Automating Scholarships
Opportunities for efficiency

A core product for community foundations is scholarships. They provide opportunities for students to pursue higher education beyond financial limitations. Scholarships also offer important tangential value. Many donors begin their engagement in community philanthropy by establishing scholarships. In addition, many students have their first experiences with community foundations as the recipients of scholarships.

The administration of scholarships is time consuming and full of paperwork. Therefore, automation of the application and review process is being considered at several community foundations.

PROCESS INTERVIEWS

Five Michigan community foundations shared scholarship practices currently employed.

• Grand Rapids Community Foundation (GRCF)
• Jackson County Community Foundation (JCCF)
• Midland Community Foundation (MCF)
• Charlevoix County Community Foundation (CCCF)
• Fremont Area Community Foundation (FACF)

Within this group, the number of scholarship funds varies significantly, as does the annual number of applicants, the use of automation and a few particulars in process. When generalized, though, these community foundations share the same needs, objectives and follow this common process.

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Input applications

Generally, community foundations print applications and distribute them to schools (some also post them to websites). Completed applications are frequently received as paper applications, whether or not they were originally made available to students electronically. In some cases, a high school guidance counselor gathers completed applications for community foundation. In most cases, the community foundation receives applications at or around a deadline with little prior knowledge of how many will apply.

Issues:
• Printing and distribution costs can be expensive
• All are collected at once; community foundation is inundated with paperwork that must be input manually by staff
• Most students search for scholarships on the Internet; hard-copy submission is inconvenient and less accessible

Qualify by scholarship

After they are collected, a community foundation qualifies applications to determine for which scholarships a student may be eligible. Most of the community foundations interviewed reported handling at least 50 funds with 200 recipients; and sometimes as many as 1,500 applicants. Two main qualification methods are summarized below:

Student self-selects scholarships to which he/she applies based on criteria received from a website, brochure, or other source.

Foundation staff determines eligibility after reviewing relatively generic student applications and determining eligibility based on criteria fixed for each available scholarship. GRCF uses a table in Microsoft Excel® to sort applications by prioritizing certain fields according to each scholarship’s criteria.

Issues with student selection:
• Committees find applications that fail to meet basic eligibility requirements, making the review process inefficient and cumbersome
• Students may inaccurately identify or unconsciously miss scholarship opportunities; foundation sorting is more accurate

Issue with foundation selection:
• Significant staff time is invested in eligibility determination—making hundreds of copies, sorting, data entry, applicant communication, proofing accuracy and checking full completion

Issues with manual forms:
• Need for manual verification of accuracy and follow up on incomplete forms
• Staff must make volumes of copies to document eligibility for each scholarship fund or manually enter applicants into their existing database
• Often, students must duplicate same information on several application forms
• Students do not know interim status of their application; usually there is little communication with students until final award/decline notices
Of course, the amount of time spent depends on the number of scholarships a community foundation offers and the number of applications received. Neither method incorporates verification of accuracy and completion unless staff checks each application by hand.

As they prepare to send applicant information to review committees, there is no opportunity for scholarship staff to run reports unless they have entered each application into the primary operations database (FIMS, Community Pearl, FoundationPower). Community foundations are therefore presented with two options: 1) make several copies of applications for committees to review and input qualifying applicants only, or 2) manually input all applications so automated reports can be queried and printed.

If applications are not input during the qualification stage, winning applications are input later. However, a permanent online record is not available for future reference and analysis (e.g., percentage of minority applicants and recipients, applicants by zip code or high school, etc.)

Review and recommend

Once qualified and sorted, applicant information is provided to committees responsible for reviewing scholarship criteria and making recommendations. Committees are typically made up of staff, board members and volunteers. Usually, this data is sent to individual committee members for review prior to a meeting where the applicants are discussed. Quantitative criteria are scored, and other qualitative information is considered. The ultimate decision is often subjective and balanced by collaborative conversation.

Ideally, application information is delivered to the committee in the form of a matrix report that lists and sorts key data. However, most community foundations cannot provide these clear reports today and a committee’s decision-making process tends to be inefficient.

