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August 20, 2004

Mr. Claude Roy
Treasurer, NASSGAP
Finance Authority of Maine
Five Community Drive
P. O. Box 949
Augusta, ME 04332

Re: ID# 1914 - Please refer to this number when corresponding.

Dear Mr. Roy:

On behalf of Lumina Foundation for Education, we are pleased to enclose our check for \$10,000.00 as the second installment of our \$87,000 grant to make the NASSGAP survey and reports more accessible and promote their widespread use.

Please refer to the enclosed copy of the signed Terms of Grant Agreement for the complete disbursement and reporting schedule.

We wish you much success in this endeavor.

Sincerely,

Jill K. Wohlford
Program Analyst

ga-s

Enclosures

cc: Maureen Laffey
Cheryl K. Maplethorpe

NOV 14 2003



Lumina Foundation for Education, Inc. *Terms of Grant Agreement*

This *Terms of Grant Agreement* refers to the grant award letter dated October 28, 2003, from Lumina Foundation for Education, Inc., (the "Foundation") located in Indianapolis, Indiana, and shall govern the grant that is being made to the undersigned charitable organization (the "Grantee") at the recommendation of the Foundation and its Board of Directors.

The Grantee accepts and agrees to comply with the following terms and conditions governing the grant:

Grantee Information

1. This grant (Grant No. 1914), in the amount of \$87,000 is awarded to National Association of State Student Grant and Aid Programs and will be used to facilitate data collection and dissemination of the NASSGAP survey and reports. The Grantee will use the funds solely to carry out the stated purpose of this grant. The period of the grant will be from October 1, 2003, through September 30, 2008.
2. The Grantee stipulates by signing this document that it is designated as an organization under the Internal Revenue Code, Section 501(c)(3) and 509(a)(1), (2) or (3), or Section 170(c) and has timely filed its Form 990s or other tax reports, as may be required by the Internal Revenue Service, and that the Grantee is in good standing with the IRS and relevant state and local authorities. The Grantee will also file and maintain appropriate corporate and accounting records, including Internal Revenue Service reports, reports with the appropriate Secretary of State, internal and/or audited financial statements, and accounts on grant dollars. All of these tax and financial documents will be made available to the Foundation within a reasonable amount of time following the Foundation's written request for the same.
3. The Grantee representative who signs this *Terms of Grant Agreement* takes responsibility for informing, monitoring, and holding accountable all other parties involved in the execution of the charitable work of the grant.
4. The Grantee will advise the Foundation immediately if the federal government, IRS, or state or local authorities gives the Grantee notice of a change in its tax status.
5. The Grantee will not use the funds to attempt to influence legislation (lobby), to influence the outcome of any election, or to register voters.

Funds

6. Funds received from this grant will be deposited, as quickly and practicably as possible, in a low-risk, short-duration, interest-bearing account, such as a money market account, savings account, or checking account with a "sweep account" feature. The grant proceeds should be designated and segregated in such a way that their origin and associated earnings can be calculated and credited to the grant project. All amounts that are earned on the grant proceeds shall be reported.

7. Except in the case of general operating support grants, the grant funds will be used for administrative overhead expenses only to the extent approved as a part of the grant budget.
8. If the Grantee seeks to revise a Lumina Foundation annual grant budget line item by more than 10 percent, and that line item is greater than \$5,000, the Grantee must seek advance approval from the Foundation. Grant recipients may keep unspent funds that do not exceed \$1,000 at the end of a grant term and shall use such funds in furtherance of its charitable purposes. These unspent funds should be noted in the final financial report filed with the Foundation. If the unspent funds exceed \$1,000, grant recipients should notify the Foundation, preferably before the term of the grant expires. The grantee may request a no-cost extension of the grant period to spend down the funds or to return the funds to Lumina Foundation.
9. The Grantee will assume responsibility for the selection and oversight of individuals to whom and organizations to which funds may be paid as a part of its activities in furtherance of this grant.
10. Grantee acknowledges that the funding for the Grant is for a period of five (5) years. At the end of the five-year period, Foundation will not consider an inquiry or grant request from Grantee for the purpose set forth in Grant No. 1914. Further, Grantee acknowledges that funding for this request does not guarantee future funding for a different purpose than Grant No. 1914, and that there may be circumstances under which the Foundation may determine that an unpaid portion of the grant should not be disbursed. In the event of the latter, the Grantee shall be reimbursed for expenses the Grantee has incurred, as well as any non-cancelable obligations directly pertaining to the approved work of the grant which the Grantee has entered into, before notification of the Foundation's decision to terminate the grant, and the Foundation shall have no further obligation to the Grantee.
11. Upon receipt of this signed grant agreement, the Foundation will send a check in the amount of \$47,000.00. Any subsequent payments will be made according to the payment schedule listed below, assuming continued compliance with the terms and conditions of this grant agreement, and subject to the further conditions of timely submission of program reports and management that meets with the continued approval of the Foundation.

