Many people recognize the key to their success in life is due to the education they received, and they want to make it possible for others to benefit from a good education. Some people want to ensure the quality of life in our community by encouraging people to study certain subjects. The McPherson County Community Foundation makes it possible for generous, caring community members to fulfill their dream of establishing scholarship funds, and for people who want an education to get one.

**GENERAL INFORMATION:** Donors may establish scholarship funds with a variety of criteria for the applicants. For example, the fund may focus on students graduating from a particular high school, it may be designed to help students from our area attend a specific school, college, or university and it may help students pursue a particular course of study. Donors may specify other selection criteria for recipients, including but not limited to academic achievement and financial need.

A scholarship fund can carry the name of the donor, family, company, or someone the donor wishes to honor. All grants from the fund are made in the name of the fund, in perpetuity. Donors who prefer anonymity can choose names that reflect their funds’ charitable purposes.

The names of scholarship funds are listed in the Foundation’s Annual Report and are identified to prospective applicants. Unless they request anonymity, all donors to scholarship funds are listed in the Annual Report in the year the gift was made.

As is true of all fund of the McPherson County Community Foundation, scholarship funds are considered components of the Foundation. They are subject of the terms and conditions of the Foundation’s Bylaw and Articles of Incorporation.

**POLICIES FOR SCHOLARSHIP FUNDS:** All scholarship awards must be given for charitable purposes, and selection of recipients must be made on an objective, nondiscriminatory basis as required by applicable law. There must be broad dissemination of eligibility requirements and application deadlines for scholarship awards. The Foundation makes scholarship grants only to qualified, nonprofit educational institutions for the benefit of selected students.

**RECOMMENDATION PROCEDURES:** Recipients of scholarships that benefit students graduating from a specific school or matriculating at a specific school will generally be recommended by a committee of faculty and staff of that school.

Scholarships benefiting students from a geographic region or intended for a specific field of study will require a selection committee whose make-up will be determined annually by the Foundation.
Donors or their family members may not make up the majority of any advisory committee. Employees and attorneys of donors are considered to have a familial relationship. Members of a selection committee must disclose any familial relationship with any applicant and must refrain from voting on that particular applicant.

Each applicant must be ranked according to stated selection criteria by the selection committee members. Upon review of each applicant, recommendations must be made to the Foundation’s Board of Directors. The directors will give careful and thoughtful consideration to the recommendations of all advisory committees. Committee members should understand their recommendations are advisory and will not be binding on the Board of Directors, which by law must retain final responsibility for all distributions made from the Foundation.

**FUND SIZE AND FEES:** The minimum contribution to establish an endowed fund is $10,000. As these are endowed funds, the principal is invested with other funds of the McPherson County Community Foundation and distributions are made according to the Foundation’s spending policy. The spending policy states: the McPherson County Community Foundation Endowment Fund spending rate will be set at a level that can reasonably be expected to allow for real growth of endowment principal over time given the asset allocation policy and long-term performance results.

The Finance/Investment Committee will recommend a minimum spending rate subject to board approval regardless of current year fund performance, subject to minimum requirements and donors instruction.

**TAX CONSIDERATIONS:** Contributions made to establish or add to a scholarship fund at the Foundation may give donors tax benefits in the year of the gifts. Contributions of appreciated property can be deducted at their full fair market value. Appreciated assets given to a fund at the Foundation are free of capital gains taxes.