Issues:
- Inefficient information access impedes effective review
- Paperwork-intensive process
- Some scoring is subjective; although much is objective and could be automated
- Significant internal communication and process management tasks have automation opportunities

Communicate scholarships

Community foundations correspond with all applicants to award/decline each scholarship. If they have already input the applicant information, they merely update the existing profile and create correspondence (perhaps by importing data into correspondence software).

In addition, some scholarships require subsequent tracking of criteria, such as transcripts. Therefore, there may be a series of communications with each student scholarship recipient.

Issue:
Even community foundations who have an automated application input systems are not automating communications today.
Account by fund

The community foundation’s database (FIMS, Community Pearl, etc.) handles the fund accounting and payout steps. Since this database is the core operating and historical documentation system, it is important that any scholarship automation is evaluated for its connectivity to this database.

Issue:
Most community foundations use FIMS; special programming is required for connectivity and scholarship process management (as well as application skill)
AUTOMATION OPPORTUNITY

One of the greatest opportunities for community foundations to increase the effectiveness and efficiency of their scholarship administration lies in automating time-intensive procedures. This includes the automation of application form input, qualification and review. Solving for these also indirectly provides some student convenience and communication opportunities.

After Williams Group understood existing processes and community foundation goals, we researched several existing software options. We found no products specifically created for scholarships since it is a part of a larger market: grantmaking.

All software products needed to provide student online information input—the highest priority among scholarship administrators. A customizable, online application is more than just a downloadable form for the student to fax or mail in after completed. It is interactive and database driven. Data can be managed, exported and imported into other databases or communications software. Manual entry is not necessary.

Through eligibility checklists filled out by applicants or integrated functions within the online application itself, students can identify the best scholarships for application. This helps students share the most important personal information and essays for specific scholarship consideration. On the other hand, staff can create sorting reports of those eligible for a scholarship if more generic applications are desired. Automated qualifying and scoring solutions are possible through database management and reporting tools.

In order for scholarship software to be highly efficient, it must integrate with the foundation’s core operating software. Some vendors describe scholarship software as communications software. Process automation is usually designed within operating software (e.g., FIMS, Community Pearl). Therefore, connectivity, as well as operating software process capabilities, are key factors to consider in scholarship (and grantmaking) software selection.

There are other features of certain software applications which may be desired in the future. For example, some software provides students with real-time, online status reports of the qualification and review process. In addition, automated committee review capabilities can be available online. Reviewers are able to score, rank, and recommend online. They can share and compare individual scores; even essays can be posted for review online in between meetings. Committee review software is frequently a separate module available for an additional cost.

Automation of scholarship processes may offer direct economic benefits through increased effectiveness. Also, community foundations can:

- Increase the number of applicants because of increased accessibility
- Increase review committee productivity and satisfaction
- Decrease printing and distribution costs
- Add new donor funds and update existing funds conveniently
Options for Automation

Options for automating community foundations’ scholarship process range from off the shelf products to contracted outsourcing services. Price, capability and availability range commensurately, each offers advantages and disadvantages. Other companies and products on the market, but the following reflect the most reasonable and/or representative options for community foundations:

- Arlington Group: Easygrants
- Bromelkamp: eGRANT
- MicroEdge/NSO: Portico GRM
- Scholarship America: Scholarship Management Services®

Note: All grantmaking software summarized below will require a “patch” in order to be compatible with MicroEdge/NPO Solutions FIMS except Portico GRM which is designed to be compatible. MicroEdge/NPO Solutions has committed to providing this patch; however a timeline and cost are yet to be determined.
Arlington Group: *Easygrants*

Arlington Group’s Easygrants is designed to serve all grantmakers including governments and foundations. This is relevant because there is significantly more capability, service, implementation process and, of course, cost associated with it than other alternatives.

Arlington Group acts as a technology partner, heavily involved and integrated into the grantmaking process. They start with analysis of a specific community foundation’s process which includes consulting and meeting with entire staff. They then configure a solution that while not totally custom, is designed to the needs specific to that grantmaker. Review/testing and training follow the configuration step to assure proper implementation. As with most grantmaking software, the Easygrants product is divided into individual modules that can be purchased independent of one another, allowing for flexibility and efficiency.