Reports

12. The Grantee will submit periodic narrative and financial reports on the progress of the work supported by this grant. The Foundation is interested in a critical analysis of the progress made compared to the original goals, reflections about what worked, what didn't, and why, and any recommendations for revisions to the work plan. Reports should not exceed 10 pages and should be doubled-spaced and printed in 12-point font. The reporting form attached as Appendix A can serve as a guide for the organization of the requested reports. The financial report should specifically identify the use of grant funds.

Report Schedule:

<u>Period Covered</u>	<u>Program Report Due Date</u>	<u>Financial Report Due Date</u>
10/01/2003 - 07/31/2004	August 1, 2004	August 1, 2004
10/01/2003 - 09/30/2008	December 1, 2008	December 1, 2008
08/01/2004 - 07/31/2007	N/A	August 1, 2007

Payment Schedule:

\$47,000.00 – Upon receipt of signed grant agreement

\$10,000.00 yearly payments for Years 2 through and including 5 are contingent upon matches from NASSGAP.

Communication and Evaluation

13. The designated staff representative for this grant is Jill K. Wohlford. Please feel free to contact her at 317-951-5136 at any time.
14. The Foundation reserves the right to use information regarding the grant in news releases, Web sites, newsletters, mass mail and other public media, whether in hard copy or electronic communications format, to report the grant and its purpose and the identity of the Grantee. Beyond routine, factual listings, the Foundation will, however, notify the Grantee if it plans extensive coverage of the grant.
15. Lumina Foundation places a high value on communications pertaining to its grants and the grantees thereof. Therefore, the Foundation requires that the Grantee notify its designated staff representative at the Foundation to discuss, in advance, its plans for publicly announcing the grant through news releases, Web sites, newsletters, mass mail or other public media, whether in hard copy or electronic communications format.

In cases in which the work being funded by the grant involves publications or other public communications of any type or nature flowing there from, the Grantee shall provide the Foundation with an advance copy of any materials to be publicly communicated or produced, including any proposed references to the Foundation and/or the grant. The Foundation reserves the right to review and approve the possible use of its name in the context of all communications publicizing the grant or the work funded thereby and to determine the appropriate use of its name in connection therewith before any such communications are issued. The Foundation shall be given a minimum of five business days to complete its review of significant communications.

The Grantee shall provide to the Foundation, on a timely basis, copies of final public communications, as well as copies of media coverage of the grant and copies of any work products that flow from the grant. The Grantee shall summarize communication efforts as part of its regular reports to the Foundation. (See additional memo, "Communicating Your Lumina Foundation Grant," provided in this packet for Grantee's communicators.)

16. The Foundation may conduct independent evaluations and site visits in keeping with its commitment to oversee, evaluate, and learn from its grants and the Grantee will provide its full cooperation to the Foundation in those efforts.

Miscellaneous Information

17. All legal proceedings and matters pertaining to this grant shall be governed by the laws of the State of Indiana, notwithstanding the conflicts of law principles of Indiana or any other state; provided, however, that nothing herein shall be interpreted as (i) a waiver of the sovereign immunity of the state in which the Grantee is incorporated or headquartered, or (ii) an agreement by the Grantee to any obligation or undertaking contrary to the laws of its state of

incorporation or headquarters which bind state agencies. Further, any disputes arising hereunder shall be heard exclusively in the state or federal courts with subject matter jurisdiction sitting in Indiana.

If any of the terms of this Grant Agreement are violated or if there is a change in the Grantee's tax-exempt status, the Foundation reserves the right to postpone or cancel grant payments and, in extreme cases, request repayment of a portion of the grant funds. Failure to comply with the terms of this Grant Agreement may also jeopardize future funding from the Foundation.

The undersigned duly authorized representative of National Association of State Student Grant and Aid Programs, acting for and on behalf of said organization, as the Grantee hereunder, has read, accepts, and agrees to comply with the terms of this Grant Agreement with Lumina Foundation for Education, Inc., and agrees to notify all related persons and agencies under the direction of the Grantee to comply with all of said terms.

Susan O. Conner
Signed

10/30/03
Date

Susan O. Conner
Print Name

Executive Vice President and COO
Lumina Foundation for Education, Inc.

