2017 STATE SCHOLARSHIP RULES AND REGULATIIONS

The Miss Delaware Organization Scholarship Fund will award scholarships under the following Circumstances: (Please note in some circumstances a 501 C-3 foundation affiliation may not allow payment of scholarship fund to be utilized for student loans or computer equipment.).

**1) Scholarship Usage:**

Scholarship funds may be applied to tuition, textbooks, academic fees and other appropriate mandatory educational expenses. All unusual or questionable items of expense must be referred to the Miss Delaware Organization Selection Committee with as much information as possible and far enough in advance for consideration of approval. Amounts received as scholarship payments are taxable income to the extent that they exceed “Qualified Tuition and Related Expenses”. Qualified Tuition and Related Expenses include tuition and fees required for enrollment or attendance of a student at an educational organization, including fees, books, supplies and equipment required of all students in the particular course of instruction.

Payments for on-campus room and board will be made to the educational institution and such requests must be accompanied by appropriate documentation from the educational institution evidencing the charges for same. Contestants must maintain at least 12 credit hours as a full-time student, 9 credit hours part-time status and 6 credit hours for graduate study in order to qualify. Payments do not cover key fees or deposits. Utilities (electric, gas, cable, phone, etc.) are also not covered.

Payment of all approved expenditures will be made directly to the college, university or other accredited institution as recognized by the US Department of Education upon receipt of a detailed current tuition statement reflecting a balance due the school unless extenuating circumstances exist (with the exception of the computer or musical equipment clause below). Personal reimbursements to scholarship recipients will not be honored. When requesting an award it is the responsibility of the student to ensure proper planning and time allotment are exercised. The Miss Delaware Organization suggests a minimum of 30 days to process a scholarship request.

*It is each contestant’s obligation to determine whether the scholarship, in whole or part, is includable in gross taxable income, regardless of whether a Form 1099 has been issued by the Miss Delaware Organization. Contestants are encouraged to consult a tax advisor regarding the taxability of the scholarship payments.*

**2) Requesting Usage:**

Requests for scholarships are initially processed by the Miss Delaware Organization and forwarded to the finance committee for its review and approval upon written receipt of statements from colleges and schools or from the contestant for other educational expenses. All statements and invoices must be accompanied by a cover letter from the contestant.

Requests for computer or musical equipment will be recommended only if the college or school states in writing that it is a mandatory requirement in order for the contestant to complete the coursework. The contestant may be reimbursed for this expense provided the contestant submits either a letter from the school stating the mandatory requirements or a list of course requirements. There will, however, be a $2,000 cap on computer equipment and on musical instruments, and this type of expense will be reimbursed only once. Computer software is not a reimbursable item. The original bill of sale must be submitted as well as the original credit card receipt or a copy of the canceled check. All credit card accounts and banking accounts must be in the name of the contestants in order to be considered.

**3) Priority of Level in Usage:**

Contestants receiving scholarships at the state level must use the scholarship won at the local level prior to applying for funds at the state level. All local and state scholarship funds are maintained at the state level and will be dispersed as per records provided from local competitions. All state and local awards must be exhausted prior to requesting any national level funds per MAO rules, and verification from the state will be required by MAO prior to their dispersal.

**4) Student Loans:**

Scholarships may be used for outstanding student loan obligations provided the contestant has satisfactorily completed the coursework for which the loan was obtained. In all cases, requests must include a current bill from a bona fide third party lending institution as recognized by the US Department of Education showing a repayment address, student account number and amount due, a copy of the promissory note showing that the contestant is either the primary or secondary payer of the obligation, and an official transcript showing completion of the coursework. Payment will be made directly to the lending institution and credited to the students account.

1. **Usage for Future Expenses and Forfeitures**

Scholarships may be used for future educational expenses, provided, however, contestants **must begin use** **of their scholarships within 1 year of the date of the award.** Prior to forfeiture, reasonable attempt will be made by the state organization to notify the contestant of impending forfeiture. If a contestant has not submitted a request to the Miss Delaware Organization for her scholarship award dollars during this period, her right to request funds will be forfeited. If a contestant forfeits any money from her scholarship award at the local level, her award at the state and national level will automatically be forfeited.

5A) A contestant who begins use of her scholarship within the designated time above will then be required to show continuous activity in her scholarship endeavors up to a limit of 1 year (two for Miss State) following the date of her award. Any balance remaining in a contestant’s award 1 year following the date of the award will automatically be forfeited.

5B) An exception to the time limits described in Paragraph 5A above may be made if the contestant, prior to the expiration date, makes a written appeal to the Miss Delaware Organization citing compelling reasons why the time period should be extended. An extension will generally be permitted when the contestant has had local awards within the prescribed time limits above or has been awarded the state title. However, the contestants must still send a written request for extension. The Miss Delaware Organization will review the request and determine whether an extension is warranted. Consistent with the rules and regulations, the decision of the Miss Delaware Organization shall be final and binding. Any funds remaining in the account at the end of three years will automatically be forfeited.

**The MISS DELAWARE ORGANIZATION RESERVES THE RIGHT TO AMEND AND OR MODIFY THE FOREGOING SCHOLARSHIP RULES AND REGULATIONS AT ANY TIME WITHOUT NOTICE.**

I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Contestant) have read and understood the Miss Delaware Organization 2017 State Scholarship Rules and Regulations:

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Contestant Signature Date