



Rules Governing the John B. McLendon Scholarship Fund Program

A Program of the State of North Carolina
Administered by the State Education Assistance Authority
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PART I

SHORT TITLE, PURPOSE AND DEFINITIONS

.0100. Short Title. The Rules Governing the Education John B. McLendon Scholarship Fund Program may hereinafter be cited as the “McLendon Program Rules.”

.0101. Scope. The 2007 General Assembly established a special fund administered by the Authority to provide leadership scholarships for two athletes at each of North Carolina’s Historically Black Colleges and Universities. As directed by the General Assembly, the Authority administers the Program pursuant to the Act and the McLendon Program Rules.

.0102. Definitions. Unless the context clearly indicates some other meaning, the capitalized words and terms below shall have the following meanings:

- (a) “Academic Year” means a period of time in which a student in Matriculated Status is expected to complete the equivalent of at least two semesters or three quarters of academic work, beginning with the fall school term of any year.
- (b) “Act” means Section 9.18(a), (b) and (c) of Chapter 323 of the Session Laws of North Carolina of 2007, codified in G.S. § 116-209.40 of the General Statutes of North Carolina, as existing at the date of adoption of the McLendon Program Rules, or as thereafter amended, and any subsequent budget or appropriations act affecting the Program.
- (c) “Approved Institution” means a North Carolina Historically Black College or University that is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association and has executed the McLendon Participation Agreement.
- (d) “Authority” means the State Education Assistance Authority, a political subdivision of the State, created and enabled under Article 23 of Chapter 116 of the North Carolina General Statutes.
- (e) “Authorized School Official” means the person who is designated by the chief executive officer of the Approved Institution to administer the Program for the Approved Institution
- (f) “Matriculated Status” means an institutionally recognized first-time candidate for either an associate or baccalaureate degree.

- (g) “McLendon Participation Agreement” means the agreement, in a form acceptable to the Authority, by which an Approved Institution agrees to administer the Program in compliance with the Act and the McLendon Program Rules on behalf of the Students at the Approved Institution.
- (h) “Program” means the John B. McLendon Scholarship Fund Program.
- (i) “Scholarship” means the scholarship awarded to a Student under the Program.
- (j) “State” means the State of North Carolina.
- (k) “State Auditor” means the Office of the Auditor of the State of North Carolina.
- (l) “Student” means a student who meets all of the requirements to receive a Scholarship under the Act and the McLendon Program Rules and is designated by the Approved Institution.

PART II

STUDENT ELIGIBILITY

.0200. General Rule. To be designated by an Approved Institution to receive a Scholarship, an applicant must meet all of the following criteria:

- (a) Be enrolled in Matriculated Status at the Approved Institution;
- (b) Be an athlete participating on a varsity team at the Approved Institution;
- (c) Demonstrate outstanding leadership qualities as determined by the Approved Institution;
- (d) Maintain high academic standards as determined by the Approved Institution;
- (e) Be involved in the Approved Institution's community;
- (f) Demonstrate compliance with the registration requirements of the Military Selective Service Act or be exempt from the registration requirements;
- (g) Is not in default, or does not owe a refund, under any federal or state loan or scholarship program; and
- (h) Has been enrolled at the Approved Institution for two or more semesters.

.0201. Limitations on Eligibility. The Scholarship is not automatically renewable; however, the Approved Institution may designate a student as a recipient of a Scholarship for three Academic Years.

PART III

APPROVED INSTITUTIONS; REQUIREMENTS AND PROCEDURES

.0300. McLendon Participation Agreement Required. To administer Scholarships on behalf of Students, the Approved Institution shall enter into a McLendon Participation Agreement with the Authority. Each McLendon Participation Agreement between the Authority and the Approved Institution, upon proper execution, shall remain in effect until it is terminated pursuant to the terms of the Agreement.

.0301. Designation and Certification of Students.

