

Chapter 60: Section 3C. City or town scholarship fund; donation; deposits; distribution.

Any city or town which accepts the provisions of this section or has previously accepted chapter one hundred and ninety-four of the acts of nineteen hundred and eighty-six is hereby authorized, subject to the approval of the commissioner, to design and designate a place on its municipal tax bills, or the motor vehicle excise tax bills, or to mail with such tax bills a separate form, whereby the taxpayers of said city or town can voluntarily check off, donate and pledge an amount not less than one dollar or such other designated amount which shall increase the amount otherwise due, and to establish a city or town scholarship fund, the purpose of which shall be to provide educational financial aid to deserving city and town residents in accordance with this section and to establish a city or town educational fund, the purpose of which shall be to provide supplemental educational funding for local educational needs or to provide funding for existing adult literacy programs.

Any amounts donated to the scholarship fund or educational fund shall be deposited into a special account in the general treasury and shall be in the custody of the treasurer. The treasurer shall invest said funds at the direction of the officer, board, commission, committee or other agency of the city or town who or which is otherwise authorized and required to invest trust funds of the city or town and subject to the same limitations applicable to trust fund investments, except as otherwise specified herein. Interest earned upon such fund shall remain therewith and shall be used for the purpose of said fund without further appropriation.

In any city or town establishing a scholarship fund, there shall be a scholarship committee and educational fund committee to consist of the superintendent of the city or town schools or designee thereof, and no fewer than four residents of the city or town appointed by the board of selectmen to a term of three years. The scholarship committee or educational fund committee shall select the recipients of and amounts of financial aid from the scholarship fund and educational fund and shall be guided by any criteria established by the scholarship committee or educational fund committee subject to any ordinance or by-law and further subject to the following criteria:

(a) The recipients of financial aid must be residents of the city or town at the time the financial aid is first awarded and have been accepted to pursue education beyond the secondary school level at an institution deemed accredited by the committee.

(b) The committee shall take into consideration each recipient's financial need, character, scholastic record and involvement in community work as well as extracurricular school activities.

The scholarship committee may distribute financial aid from both interest and principal of the fund, without further appropriation. The scholarship committee shall establish a procedure for determining at least on an annual basis the amounts or percentage of the funds that shall be authorized for distribution and for notifying the investing officer or agency so that the funds may be made available in a timely manner and with a minimum of penalties.