

# RESCINDED

## No longer applicable following rescission of Policy 1996-01-A

### Pennsylvania's State System of Higher Education Procedures and Standards for University Operations

#### Procedure/Standard Number 2017-31 Sources of Funding for University Scholarships

Approved by: \_\_\_\_\_

  
Chancellor

Date: December 21, 2018

**History:** Board of Governors Policy 1996-01-A: *Sources of Funding for University Scholarships*, has provided for universities to fund limited institutional financial aid from tuition and fee revenue since 2011.

**Revised:** Limits in Section III are updated.

#### **Related Policies, Procedures, or Standards:**

[Board of Governors Policy 1996-01-A: \*Sources of Funding for University Scholarships\*](#)

#### **Additional References:**

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#### **I. Introduction**

Sections C and D of Board of Governors Policy 1996-01-A: *Sources of Funding for University Scholarships*, provide for universities to use limited tuition and fee revenue to fund institutional financial aid. This procedure/standard provides guidance and limitations by which universities may provide institutional scholarships funded by unrestricted funds.

#### **II. Definitions**

- A. **Institutional scholarships**—University-funded financial assistance to a student for the purpose of undertaking for-credit course work not to exceed the full cost of attendance less other grant awards.
- B. **Need-based institutional scholarships**—Institutional scholarships for which eligibility is based upon an analysis of financial need, to include information reported in the Free Application for Federal Student Aid (FAFSA).

#### **III. Limits**

- A. **Need-based aid for Pennsylvania students**  
University procedures for establishing, maintaining, and administering a need-based institutional scholarship fund must be approved by the university council of trustees.

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University procedures must include funding expectations not to exceed 15.0 percent of the prior year's gross tuition and fee revenue; utilization guidelines; and requirements for annual reports and audits.

**B. Non need-based aid**

In addition to the use of miscellaneous unrestricted revenue sources, universities may use up to 15.0 percent of the prior year's gross nonresident tuition and fee revenue for institutional scholarships that are not based on need. Awards may be applied to students regardless of residency.

**C. Flexible pricing exceptions**

Universities with flexible pricing practices may exceed the limit in section III.A, above, by utilizing revenue generated through the flexible pricing model to ensure access for students with financial need.