

DONOR SERVICES

Establishing a Scholarship Fund



Scholarships are a meaningful way for donors to create a legacy by supporting the education of students in central and southern Missouri. Every scholarship fund held at the CFO has a beautiful story and leads to many more.

You can use a scholarship fund for various charitable goals—to provide opportunities for graduates from your hometown, encourage attendance of your alma mater, promote a professional field or memorialize a loved one—while helping ease the financial burden for students of post-secondary education. A scholarship fund held at the CFO or one of our affiliate community foundations has a minimum of \$15,000 for establishment.

Benefits

- Accomplish charitable goals
- Give back to the community
- Memorialize a loved one
- Create a legacy
- Tax-deductible contribution
- Help students with higher education

Services Provided by the CFO

- Informs community of scholarship availability
- Assists donor with criteria and procedures
- Disseminates scholarship information to eligible recipients
- Schedules scholarship selection committee meetings (if needed)
- Notifies recipient and pays post-secondary institution
- Awards can be applied to tuition payment, fees, books and supplies
- Maintains scholarship file
- Provides written acknowledgement of donations
- Provides appropriate IRS documentation
- Unused scholarship awards are returned to the fund

Criteria Considerations

- Two- or four-year college/university or technical/vocational school
- School-specific (ex: University 123, College A)
- Eligibility (ex: high school specific; current college student; study area; etc.)
- Minimum GPA or ACT scores
- School and/or community activities
- Work experience
- Financial need
- Essay
- Recommendation letters
- Selection committee composition (See “Rules for Scholarship Funds” on second page)
- Renewable (fund balance must be large enough to support multiple awards—see second page)



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Estimated Award Amounts

CFO scholarship awards are calculated by using our spending policy rate, which is currently 4 percent. That rate is reviewed annually and may change as market conditions fluctuate.

A 12-quarter rolling average of the fund balance is multiplied by the spending policy rate to arrive at the annual award amount. To give you a clearer idea, here are some examples of what the estimated award amounts would be for funds with the following balances:

Balance of the fund	Estimated annual award
\$15,000	\$600
\$20,000	\$800
\$25,000	\$1,000
\$30,000	\$1,200
\$40,000	\$1,600
\$50,000	\$2,000
\$75,000	\$3,000
\$100,000	\$4,000
\$125,000	\$5,000

Donors may add to this amount at any time (as a tax-deductible gift) to increase the award amount.

Fund Management at the CFO

The CFO's annual administrative fee for scholarship funds is 1.15 percent based on the fund's balance; however, scholarship funds held with one of the CFO's 49 affiliate foundations have an administrative fee up to 1.15 percent, depending on the affiliate. The fees paid for management stay local and are ultimately reinvested in the community.

Rules for Scholarship Funds

- Descendents of the fund establisher and/or major fund donors are not eligible to receive the scholarship.
- Recipients can be chosen by either a selection committee organized by the fund establisher or the CFO selection committee.
- A majority of selection committee members cannot be comprised of family members or donors. An odd number of members is recommended for the committee.
- Descendents of selection committee members are not eligible for the scholarships awarded by the committee.