Maureen Raffey
Signed

11/10/03
Date

Maureen Laffey
Print Name

National Association of State Student
Grant and Aid Programs
Title, Grantee

Countersignature and Effective Date of the *Terms of Grant Agreement*:

J. David Maas
Signed

11/14/03
Date

J. DAVID MAAS
Print Name

CFO
Lumina Foundation for Education, Inc.

**Lumina Foundation for Education
Grantee Report Form**

Organization Name: National Association of State Student Grant and Aid Programs

Grant Number: 1914

Grant start date: October 1, 2003

Grant end date: September 30, 2008

Grant amount: \$87,000

1 of 5 reports (e.g., 1st of 3 reports)

Period covered by report: October 1, 2003 to July 15th, 2004

Next scheduled payment amount: \$10,000 due when first report is submitted August 1, 2004

Goals

This grant has two goals. The first goal to be accomplished with the disbursement of \$87,000 focuses on the annual NASSGAP survey and report. The second goal to be accomplished with the \$10,000 matching grant focuses on enhancing the NASSGAP web site for better distribution of data and information gathered from the survey for better service to those who are interested in and study higher education financing and policy. Although this report is due August 1, 2004, NASSGAP has been assured that it will be allowed 12 months to spend the first disbursement of funds in order to accomplish these goals. The one year window means that NASSGAP has until September 30, 2004 to spend the first disbursement and accomplish these goals.

Major Grant Components and Strategies

First Goal: Enhance the NASSGAP annual survey and report by automating the conversion of survey data to a set of predefined tables and charts. The system will save time and money in the production of tables and charts. It will provide a more complete report of state student aid programs than is currently available.

This goal will be accomplished by hiring JBL Associates, Inc. to develop the computer programs necessary to produce the tables and charts.

Second Goal: Enhance and improve the NASSGAP web site. This will be accomplished by hiring a software web site company to provide the web site structures and tools that will provide better service to NASSGAP members and researchers and policymakers interested in higher education financing.

Progress Indicators (for this report)

JBL is working on this project. Their staff have been working with NASSGAP's state contractor Mike Solomon from Illinois who has collected the data for survey number 34 which was just completed and published last May. This new report is on NASSGAP's web site and can be downloaded for free. It used some of the new tables that will be automated in the future.

Action vs. Plan

Progress to Goals:

First Goal: Complete report number 34 using the new format. Design the software programs to produce the report tables in a more automated way.

Second Goal: Create RFP to find interested web site contractors. Select contractor. Improve NASSGAP web site and make it more user friendly for NASSGAP members and other customers.

Meeting Progress Indicators:

First Goal: JBL has helped produce the first report using the new format (Report number 34). Report number 34 was created using the new web based collection tool. In producing the new report, JBL staff have become more familiar with the data structure which will help them create the software programs necessary to produce future reports in a more automated way. JBL staff are currently working with Mike Solomon from Illinois to produce the software program that will produce those tables in a more automated way for future reports.

Second Goal: Several companies have responded to NASSGAP's RFP. NASSGAP is in the process of selecting a web site company.

Budget Status:

First Goal: JBL staff have worked 230 hours on this project so far. Including travel expenses, JBL has billed the grant \$25,893.23. Travel expenses were billed to the grant for the Project Director to travel to the NASSGAP conference to meet state data providers and survey customers for evaluation input and the NASSGAP Research conference to meet with policy makers and higher education research staff. The travel expenses for the Project Director for these two trips were \$1,725.27. The original grant was for \$37,000 so the grant has \$11,381.50 remaining.

Second Goal: No funds have been spent on the web site improvement yet since the web site company has not yet been selected. The company should be selected within the next few weeks. NASSGAP has budgeted \$10,000 to match the \$10,000 annual grant from The Lumina Foundation for Education. NASSGAP anticipates using the matching grant funds for future years to continue to enhance the web site through the efforts of the selected contract company.

Please describe any unexpectedly low or high expenditure to date.

It has taken a little longer than expected to design the Request for Proposal and find interested companies but a contractor should be selected shortly.

Project Director's critical analysis:

The project has not yet been completed but should be finished within a month or so. The grant allows for expenditures through October 2004. Coordination between the Illinois state agency and the contractor seemed to work well but did not result in a completed project as yet. Typically the next survey would be sent out in December so there will be much pressure to finish this project as soon as possible.

Changes to Goals:

NASSGAP anticipated having several static tables produced and residing on the NASSGAP web site for interested customers. We may instead have the web site contractor design a program that will use the NASSGAP report data base to produce dynamic reports upon demand.

Cheryl Markelthorpe
Project Director

7-26-04
Date

Primary Contact
If different from project director

Date

