

# Guidelines for Establishing A Scholarship

**Endowed scholarships** require a minimum corpus of \$10,000 which can be funded over five (5) years. An endowed scholarship fund specifies that the principal be held intact, invested, and the annual income used for specified purposes. **Annual (non-endowed) scholarships** may be established with an amount not less than \$500 with the gift amount less the 2% Foundation Administrative Fee available for use. The following information is necessary for the establishment of a scholarship account within the Chadron State Foundation.

## NAME

The donor has the opportunity to name the Scholarship, i.e., the John L. and Jane C. Doe Education Endowment. A named scholarship is an excellent opportunity to honor or memorialize someone.

## TYPE

The scholarship is either endowed or annual. (See opening paragraph for explanation.)

## AREA

The donor may choose to make the scholarship general in nature, or the donor may choose the academic area for the scholarship. For example, the scholarship may benefit a student majoring in business, or, more specifically, ag-business. Donors are asked not to be too restrictive in this area so that the pool of applicants for the scholarship is not unduly small.

## AMOUNT

Scholarship monies available from endowments are determined by the amount earned by the principal in a given year, called the Fund Balance (principal plus earnings). One year's earnings accrue prior to the first award unless the donor makes other arrangements.

## FEES

An annual management fee of 2% of the fund balance is charged by the Foundation for the management of the account.

## CRITERIA

Criteria for making awards of scholarships should be as broad as possible. As an example;

- Awards will be made to students seeking a major in XXX
- Recipient(s) must have demonstrated financial need as determined by the Financial Aid office.
- Preference will be given to students from XXX County or XXX State

## SELECTION

If the scholarship is designated to a particular academic area of the College, the scholarship committee of that Department shall be the selecting body. General scholarships are awarded by the CSC Scholarship Committee.

## PUBLICITY

The donor is asked to state whether publicity for the establishment of the endowment will be allowed.

## DOCUMENTATION

The final endowment agreement is created in duplicate and signed by the donor(s) and Foundation officials. One fully executed copy is for the donor; the other is kept on permanent file in the Foundation office.