

Church & College Scholarship

Investing Together in the Next Generation



*developing passionate followers of Jesus Christ
with a heart to serve*

Our goal is to partner with the church in discipleship, biblical education and leadership development with a matching scholarship incentive that increases year by year.

We anticipate that as a result of this joint scholarship program ...

- ▶ the depth of Biblical understanding and discipleship will be enhanced in the next generation
- ▶ the student, the church and the community will benefit from the development of people with increased character, confidence and courage to serve Jesus, and who go on to key leadership roles in the Kingdom of God.
- ▶ churches will be encouraged in encouraging people — especially youth — to consider their potential and responsibility in Christian ministry.

Details

- ▶ Scholarship amounts:

Scholarship Year	Church Amount	College Amount	Total Scholarship
1	\$700	\$700	\$1,400
2	\$850	\$850	\$1,700
3	\$1,000	\$1,000	\$2,000
4	\$1,200	\$1,200	\$2,400
Totals	\$3,750	\$3,750	\$7,500

- ▶ NBC Scholarships will be awarded in the student's second semester of full-time study.
- ▶ The church portion of the scholarship may be applied at their discretion to semester 1 or 2 but the NBC matching amount will be granted only after the church scholarship has been received.
- ▶ The church may choose to establish additional criteria for their students to receive this scholarship (e.g. attendance, service, reporting, etc.)
- ▶ NBC limits the *Church & College Scholarships* to 4 first year and 4 returning students per year.
- ▶ Students will be required to maintain a cumulative GPA of 2.3 to qualify for the matching scholarship from NBC
- ▶ **Application deadline** is April 30th. Please note this is earlier than most other NBC scholarships.

For more information and an application form, please visit www.nipawin.org or contact Jason Elford by calling 888.862.5095 or by email at admissions@nipawin.org

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Application Form

Additional Details

In addition to the details of the information page, the following clarifications apply:

- ▶ “Scholarship Year” refers to the total years the student can receive this scholarship. Any student receiving this scholarship for the first time begins at Year 1, and is eligible to move forward with each additional year they attend NBC, to a maximum of 4 years. For example, a student in their 3rd year applying for the first time will be eligible for up to \$700, and then eligible for \$850 should they apply for & receive the scholarship in their 4th year.
- ▶ Students/churches must provide a formal motion or written commitment
- ▶ To ensure this scholarship is given according to CRA and CCCC standards, there is to be at least one phone conversation post-application between NBC and the specific church to ensure clarity on receipting. *Church Scholarship implementation options are as follows:*
 - a. Church budgets for the scholarship out of general donations (donation must be arms-length)
 - b. Church sets up a designated giving fund (we have CRA guidelines the church needs to see)
- ▶ If the third or fourth year is an internship year then terms will have to be negotiated. Paid internships would replace the NBC scholarship.
- ▶ Students may still be eligible for other NBC scholarships.
- ▶ NBC reserves the right to cancel the scholarship program without notice, but any church scholarship funds given under this program prior to cancellation will be matched.

Personal Information

Name of applicant: _____

The amount of Scholarship for which we are applying is \$ _____

Cheques will be made out to Nipawin Bible College with student's name in memo line.

Pastor/Elder/Board Member: _____
Name (Please Print) Signature

I have read and understand the criteria of the scholarship.

Applicant: _____
Signature Date

**Please send this form to: mail Nipawin Bible College – Admissions
Box 1986 Nipawin, SK S0E 1E0
by fax 306.862.3651 Attn: Admissions
or by email admissions@nipawin.org**

Issue Date: _____

Issued to: _____

Received: _____

Reference: _____

Accepted: _____

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APPENDIX A - CRA guidelines

TO BE GIVEN TO YOUR CHURCH DURING THE APPLICATION PROCESS

ESTABLISHING A SCHOLARSHIP OR BURSARY FUND

Generally, these programs are operated by existing charities dedicated to the advancement of education, such as universities, colleges, or schools and by charities registered solely for funding student aid. In addition, a local church could, for example, establish a scholarship, bursary, or loan fund to encourage training for ministry. Training individuals to become pastors, missionaries, and teachers is generally recognized as necessary to promoting and maintaining the work of the church.¹ An existing charity operating a scholarship or bursary fund should formally adopt the scholarship or bursary program. This may require amendments to the object clauses in the governing documents. The charity should develop criteria for the program, such as the following:

