



Establishing a Scholarship Endowment

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

You can use a scholarship endowment 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 endowment held at the CFO or one of our affiliate community foundations has a minimum of \$25,000 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, graduate school, or technical/vocational school
- School-specific (ex: University 123, College A)
- Eligibility (ex: high school specific; current college student; study area; etc.)
- Minimum GPA
- School and/or community activities
- Work experience
- Financial need
- Essay
- Selection committee composition (See “Requirements for Scholarship Endowments” on second page)
- Renewable (fund balance must be large enough to support multiple awards—see second page)

FUND MANAGEMENT AT THE CFO

The CFO’s annual administrative fee for scholarship endowments is 1.15% based on the fund’s balance. The fees paid for management stay local and are ultimately reinvested in the community.



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ESTIMATED AWARD AMOUNTS

CFO scholarship awards are calculated by using our spending policy rate, which is currently 4%. That rate is reviewed annually and may change as market conditions fluctuate. After establishing a new scholarship endowment, the donor should note that it will likely take approximately two years to build enough earnings in the fund to start making awards.

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 the estimated award amounts for funds with the following balances:

Fund balance	Estimated annual award
\$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.

REQUIREMENTS FOR SCHOLARSHIP ENDOWMENTS

- Descendants and other relatives (specifically, children and grandchildren, by blood or by marriage and siblings, children of siblings, and first cousins, by blood) of the fund establisher, major fund donors and/or selection committee members 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 fund establisher/donors. An odd number of members is recommended for the committee.
- Award selection criteria may be suggested by the fund establisher, but all award selection criteria must also be approved in advance by the CFO. All award numbers and amounts will be determined by the CFO.