



An Important Message from Scholarship America Regarding the Future of Your Dollars for Scholars

Partners in Success

Dollars for Scholars has always been a vital part of Scholarship America's organization and mission, with our volunteer-led chapters on the front lines of local student support. In 2024, Dollars for Scholars chapters nationwide awarded more than \$28 million in scholarships to over 18,000 students. Additionally, our chapters work to enhance the student experience through:

- Fundraising, donor cultivation, and management
- Awards Ceremonies and other student-centered events
- Access to mentoring, internships, and other key resources

At the same time, Scholarship America brings its administrative expertise to more than 1,300 sponsored programs, working with foundations, small businesses and nearly half the Fortune 500, including Amazon, Chick-fil-A, New York Life and the United Health Foundation.

We are stronger together, and as we address the challenges you identified in our 2022-23 "Voice of the Volunteer" survey, we are now looking to ensure we leverage our strengths in service of our mission: eliminating financial barriers to education for more students.

The Need to Update

While we have a lot to celebrate, there were a few recurring pain points identified in surveys and focus groups:

- **Technology:** the ChapterNet platform, introduced more than 12 years ago, is outdated and not user-friendly for either administrators or student applicants. Additionally, NeonOne (the software provider for ChapterNet) has since ended support and development work, meaning system maintenance can be difficult, and enhancements/changes are no longer available.
- **Volunteers:** Chapters reported having too few volunteers to handle all the chapter responsibilities: maintaining nonprofit status compliance, scholarship administration, fundraising, publicity, and student support.
- **Evaluation Processes:** Finally, chapters cited potential conflicts of interest with volunteers and donors attempting to influence the evaluation process. Scholarship America's Student Success Programs Team has documented an increase in these kinds of conflicts of interest over the last 3-4 years.



These internal factors all contribute to the need for change; in addition, we are facing these external factors:

- The IRS has implemented major changes to the requirements for group exemption reporting. Those changes impact chartered chapters, which represent 93% of Dollars for Scholars chapters.
- AI and more sophisticated phishing and hacking techniques have made data breaches more common, with the number of U.S. data breaches increasing from just 447 in 2012 to more than 3,200 in 2023, costing Americans \$12.5 billion. Data privacy and security are more challenging, and more important, than ever.
- The ever-rising cost of postsecondary education results in the need for more and more impactful scholarships each year.

Our Proposed Solution

Scholarship America is in the midst of upgrading our scholarship administration platform to address these external issues; to ensure Dollars for Scholars sees similar forward momentum, we have considered a variety of options related to people, processes and technology. **As a result of those discussions, Scholarship America is proposing to assume the administration of our Dollars for Scholars chapters' scholarship evaluation processes**, as we do for our more than 1,000 Scholarship Management Services program sponsors.

Your Dollars for Scholars chapter will benefit from:

- The same expert-led administrative service our corporate sponsors receive, at a highly discounted rate
- Scholarship America's team of evaluation specialists, who will assess applications based on your specific eligibility requirements, and your chapter can provide final approvals of recipients.
- Our new platform, created to be a best-in-class experience that also matches applicants to other sponsored programs.
- A new and improved customizable website template
- Less administrative burden and more time for volunteers to focus on your chapter's strengths



And you will continue to receive:

- 501c3 status through Scholarship America
- Group 990 filing
- Technical and engagement support from the existing Scholarship America Student Success Programs team
- The ability to establish eligibility requirements for your scholarships and provide final approvals of recipients

Your students will benefit from:

- A one-stop shop for scholarships: when applying for your scholarships via the Scholarship America portal, their profile info will be used to match them to a list of over 300 scholarships (and growing) in the Scholarship America network.
- Peace of mind that their data is secure: Scholarship America NEVER sells student data, and Scholarship America's [S2Score](#) for cyber risk is excellent at 816.08.
- A seamless, mobile-friendly application experience.
- Fast, trackable electronic payments of scholarships directly to students at our network of more than 800 institutions.

Additional potential benefits include:

- Need-based scholarships: We know some Dollars for Scholars chapters have avoided offering need-based scholarships because of concerns about the privacy of families' financial information. Scholarship America's administration means that financial data will not be shared with volunteers.
- Scholarship America is an experienced fund manager, and our experienced Finance team may be able to manage your Dollars for Scholars chapter's endowment.
- A growing number of institutions are beginning to require electronic submission of scholarship funds (via ACH/EFT) to improve efficiency. Scholarship America's new platform will be able to seamlessly make these types of payments if the institutions are in our payment network, otherwise, checks can be issued on behalf of your chapter.



WE WANT TO HEAR FROM YOU

As we work to address these issues, we'd like your feedback.
Please complete this brief [SURVEY](#) by Friday, April 17th

[REGISTER](#) to attend our next Dollars for Scholars Connect Session
on April 28th at 6:30 pm CST to learn more from
Nick Leonard, General Counsel for Scholarship America.

THANK YOU!