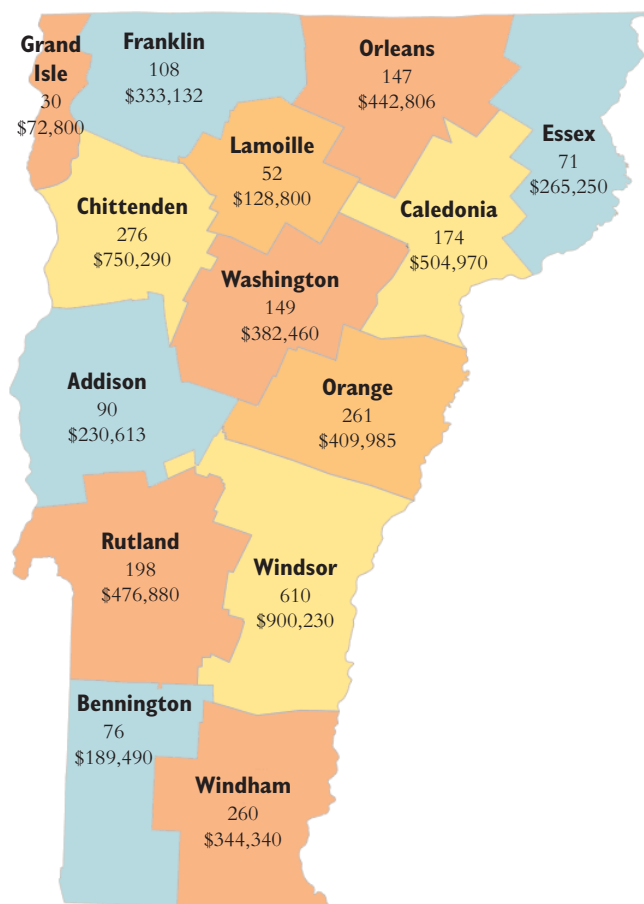


VSAC scholarships: frequently asked questions

What are scholarships? How do they differ from other forms of financial aid?

Scholarships, like grants, are a type of gift aid, meaning there is usually no obligation to repay the funds. While grants are generally based on financial need, scholarships are based on factors unique to each scholarship. These may include residency, degree program, leadership, academic achievement, extracurricular activities, and financial need. Unlike grants, scholarships are competitive, meaning that applicants compete for a limited number of awards.

Scholarship awards by county FY2008



Why do organizations sponsor scholarships?

Organizations sponsor scholarships to promote certain degree programs, majors, or fields of study; to recognize academic achievement; to provide a service to the community; or to support specific organizational goals.

What services does VSAC provide to Vermont residents?

VSAC publishes a scholarships booklet containing tips on finding reliable scholarship information, a list of favorite Web sites and other scholarship search resources, and suggestions on avoiding scholarship scams. This publication, updated yearly, describes approximately 160 scholarships available to Vermont residents. VSAC also either assists with or directly handles the administration of nearly three-quarters of the scholarships it publicizes, in addition to several scholarships it does not publicize. VSAC offers a unified scholarship application and a unified renewal application to simplify the application process.

Vermont Student Assistance Corporation

10 East Allen Street,
PO Box 2000
Winooski, VT 05404
Toll-free **800-642-3177**
In the Burlington area **655-9602**

Online at www.vsac.org
E-mail us at info@vsac.org

What services does VSAC provide to scholarship groups?

Services run the gamut: managing funds, processing applications, providing financial need assessment of applicants, selecting (or assisting with the selection of) recipients, and awarding and disbursing funds. VSAC provides as little or as much support as sponsoring groups prefer. Organizations typically choose services to meet their needs. Some groups prefer that VSAC administer their scholarships in full or in part; others prefer to be published in VSAC's scholarship booklet and handle administration themselves; still others participate in VSAC's unified application process, but handle the remainder of administration in-house.

How many scholarships does VSAC administer? Who sponsors them?

For the 2008–2009 academic year, VSAC administered or assisted with the administration of 164 scholarship programs. Sponsors included the state of Vermont, the federal government, private foundations and endowments, term endowments, service clubs, professional organizations, and VSAC itself.

