

Quick Guide to Scholarships

Where Can I Find Scholarships?

Seek out campus resources: Your school's financial aid office should always be the first place you go to ask about scholarships. But, professors and academic advisors may also know about grant opportunities available to students.

Go online: Use FastWeb's free scholarship search at www.fastweb.com to find scholarships for currently enrolled college students. FastWeb adds and updates scholarships every single day.

Search your local community: Look to community organizations, your local library, cultural groups, and/or churches for scholarship opportunities.

Application Basics

Every year, scholarship providers skip over applications if they are not complete. Make sure the application you submit will be considered by following these simple rules:

- Apply only if you qualify. Sounds simple, but students every year waste time by applying for awards they are not eligible to win. If you do not qualify, do not submit an application.
- Keep it neat. Type your essay application. Mark each page with your name, so even if your application gets separated, it can still be identified.
- Answer all the questions. Double-check that you have not left anything blank. Write 'N/A' if the question does not apply to you.
- Include all required documents. Required documents that are frequently left out of and forgotten on applications include: transcripts, contact information for references and a letter of recommendation.
- Watch out for deadlines. Impose your own deadline that is two weeks before the "official" one so that your application can arrive in plenty of time.

Renewing a Scholarship

If you currently have a scholarship, find out if it has renewal provisions. Ask your school or scholarship sponsor for more information. If you do have an opportunity to renew, you may have to do the following:

- Submit a renewal application or a new application each academic year.
- Keep your grade point average (GPA) at a certain level to remain eligible for the award.
- Complete certain academic requirements, such as a number of credits or specific courses.
- Keep track of your hours/credits. Most scholarships require you to keep your status as a full-time student.

Scholarship Essays: Master the Basics

A well-thought and edited essay will help increase your chances of winning a scholarship. Follow these steps to write a competitive essay:

Get organized. Begin by brainstorming ideas to the essay topic(s). Create an outline to keep your thoughts in order.

Develop a theme that fits the scholarship. Think about the kind of student the scholarship sponsor might be looking for. Highlight elements in your essay that personally describe you and also complement the sponsor's requirements.

Be original and creative. Scholarship judges can read up to hundreds of essay applications. To catch the attention of a scholarship judge, you want to be able to draw in the reader right away.

Show, don't tell. If you are sharing a volunteer experience, for example, be specific. What duties did you perform? How did it change your way of thinking? What affect did it have on your life or the lives of others?

Revise and Edit. Treat your scholarship essay the same as you would any essay or paper for one of your courses. The reward is money instead of a grade. Write multiple drafts to catch mistakes. Ask your professors, friends or family to check for any additional spelling or grammar mistakes.

Is My Scholarship Taxable?

Typically, a scholarship is tax-free if you are a full-time or part-time student at a primary, secondary or accredited post-secondary institution. The award can cover tuition and fees but can also just cover fees, books, and supplies required for your courses to be considered tax-free.

Your scholarship is considered taxable, however, if it is used to cover room and board, research, travel, or clerical help. If your scholarship is tax-free, you will not have to file a tax return or report the award. However, if you have a taxable scholarship, you will have to report your scholarship to the IRS.

A portion of your scholarship can be tax-free while the other portion is taxable. For example, a scholarship can be used to cover tuition as well as room and board. In this case, you may have to make an adjustment on your tax return. This means having to file a deduction for educational expenses. You then must reduce the amount of your deduction by the tax-free amount of the award.

If you are not sure whether your scholarship is taxable or if you have questions about making an adjustment on your tax return, contact the IRS at 1 (800) 829-1040. You can also review IRS Publication 520 that details scholarships and taxes at www.irs.gov.