

# Scholarship Funds

**A scholarship fund is a wonderful way to honor someone important to you. The gift of education that it bestows is a permanent tribute to the person or organization for which it is named.**

## **Permanence**

Carefully managed and maintained, York County Community Foundation assures that the charitable intent of a fund is assured. Unlike a one-time gift or memorial, gifts to establish a scholarship fund at York County Community Foundation will benefit students and the community in which they live forever. Future donors can count on the Community Foundation to assure that the integrity of their gift and the purpose of the fund will be maintained in perpetuity.

## **Investment philosophy**

When you place your scholarship fund with the Community Foundation, you directly benefit from being part of a large portfolio. Because of its asset size, the Community Foundation is able to work with experienced investment managers, at a fraction of the expense that a fund operating alone would experience. Community Foundation assets are invested in a balanced portfolio of stocks, bonds and cash equivalents. We seek growth in principal over time to preserve the “purchasing power” of the fund.

## **Spending Rule**

To ensure that the value of your fund has every opportunity to keep pace with or exceed inflation, while maintaining a steady income, the Community Foundation has established a spending rule. So each year, the institution you’ve designated will receive 4.5% of the fund’s average market value, to make scholarship grants. The Community Foundation charges approximately 1% of average market value for its services. As the fund’s market value increases, so too will income available for scholarship grants.

## **Features of a designated scholarship within the Community Foundation**

With this type of scholarship fund, the income is automatically paid annually to the school, college, or nonprofit organization designated by the donor and it is that institution’s responsibility to determine who will receive the scholarship(s) each year. Our role in managing a designated scholarship fund is:

- To invest the assets of the fund
- To provide semi-annual statements to the donor on the financial status of the fund
- To ensure that the grant is used for the intended purpose
- A minimum gift of \$25,000 is required to set up this type of fund.

*Unlike a one-time gift or memorial, gifts to establish a scholarship fund with York County Community Foundation will benefit students and the community in which they live forever.*

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**When considering a scholarship fund with York County Community Foundation**

***Fund Purpose***

You specify the fund purpose. While you may simply state that the purpose is to benefit college bound students from a particular high school, you may be more specific based on your interests and goals.

***Name of the fund***

You determine the name of the fund. Many scholarship funds are named in honor of a person who had an impact on an institution or program.

***Nature of your gift***

Your gifts to the Community Foundation may be made in cash, securities, real estate, a bequest or other planned giving vehicle. While there is a minimum to establish the fund, subsequent gifts may be made in any amount. All gifts to the fund are acknowledged directly by the Community Foundation.

***Legal documents***

To establish the fund we will need to complete an Instrument of Gift, which serves as the legal document authorizing the establishment of the fund. It describes the name of the fund, its purpose, and special conditions, if any. Our staff take care of drafting this document on your behalf. Upon completion of this paperwork and transfer of the assets, the fund will be formally established and recognized at the Community Foundation.

**THE BENEFITS OF HAVING A SCHOLARSHIP FUND WITH YORK COUNTY COMMUNITY FOUNDATION**

***Maximum tax deduction for donors.*** As a public charity, donors enjoy the most favorable treatment from the IRS whether a gift is in cash, real estate, securities, a bequest, or any other planned giving vehicle

***Professional staff*** available for every aspect of scholarship administration. All scholarship funds have stringent reporting requirements so the Community Foundation takes responsibility for filing all reports and forms.

***Flexibility*** to meet your needs. The Community Foundation manages a wide variety of funds, as diverse as our donors' interests – from a family wishing to honor a loved one who taught at a school by setting up a fund to benefit a graduating student-athlete, to a fund for a college bound senior to pursue a health sciences career, and everything in between.

***Recognition.*** Donor recognition is always assured. Each fund is listed in the Community Foundation annual reports and all grant checks to the institution and the recipient bear the name of the specific scholarship fund.

**YORK COUNTY COMMUNITY FOUNDATION**

*York County Community Foundation was created in 1961, encouraging involvement of many donors to benefit a specific geographic area – in this case, York County. Now growing to assets over \$60 million, earnings from those assets are utilized annually to respond to community needs and donor wishes.*

*York County Community Foundation serves as permanent steward for more than 400 funds established by charitably-minded individuals, families, organizations and corporations. The Community Foundation holds these funds in perpetuity, investing to preserve principal and grow their income. And with this income, the Community Foundation:*

- *Makes grants to hundreds of worthwhile charities;*
- *Provides scholarship assistance; and*
- *Underwrites major initiatives in education, beautification, health care, children's issues, environment, as well as the arts.*