How long has VSAC been involved in providing scholarship services?

Although its role was significantly more limited 43 years ago, VSAC has provided scholarship services to Vermonters and sponsoring groups since the organization was established in 1965. VSAC's Scholarships Program, as it operates today, was created in 1986.

Why have many organizations turned to VSAC for help in administering scholarships?

Over the years, VSAC has developed expertise in scholarship administration, which includes collecting necessary information from applicants, evaluating and selecting applicants, performing needed follow-up with applicants, and ensuring accurate and consistent record-keeping. Many organizations have found that using VSAC ensures impartial and consistent decision-making. VSAC provides high-quality, efficient customer service and minimizes sponsors' administrative responsibilities, enabling groups to focus on raising additional funds for students.

How much in scholarships does VSAC administer annually? How has that changed?

For the 2007–2008 academic year, VSAC processed 7,301 applications, awarded 3,119 scholarships totaling more than \$7.2 million, and disbursed \$5.7 million on behalf of Vermont residents. That compares with 90 scholarships totaling \$9,000 for the 1966–67 academic year. Since its inception in 1965, VSAC has provided more than \$55 million to students through more than 34,000 awards.

What is the average annual amount of a VSAC-administered or -assisted scholarship?

For the 2007–2008 academic year, individual scholarships ranged from \$168 to \$15,000. The average VSAC-administered or -assisted scholarship was \$2,319.

What are some of the major scholarship programs VSAC administers?

During the 2007–2008 academic year, VSAC assisted with the administration of the Robert C. Byrd Honors Scholarship, a federal program that provided \$67,500 through 45 awards; GEAR UP, a federal program that provided \$1,123,033 through 336 awards; the Vermont Honor Scholarship, a state program that provided \$94,000 through 96 awards; and major private scholarship programs

such as the General Educational Fund, Inc. (provided \$1,641,568 through 488 awards) and the Frank M. and Olive F. Gilman Foundation Scholarships (provided \$1,164,167 through 715 awards). Other state and federal programs included the Emily Lester Vermont Opportunity Scholarship, which provided \$33,168 through 48 awards; the National Guard Educational Assistance Program (interest-free loan), which provided \$290,077 through 68 awards; the Vermont John H. Chafee Education and Training Scholarship, which provided \$95,911 through 127 awards; the Vermont State Incentive Interest-Free Loan Programs for Nurses and Dental Hygienists, which together provided \$80,000 through 21 awards; and the VSAC Next Generation Initiative Scholarship, which provided \$321,800 through 435 awards.

How does receiving a scholarship affect a student's overall financial aid?

Generally, overall financial aid cannot exceed the student's total cost of attendance. Each institution has its own policy for considering scholarships when determining a student's total financial aid. Some schools first reduce self-help aid such as loans or work-study, then gift aid such as grants or institutional aid. Other schools reduce institutional aid first, then some combination of self-help and gift aid. VSAC counsels students to check with the institutions they are considering attending to see how a scholarship might affect other financial aid.

Where can Vermonters get reliable information about scholarships?

In addition to producing its annual scholarships booklet, VSAC maintains an extensive resource center containing computers, books, and advisors to help students and families locate information about scholarships. Vermont residents can borrow VSAC's materials at the center or through their local libraries using interlibrary loan. View the library's online catalog at www.vsac.org.

What are scholarship scams? Why are they a concern?

Scams are fraudulent schemes through which questionable companies promise scholarships in exchange for a fee. Often, families pay the fee only to find that they get nothing in return or get a product such as a list, which is vastly different from what they expected. According to the Federal Trade Commission (FTC), it is acceptable for companies to charge a fee to provide lists of scholarships or to compare a student's profile with a database of scholarship opportunities. However, the FTC says legitimate companies never guarantee or promise a scholarship or grant. As a precaution, VSAC encourages families to make use of its free scholarship services and to heed the FTC's advice before paying for such services. That advice includes being aware of:

- “money-back guarantees”
- promises that the information is “not available anywhere else”
- requests for credit card or bank account numbers
- claims that a student is a “finalist” in a contest he/she never entered

Call the Federal Trade Commission at 877-382-4357 or go to www.ftc.gov/scholarshipscams for more information.