SC-02-03	Scholarship Reimbursement Calculation		
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I. Background

A. Purpose

The purpose of this document is to explain how scholarship reimbursements are calculated. The calculations apply only to organizations who have scholars who have been deemed eligible for reimbursement from Prosperity Denver Fund (PDF).

B. Definitions

- **Eligible Organizations** – organizations who have been deemed eligible to receive reimbursement funding from PDF.

- **Supported Organizations** – organizations who have received reimbursement funding from PDF.

- **Scholarship Reimbursement Template** – an Excel spreadsheet provided to organizations to complete with scholar-specific information and submit as a reimbursement request.

- **Expected Family Contribution (EFC)** – EFC is the amount a family is expected to pay towards postsecondary education expenses for a specific academic year. EFC is obtained by completing a Free Application for Federal Student Aid (FAFSA).

- **Pell Grant limit** – the maximum EFC allowed to qualify for the Federal Pell Grant. This amount typically changes for each academic year.

- **Approved Scholar –** a scholar who has been deemed eligible for reimbursement from PDF.

- **Reimbursement rate** – a rate set forth by the Board of Directors for reimbursement based on a scholar's financial need, not to exceed seventy-five percent of the amount spent by the organization for an eligible student.

II.   Reference Documents

A. Ordinance Section(s)

- Sec. 11-34. – Organization reimbursement program (1-2,4-5)

B. Related Policies & Procedures

- SC-02-01: Scholarship Reimbursement Submission
- SC-02-02: Scholarship Reimbursement Review
- SS-03-03: Support Services Reimbursement Calculation
- RP-04-02: Reimbursement Detail Reports

C. Other Related Documents

- Student Disbursement Databases

III. Policy

Scholarship reimbursements are calculated on the individual student level, based on scholarship reimbursement requests submitted by supported organizations (SO).

Scholarship reimbursement may not exceed 75 percent of the scholarship amount spent by the organization for each scholar.

Scholarship reimbursement rates are set for an academic year by the Prosperity Denver Fund (PDF) Board of Directors on a sliding scale based on level of financial need. The most up to date reimbursement rates should be found in the board's governance documents.

IV. Procedure

A. Formula

Scholarship reimbursements are calculated based on the following formula:

A		B		C
Scholarship amount provided by SO	X	Individual Scholar Reimbursement Rate	=	Scholarship Reimbursement Amount

The formula is built in the Microsoft Excel student disbursement database to calculate reimbursements according to the scholarship amount provided and reimbursement rate.

B. Reimbursement Rate

1. Individual scholar reimbursement rates are based on a scale set forth by the PDF Board of Directors. A formula is built in the Microsoft Excel student disbursement database to output each individual student's reimbursement rate according to the scale.

2. The following reimbursement rates are currently in effect for financial need measures:

75% reimbursement	70% reimbursement
▪ At or below Pell Grant limit ▪ EFC between 101-150% Pell Grant limit ▪ EFC between 151-200% Pell Grant limit ▪ Free and Reduced-Price Lunch ▪ Eligibility for other public benefits approved by PDF ▪ Income within PDF guidelines	▪ EFC between 201-250% Pell Grant limit

3. Prior to September 2020, an alternative data collection method for financial need was used by PDF for the first reimbursement cycle for 2018-19 scholars.

4. Scholars who were submitted to PDF prior to September 2020 are currently reimbursed according to the following reimbursement rate table:

75% reimbursement	70% reimbursement
▪ EFC 10,971 or below ▪ Free and Reduced Price Lunch	▪ EFC 10,972-13,715 ▪ Unable to provide EFC range ▪ Alternative measure used

C. Example

The table below shows an example scholarship reimbursement calculation for two students at different reimbursement rates:

		A x	B =	C
Scholar Name	**Financial Need Measure**	**Scholarship Amount**	**Reimbursement Rate**	**Reimbursement Amount**
Ana	At or below Pell Grant limit	$1,000	75%	$750
Mike	EFC between 201-250% Pell Grant limit	$1,000	70%	$700