



## **GUIDELINES FOR SCHOLARSHIP FUNDS**

Scholarship funds at The Spartanburg County Foundation are an appealing way for individuals, families, businesses, or other groups to strengthen their community.

Many people recognize that 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 their community by encouraging people to study certain subjects. The Spartanburg County Foundation makes it possible for generous, caring community members to fulfill their dream of establishing scholarship funds – and for people who desire an education to receive one.

### **GENERAL INFORMATION**

Because The Spartanburg County Foundation focuses its grantmaking in Spartanburg County, we encourage the creation of scholarship funds that benefit students from a designated school or a particular part of our service area. We also welcome scholarship funds that will help students from our service area attend a specific school, college or university, regardless of its location, or pursue a particular course of study. Donors may establish scholarship funds for any level of study, from pre-school to post-graduate. 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 funds of The Spartanburg County Foundation, scholarship funds are considered component funds of the Foundation. They are subject to the terms and conditions of the Foundation's Resolution and Declaration of Trust or its 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, non-discriminatory basis. There must be broad dissemination of eligibility requirements and application deadlines for scholarship awards. The Foundation makes scholarship grants only to qualified 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 special advisory committee whose make-up will be determined by the Foundation in consultation with the donor.

In either case, donors or their family members may not make up the majority of any advisory committee. There must be no benefit to a donor, relative of a donor, or individual selected solely by the donor. Members of an advisory committee must disclose any familial relationship with any applicant and must refrain from voting on that particular applicant. A Conflict of Interest form must be signed by each member of the Selection Committee each year they serve on the committee. These forms will be kept on file at The Spartanburg County Foundation.

Each applicant must be ranked according to stated selection criteria. Documentation of selection criteria, relative ranking of each applicant, and the total number of applications received by the committee must be reported to The Spartanburg County Foundation. Unless specified otherwise in the fund agreement, advisory committees must include relative financial need of applicants.

Recommendations on award recipients must be made to the Foundation in writing and must include each recipient's name, home address, telephone number, college student ID number, institution that the students will attend, institutional address to which scholarship checks should be sent, and scholarship amount. An Award Recommendations form is provided for submission of recommendations.

## **FOUNDATION APPROVAL OF RECIPIENTS**

The Foundation's Board of Trustees will give consideration to the recommendations of all advisory committees. Donors and committee members should understand that their recommendations are advisory and will not be binding on the Board of Trustees, which by law must retain final responsibility for all distributions made from the Foundation.

## **FUND SIZE AND FEES**

The Spartanburg County Foundation requires a \$10,000 minimum initial contribution to establish a scholarship fund. The Foundation's annual fee for scholarship funds is 2% of the fair market value of assets.

### **TAX CONSIDERATIONS**

The tax laws passed by Congress on August 6, 1993, make charitable giving attractive for many people. Contributions to a scholarship fund at the Foundation give tax benefits in the same year the contribution is made. Contributions of appreciated property can be deducted at its full fair market value. Appreciated assets given to a fund at the Foundation are not subject to capital gains taxes.

### **STARTING A SCHOLARSHIP FUND**

Scholarship funds at The Spartanburg County Foundation can be established quickly and easily. Please use the checklist below as a guide to creating your scholarship fund. To help with this process the Foundation's attorneys have prepared a sample fund agreement that you can customize to meet your own needs. Completing this agreement can often help donors clarify their charitable objectives. As always, the Foundation's staff is available to help you with any questions you have about scholarship funds. Sample fund agreements, applications and criteria are also available. All information is provided without any obligation.

### **CHECKLIST:**

- Fund Agreement
- Scholarship Criteria
- Selection Committee Members
- Conflict of Interest Form for Selection Committee Members
- Scholarship Application Process