Here are additional capability highlights, as described in Easygrants promotional materials:

**Application module**

- Allows applicants to access their application and save changes before submitting and permits returning applicants to update and reuse their contact profile for re-application
- Uses customizable code tables to collect information in standard formats
- Unlimited number file uploads are supported (such as essays, tax returns, etc.)—all uploads are scanned for viruses and validated
- All documents and form data are stored for search and retrieval
- Third-party access and submission allow individuals to submit information and provide approval and sign-off, e.g., references, sponsored research officers, collaborating organizations, etc.
- Extensive reporting capabilities help with management of the process, e.g., lists of applications submitted, not submitted, by geographic focus, by organization, etc.
- Easily create and save queries for future use, output results to Word, Excel, PDF or XML format

**Review module**

- Automatically assign applications to reviewers based on your process rules, expertise, conflicts, etc.
- Supports unlimited multi-stage review process with internal reviewers (i.e., staff), external reviewers, or a combination of both; easily assign reviewers to groups, committees, panels, etc. and assign applications to these groups
- Staff can view status of reviews during the process
Cost

Product license fee (based on modules):
- Core $11,250
- Application Module $18,375
- Review Module (optional) $18,375
- Progress Reports Module (optional) $18,375

Annual Licensing/Support Agreement (15% of licensing)

Implementation:
- Project Manager $150/hr
- Designer/Developer $125/hr
- Systems Engineer $125/hr
- Quality Assurance/Documentation Specialist $115/hr

Third party tools for PDQueue—initial software fee $2,675

Patch from MicroEdge/NPO: TBD

When Williams Group inquired about discounting for multiple community foundations, we received the following reply:

"Know that we are very willing to work with you in regards to structuring economies of scale into our pricing. This would include software licensing, services, and maintenance. Currently, we have no pricing so structured as we have not encountered an opportunity of this nature."

For more information on Arlington Group and Easygrants, visit www.arlgroup.com.
Bromelkamp: eGRANT

Bromelkamp is the second largest provider of software to foundations in the United States. GRCF, JCCF and MCF are currently using eGRANT in different capacities. MCF uses Bromelkamp’s Community Pearl product as well.

eGRANT is an off-the-shelf product that offers an online application solution. It is a communications and collection tool, meaning that is designed to integrate with a foundation’s operating database for qualifying and sorting capabilities. In response to client demand, this summer will bring an upgrade to the eGRANT product. For users of the current version, foundations will be able to add student qualification criteria into the application process. There is no additional cost for this upgrade. eGRANT is designed using an open architecture. This translates to easier integration and increased compatibility with other software.

Also available through Bromelkamp eGRANT is an optional two-way communication feature which allows foundations the opportunity to see the status of an application and communicate with the applicant online. In addition, a committee review module allows for applications to be reviewed online by those with authorization. Reviewers can run reports, score, post comments and rank before electronically sending them back to a foundation for selection. As a Bromelkamp product, eGRANT is completely compatible with Community Pearl.

Here are additional capability highlights for eGRANT as described in promotional materials:

- Moves applicants through the application in any direction and into any section without fear of overwriting or missing sections. Multiple people can work on the same application at the same time and from different physical locations.
- Enforces application requirements automatically based on your written guidelines.
- Opens instruction boxes in separate minimized windows, allowing for easy printing
- Limits narrative fields in the amount of data an applicant can enter. Character counts give applicants immediate feedback on response lengths and enforces date/phone/etc. format based on agency preferences and guidelines
- Allows applicants to upload and attach support materials files (images audio/video, etc.) to their online applications
- Allows applicants to access their application and save changes before submitting and permits returning applicants to update and reuse their contact profile for re-application
- Allows foundations to post and edit messages to applicants, alter deadline dates and follow the status of applicants. Foundations can access each application directly from the administrative page for review or to provide assistance simultaneously with the applicant
- Offers on-site and virtual (online and over the phone) training and support
- Is compatible with online surveys, eligibility wizards, application tracking and panel review
Cost

Annual hosting fee: $900

One time setup/license: $60 per field/per page
[e.g., 3-page application ($180)
with 100 fields ($6,000) = $6,180]

Two-way communication module (optional): $2,200
Committee review module (optional): $4,500

Patch from MicroEdge/NPO: TBD

Bromelkamp estimates that eGRANT typically requires $7,500, but can range from $4,000 to $15,000.