- 1.define the group eligible for funding
- 2.determine how the program will be funded through a fixed budgeted amount or a separate fund to which supporters are encouraged to contribute
- 3.determine how eligible individuals will be identified by establishing the qualifications and application process
- 4.establish a committee to administer the program and determine the beneficiaries

To be eligible as charitable activity, scholarship or bursary programs must be available to a sufficiently broad segment of the community so that public, rather than private, benevolence is provided. To single out named individuals for financial assistance is private benevolence and, therefore, not charitable. Even though a small number of individuals may be selected for financial assistance, the test for public rather than private benevolence is met as long as objective criteria are used in making the selection. Thus a charity could not restrict eligible scholarship recipients based on criteria that are not relevant to achieving the charitable purpose (such as membership in a group unrelated to the need being served).² In the context of a charity that has been established to advance religion, it may be acceptable to require a recipient of a scholarship for religious training to be an adherent of that faith. It would not, however, be acceptable to limit that scholarship to members of a particular race or family.

Clearly, where the recipient and donor are not at arm's length, the contribution will be an advantage to the donor and will not qualify as a charitable gift.³ Parents who contribute to student aid funds and who have children receiving scholarships or bursaries from that fund, will have the donation amount reduced by the amount of tuition paid from the fund.⁴ Because an advantage⁵ presumes a non-arm's length relationship, official receipts cannot be issued for contributions to a student aid program if the gift is made in contemplation of financial assistance to a non-arm's length student.⁶

TAX IMPLICATIONS OF SCHOLARSHIPS AND BURSARIES

Canada Revenue Agency (CRA) previously had a long-standing position that employer-paid scholarships or bursaries for post-secondary education awarded to adult children of employees were taxable benefits for employees. This position has been successfully challenged. In a series of three cases⁷ the Tax Court of Canada determined post-secondary scholarships or bursaries paid by employers for children of arm's length employees should be reported as income for the student⁸ rather than the employee as the employee receives and enjoys⁹ no benefit from the scholarship.

As a result of these cases, the CRA revised its position on employer-provided scholarships, bursaries, and tuition, but only for post-secondary education.¹⁰ However, as of June 26, 2013, a new provision was enacted in the *ITA*, which specifically excludes employer-provided educational assistance from an employee's income, and CRA has acknowledged that the exemption extends to assistance for primary/secondary education (private or otherwise),¹¹ where all of the following criteria is met:

1. The benefit is received or enjoyed by an individual other than the employee (i.e., a family member) under a program provided by the employer that is designed to assist individuals to further their education.
2. The employee and the employer deal with each other at arm's length.
3. It is reasonable to conclude that the benefit is not a substitute for salary, wages, or other remuneration.¹²

The CRA has confirmed that tuition discounts offered by a private elementary, secondary, or post-secondary school to its employees' family members will no longer be considered a taxable benefit to the employee if it meets the above criteria.¹³ The new provision became law on June 26, 2013, and will apply to benefits received on or after October 31, 2011. Scholarships made available to the employee himself/herself remain a taxable benefit (see discussion in Chapter 17).

REPORTING REQUIREMENTS FOR INSTITUTIONS THAT ISSUE SCHOLARSHIPS AND BURSARIES

When a scholarship or bursary exceeds \$500,¹⁴ the granting charity must report the amount to both the student and CRA via a T4A Slip and T4A Summary, respectively, even if the scholarship is entirely tax-exempt.¹⁵ This reporting requirement extends to primary or secondary students¹⁶ and also applies to eligible tuition discounts offered to children of school employees (which previously would have been reported on the employee's T4 slip).¹⁷

As of 2010, there is an exemption for students from income tax on scholarships or bursaries. This exemption is limited to the total amount "received in connection with" the taxpayer's enrolment in a designated educational program¹⁸ or an elementary or secondary school educational program.¹⁹

CRA generally interprets the phrase "received in connection with" to apply to an award "unless it significantly exceeds the taxpayer's tuition fees, living expenses, and other expenses associated with undertaking the program."²⁰ For part-time students, this amount is limited to the value of tuition fees and the cost of program-related materials.²¹