- (a) *Selection Criteria.* Every Academic Year, the Approved Institution shall designate two recipients, one male and one female, who meet the eligibility standards for a Scholarship under the Act and the McLendon Program Rules. Approved Institutions that are not coeducational shall designate two recipients of the same gender.
- (b) *Certification of Scholarship Recipients.* To ensure that only students who qualify under the Act and the McLendon Program Rules receive Scholarships, each Approved Institution shall certify that each Student receiving a Scholarship meets the eligibility criteria in Rule .0200 in a manner acceptable by the Authority.

.0302. Scholarship Amount. The amount of the Scholarships shall be one thousand, two hundred and fifty dollars (\$1,250) for each Academic Year, which shall be disbursed bi-annually. In the event that there are insufficient funds to provide the maximum Scholarship amount to each Student for an Academic Year, the amount of the Scholarship shall be reduced and pro-rated among the Students.

.0303. Scholarship Disbursement Procedures.

- (a) *Method of Disbursement.* The Authority shall disburse the proceeds of a Scholarship by master check or by electronic funds transfer to a clearing account maintained by the Approved Institution.
- (b) *Roster Required.* A roster identifying the Students and the Scholarship amount for each Student will be sent by the Authority to the Approved Institution at the time of the master check or electronic funds transfer.

- (c) *Timing of Disbursements.* The Approved Institution shall post the Scholarship amount to each Student's account within ten (10) business days after the receipt of the roster or within ten (10) business days after the beginning date of the term for which the proceeds of the Scholarship were disbursed, whichever is later.
- (d) *Refund Procedure.* Approved Institutions shall comply with the Authority's policies for return of funds for State-funded grant programs.
- (e) *Certification of Receipts.* The Approved Institution shall certify the Student's eligibility for the Program and certify that Scholarship funds received by master check or electronic funds transfer have been credited to the Student's account.
- (f) *Policies.* The Authority is hereby authorized to develop, adopt and implement such policies and procedures as may be necessary from time to time to disburse Scholarship funds in accordance with the McLendon Program Rules and applicable requirements of State law.

.0304. Designation and Role of Authorized School Official. The Authorized School Official shall maintain institutional records, consult with Students about Scholarships and perform such acts as may be necessary for the Approved Institution to comply with the Act and the McLendon Program Rules.

.0305. Required Records. Each Approved Institution shall maintain records that provide a clear and substantial factual basis to support the Approved Institution's determination of a Student's eligibility under Rule .0200, the McLendon Program Rules and the Act.

.0306. Inspection of Records. Each Approved Institution shall make all Program records available to the Authority for inspection upon request. All Program records must be retained by the Approved Institution for a period of five years or until any audit exceptions have been resolved, whichever is longer.

.0307. Audit Requirements for Approved Institutions. Each Approved Institution shall be subject to audit and review by the Authority and the State Auditor to determine if the Approved Institution is complying with the Act and the McLendon Program Rules.

PART IV

PROGRAM ADMINISTRATION

.0400. The Authority as Administrator. The Authority is hereby authorized and directed to develop, adopt, and implement such policies and procedures as may be necessary to assist the Authority in the administration of the Program, in accordance with the Act and the McLendon Program Rules.

.0401. Interpretive Guidance. The executive director, or appropriate division director of the Authority, may from time to time issue guidance for interpreting the McLendon Program Rules in the form of policy memoranda or questions and answers. The Authority shall disseminate such interpretive guidance to all Approved Institutions. All interpretive guidance shall have the force and effect of the McLendon Program Rules. In the event of a conflict between any interpretive guidance and the Act, the Act shall be controlling.

I, Steven E. Brooks, Executive Director and Secretary of the Board of Directors of the Authority, DO HEREBY CERTIFY that the foregoing is a true and exact copy of the Rules Governing the John B. McLendon Scholarship Fund Program as adopted by the Board of Directors of the Authority on March 27, 2009, and as approved as final pursuant to the authority delegated to me; these Rules are in full force and effect and have not been amended or rescinded.

Steven E. Brooks
Secretary of the Board of Directors