



## THE FUTURE OF SMART KEY DETAILS AND FREQUENTLY ASKED QUESTIONS

The USBC Board of Directors and SMART Committee approved policy changes for SMART effective in October 2021. The changes came following feedback from the bowling community on proposals published in April 2021.

### KEY POINTS

- The SMART fund is approximately \$100 million, yet each year Recipients only use about \$5 million in scholarships.
- About 16% of funds available for college-age Recipients are used annually.
- Only 10% of Providers are using unassigned funds for new scholarships, as intended.
- Providers had more than \$18 million unused as unassigned funds in early 2021.
- Policy revisions will benefit Recipients by providing them additional scholarship funds.

### FREQUENTLY ASKED QUESTIONS

- 1. As a Provider, will assigned Recipient funds that expire in 2021 be available as new unassigned funds?**  
Yes. 100% of Recipient accounts that expire will become available in the Provider account as new SMART deposited unassigned funds. If not used within two years, these funds will expire on Feb. 14 and be added to the earnings allocation for disbursement.
- 2. Why was the annual allocation date changed from May to Feb. 15?**  
Moving the annual allocation earlier in the year can allow for more dollars to be assigned as scholarship that year. Also, expiring Recipient accounts and investment earnings allocations can be distributed at the same time.
- 3. How will the annual allocation be split between Providers and Recipients?**  
When calculating the earnings distribution, an amount equal to the total sum returned to all Providers from expired Recipient accounts will be first distributed to Recipients from the allocation. The remainder of the allocation will be divided — 50% to Providers and 50% to Recipients.
- 4. As a Provider, how is an annual allocation calculated and shown?**  
An allocation of new unassigned funds will be available for Providers with a balance of assigned funds over \$100 based on the previous calendar year. The allocation will be visible within the SMART portal yearly on Feb. 15.
- 5. To receive a portion of the 75% active Recipient allocation, what is considered an "active" Recipient?**  
Recipients who use funds in the proceeding calendar year will receive an additional scholarship on Feb. 15 of the following year. Transferring funds to a family member does not qualify as use for the allocation. Disbursed funds that are returned to SMART do not qualify as use for the allocation.
- 6. What are the requirements for a Recipient to receive a new SMART Grant?**  
That criteria will be established by the SMART Committee and announced later.



7. **Why was the decision made to expire SMART Deposited Unassigned Funds?**  
SMART allows Providers to reallocate funds to enhance events and fund additional Recipient scholarships, but this should be done in a timely manner. In 2015, Provider unassigned funds were \$4.5 million; today, it is more than \$18 million. Having a large pool of unassigned funds is not the intent of the program.
8. **When is SMART going to expire Provider Unassigned funds?**  
SMART will expire SMART Deposited Unassigned Funds starting Feb. 14, 2024.
9. **What is included in the initial expiration of SMART Deposited Unassigned Funds on Feb. 14, 2024?**  
All SMART Deposited Unassigned Funds, excluding the Feb. 15, 2023, allocation.
10. **Will Provider Deposited Unassigned Funds expire?**  
No. Only SMART Deposited Unassigned Funds will expire.
11. **How will I know the difference between Provider deposited funds and SMART deposited funds?**  
On the SMART Scholarship Setup page in the Provider account, you currently see "Available Unassigned Funds." This will be updated in the future to show what was deposited by the Provider and what was deposited by SMART. Until that update is made, please refer to your "Unassigned Detail" report located in your Provider portal.
12. **What are Provider deposited funds?**  
Provider deposited funds are funds submitted by the Provider, but not assigned to a scholarship list. These funds have no expiration.  
Provider deposited funds could be:
  - o Donated funds, such as those from a sponsor.
  - o Funds that are submitted prior to a scholarship list being entered into the account. We place these funds into the Provider's unassigned funds for holding until the list is received and ultimately funded.
13. **What are SMART deposited funds?**  
Funds placed into the account by SMART. These funds are subject to expiration.
  - o Annual SMART Allocation
  - o Expired Recipient Funds (when a Recipient does not use their funds before their expiration date)
14. **Will I see the expiration date in the Provider account?**  
Yes. On the SMART Scholarship Setup page of the Provider account, you will see a box for SMART Deposited Unassigned Funds and an expiration date. Please note that this change to the portal may not be immediately reflective.
15. **Will this policy apply to state Pepsi SMART accounts as well?**  
Yes. All funds deposited by IBC Youth for Pepsi, or any other unassigned funds in the Pepsi account, will expire. All Pepsi funds will stay with Pepsi and thus expire into the National Pepsi account for reallocation back to state Pepsi accounts.
16. **As a Provider, how can unassigned funds be used?**  
The SMART team has put together resources for Providers. Please click [here](#) to learn your options for using unassigned funds.



17. **Will SMART grant an extension if the unassigned funds are not used by the deadline?**

No. SMART is providing a three-year advance notice for Providers to plan accordingly.

18. **I thought unassigned funds belonged to the Providers. How can SMART decide to change policy?**

SMART funds are not the Providers. All funds in the custody of SMART are for the purpose of funding youth scholarships. Participating Providers agree deposited funds are subject to SMART policy. SMART has a responsibility to adjust policy to ensure funds are used to fund youth scholarships rather than sit idle.

19. **What are the details for transferring funds to a family member?**

After reaching the age of 21 and before funds expire, Recipients may transfer scholarship funds to another family member. To qualify, transfer Recipients must have at least four years of USBC bowling history, and they may not surpass eight years from their high school graduation date. A list of family members who are eligible to receive a transfer is included in the SMART Policy Manual.