KENTUCKY EDUCATION FUND
SCHOLARSHIP GRANTING ORGANIZATION

Kentucky Education Fund
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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is entered into as of this 15th of October, 2026 (the "Effective Date"), by and between:

Kentucky Education Fund (hereinafter referred to as the "SGO"), a non-profit 501(c)(3) organization, with its principal place of business located at 501 Capital Avenue, Frankfort, KY, 40601,

and

Ludlow Independent School District (hereinafter referred to as the "Institution"), an accredited educational institution, with its principal campus located at 525 Elm Street, Ludlow KY 41016

Purpose of the MOU

The purpose of this MOU is to define the roles and responsibilities of the SGO and the Institution regarding the administration, promotion, selection, and disbursement of the scholarships to qualified students.

Scholarship Funding and Criteria

The SGO agrees to provide scholarships subject to the availability of funds and continued compliance with this agreement by the Institution. The Institution ensures compliance by verifying the eligibility of recipients and applying funds accurately for approved educational expenses.

Scholarships will be awarded exclusively to students who meet the following eligibility requirements:

1) Students who are eligible for enrollment in kindergarten through grade twelve (K–12) and who are subject to compulsory attendance requirements pursuant to KRS 158.030.
2) Students who are members of a common school as defined by KRS 158.030(1); or students who are members of a nonpublic school defined by 704 KAR 3:315, including but not limited to a private, parochial, home-based, church school, or charter school.
3) Students who are members of households with income that does not exceed 300 percent of the area median gross income.

4) Scholarship funds used only for eligible elementary or secondary education expenses.

Roles and Responsibilities of the SGO:

1) The SGO will have a 501(c)(3) status and be certified by the Kentucky Secretary of State.
2) The SGO will spend 90% or more of generated income on scholarships.
3) The SGO will ensure funds are used exclusively for qualified expenses.
4) The SGO will promote scholarship opportunities to eligible candidates and provide application materials.
5) The SGO's designated selection committee will review and prepare applications for the Institution.
6) The SGO makes the final determination on scholarship recipients based on set criteria after reviewing the Institution's recommendations.
7) The SGO will disburse the scholarship funds directly to the Institution on behalf of the selected students.
8) The SGO will distribute 1.5% of each gross donation amount to the Institution for their assistance with the application process.

Roles and Responsibilities of the Institution

1) The Institution will verify the enrollment status and financial aid eligibility of the selected recipients prior to the release of funds.
2) The Institution will recommend the scholarship recipients based on set criteria.
3) The Institution will apply scholarship funds directly to the student's account for tuition, fees, and other approved educational expenses.
4) The Institution will provide the SGO with reports confirming student enrollment, academic performance, and the proper application of funds.
5) The Institution will promote the Kentucky Education Fund on their website and social media sites. The Institution will also link the Kentucky Education Fund's donation and application portals on their website.

Administration of Funds

1) If a student withdraws from the Institution, the refund policy of the Institution will apply. Unused funds from scholarships must be returned to the SGO. If a student withdraws prior to or during a term for which scholarship funds were disbursed, the Institution shall calculate the pro-rata unused portion of the scholarship funds in accordance with the Institution's standard refund policy, or 100% of the award if the withdrawal occurs before the first day of classes. The Institution is not required to refund an SGO after the student has completed 50% of a semester.
2) The SGO will issue payments to the Institution on an academic semester basis, no later than fifteen (15) days prior to the start of the academic term.

Term, Termination, and Amendment

1) This MOU shall become effective upon the date of the last signature below and shall remain in effect for one (1) year. Upon expiration of the initial term, this MOU shall automatically renew for successive one (1) year periods (each a "Renewal Term").
2) Either party may terminate this MOU without cause by providing a written notice of at least 30 days to the other party. In the event of termination, the Institution will continue to administer current scholarship funds to existing recipients until the conclusion of the current academic term. In the event of termination, the SGO will continue funding already approved scholarship commitments until the conclusion of the current academic term.
3) This MOU will terminate if the SGO loses the organization's 501(c)(3) status or if it is not certified by the Kentucky Secretary of State.
4) This MOU may be modified or amended only by a written document signed by the authorized representatives of both parties.

Confidentiality

Both parties agree to protect the privacy and confidentiality of student records in accordance with the Family Educational Rights and Privacy Act (FERPA) and applicable state and federal laws. Student information shall only be shared for the purpose of administering scholarships.

Relationship of the Parties

The SGO cannot make promises, sign agreements, or incur debts for the Institution. The Institution also cannot make legal commitments for the SGO.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the Effective Date written above.

For: **Kentucky Education Fund**

Signature: _____ Date: _____

Name: _____

Title: _____

For Ludlow Independent School District

Signature: _____ Date: _____

Name: _____

Title: _____