For more information on Bromelkamp and eGRANT, visit www.bromelkamp.com.
MicroEdge/NPO Solutions: Portico GRM

MicroEdge/NPO Solutions, maker of FIMS, has recently retired its online grantmaking software, Internet Grant Application Module (IGAM), with intentions of replacing it with a new product, Portico GRM (Grant Relations Management), by July 2006. Like other options, Portico GRM will also be a full grant making software product. It will have an obvious compatibility advantage with FIMS which is somewhat antiquated and, because of its closed architecture, difficult for other software to integrate with.

In addition, Portico GRM will offer an online application with qualifying and sorting capabilities. A committee review will be offered as a separate module. Though work on Portico GRM is still being completed, product managers for MicroEdge/NPO Solutions expect to have demonstrations available within weeks of this report being published. Final product availability is several months away.

Here are additional capability highlights for Portico GRM as described in promotional materials:

Application process
- Improved efficiency with one interface connecting online automated grants and grantee management
- Easily configurable online grant and scholarship application forms
- Branching eligibility quizzes for online screening of applicants and/or guiding them to the appropriate application
- Improved application targeting and effectiveness through transaction reporting and analysis

Grants management process
- Enhanced method of communicating grant status, payment and reporting through the grantee portal that would normally take up valuable staff time
- Continuous review and improvement of grantee service through management reports and interaction statistics
- Validate non-profit status with links to IRS and Canada Revenue databases
- Unlimited electronic submission and management of post-award requirement
- Configurable grantee progress report forms to meet your specific requirements

Contact management process
- Power to allow non-profits to maintain their contact and other profile information
- Ability to seamlessly integrate updates with your GIFTS, FIMS or FoundationPower database
- Provide portal access to multiple contacts working with your applicants and grantees

Corporate contributions management process
- Integrated/streamlined communication and consolidation of business unit activity
Cost

As Portico GRM is still in the development, specific pricing is not currently available. However, it was stated that the pricing structure would resemble that of IGAM.

• Pricing would be subscription-based with an annual licensing fee
• There would be a “per transaction” fee applied for each of the applications submitted. In the past, with IGAM, they averaged about $2.00 per transaction
• There would be an annual service and maintenance fee; it is expected to be significantly greater than eGRANTS

For more information, visit MicroEdge/NPO Solutions at www.microedge.com.
Scholarship America: Scholarship Management Services (SMS)

Scholarship America is a nonprofit organization serving companies, associations, foundations and individuals. It has the capability to provide the same service as each of the other products identified in this report. However, rather than providing it as an off-the-shelf or custom product, it manages the entire process as an outsourced, staffed vendor. Cost for SMS is contingent upon the unique specifics of each community foundation, but $700 per fund managed is considered a minimum annual cost. Since Scholarship America targets high-volume scholarship administrators such as colleges and universities, this seems to fall outside the scope of options to consider.

For more information on Scholarship America, visit www.scholarshipamerica.org.
Features summary

Community foundations have the opportunity to optimize their scholarship making process. Below is a consolidated glance at the unique solutions each software option offers.

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Final considerations

Scholarship automation is available today at varying costs and automation levels. However, it may be shortsighted to make a scholarship automation decision without considering the foundation’s future for grantmaking automation, legacy operating systems and back office service bureaus.

While most community foundations mentioned automated application input by students and compatibility with FIMS as primary objectives, other factors are equally important. Today’s administration may benefit from process review, value design and skills development. For the greatest value from this software, community foundations must have sophisticated process and application knowledge. Therefore, the total investment may be greater than the software itself. But only with comprehensive investment can a foundation receive optimal return.

Scholarships will continue to be critical to community foundations and the constituencies they serve. As gateways to education and introductions to philanthropy, scholarship funds reflect community foundations’ mission. The advent of web-based solutions allows the administration of these funds to no longer drain foundation resources as in times past.