarship or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the scholarship rather than to benefit particular persons or a particular class of persons. If, in any given year, the Foundation does not receive an application that meets the Foundation's criteria for quality and viability (Section V, Criteria for Selection, below) and clearly fulfills the charitable purposes of the Foundation, the Foundation will not issue an award.
- C. The availability of Foundation Scholarship Awards shall be publicized in appropriate venues and according to the best current practices so that potential applications and administrators in relevant educational institutions, professional organizations, and community institutions will be aware of them and encouraged to submit applications.

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V. Criteria for Selection

- A. The selection of Recipients for a Scholarship Award from the Foundation must be based on criteria that are appropriate to accomplishing the underlying purpose of the scholarship.
- B. For Scholarship Awards, such criteria may include, but are not limited to, the following: the apparent viability of the proposal and likelihood that it can be successfully completed; prior experience; contributions to the field; demonstrated academic achievement; performance of each applicant on tests designed to measure ability and aptitude for educational work; recommendations from instructors of such applicant and any others who have knowledge of the applicant's capabilities; the individual's past achievements and community involvements; additional biographical information regarding an applicant's career, academic and other relevant experiences; financial need; and conclusions which the Foundation's Board of Directors or Grants Administration Committee may draw as to the applicant's motivation, character, ability, or potential. Criteria may also include the applicant's place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of the applicant's artistic, scientific, or other special talent. Preference may be given to applicants of a particular sex, race, ethnic background, or religion so long as such preference does not violate public policy.
- C. The Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Scholarship Awards and the administration of such awards. Any substantial or material changes will be made only with approval of the Foundation's Board of Directors.

VI. Scholarship Award Renewals

- A. Scholarship Awards may be for any time period. A Scholarship Award may be renewable for a period appropriate to the purposes under which the award is established. Otherwise, the Foundation may consider renewing a Scholarship Award on a case-by-case basis according to the status of the Recipient's project and the purposes of the award.

VII. Supervision of Scholarship Awards

- A. Recipients of Scholarship Awards or, if appropriate, the organization supervising the Recipient's work, will be required to provide quarterly written reports to the Foundation about their activities and use of funds. A final report shall be due at the completion of the Recipient's project, even if the project is finished less than a quarter after the last quarterly written report. Any funds not expended for the purpose of the award must be returned to the Foundation for use in furtherance of its mission and the charitable purposes of the award.

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- B. Where the reports submitted, or other information (including the failure to submit reports) indicates that all or any part of a Scholarship Award is not being used in furtherance of the purposes of such award, the Foundation is under a duty to investigate. While conducting its investigation, the Foundation shall withhold further payments to the extent possible until any delinquent reports required under the foregoing provisions of these procedures have been submitted.
- C. If the Foundation learns that all or any part of a Scholarship Award is not being used in furtherance of the purposes of the award, the Foundation shall take all reasonable and appropriate steps to recover the award funds and/or ensure restoration of the diverted funds to the purposes of the award. If such a diversion occurs and the Recipient has not previously diverted award funds to any use not in furtherance of the purposes of the award, the Foundation shall withhold any further payments to the Recipient until it has received the Recipient's assurance that future diversions shall not occur and shall require the Recipient to take extraordinary precautions to prevent future diversions from occurring.
- D. Where a Recipient has previously diverted funds received from the Foundation and the Foundation determines that any part of a Scholarship Award has again been used for improper purposes, the Foundation shall take all reasonable and appropriate steps to recover the award funds and/or ensure restoration of the diverted funds to the purposes of the award. In such case, the Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored; (2) the Foundation has received the Recipient's assurances that future diversions will not occur; and (3) the Recipient has taken extraordinary precautions to prevent future diversions from occurring.
- E. The phrase "all reasonable and appropriate steps," as used above, shall include legal action where appropriate, but need not include legal action if such action would in all probability not result in the satisfaction of execution on a judgment.

VIII. Recordkeeping Requirements

- A. The Foundation shall retain the following records in connection with all Scholarship Awards:
 - i. All information obtained by the Foundation to evaluate the qualifications of potential Recipients;
 - ii. The identification of Recipients (including any relationship of any Recipient to the Foundation or to a director or officer of the Foundation);
 - iii. The purpose and amount of each award; and
 - iv. Any additional information the Foundation obtains in complying with its Scholarship Award administration procedures.

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- B. Information pertaining to unsuccessful applicants for awards shall be kept along with information on successful applicants.
- C. Records pertaining to any award made pursuant to this policy shall be kept for no less than three years after the filing of the Foundation's annual tax return for the period in which the last installment of such award was paid.