Sample Scholarship Agreement

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Scholarship Fund

This is an agreement between \_\_\_\_\_\_\_\_\_\_\_\_\_ (“Donor(s)”) and the **[NAME]** Community Foundation (“Foundation”) to establish a Scholarship Fund to be known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund (“Fund”). This Agreement takes effect on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ and is subject to the following terms and conditions.

**I. Contribution**

I/we hereby irrevocably give the assets described in Schedule A to this Agreement to the Foundation, a charitable organization described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The Donor(s) understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundation, subject to the Foundation’s governing documents and bylaws. The Foundation may also receive additional contributions to add to this Fund.

II. Purpose

Consistent with the charitable purposes of the Foundation, distributions from this Fund will be used primarily to provide scholarships in accordance with the program guidelines contained in Schedule B to this Agreement and the Foundation’s Policies and Procedures for Scholarship Funds, as amended from time to time. A copy of the current Policies and Procedures is provided with this Agreement.

III. Distributions

**[Alternative 1 – use if fund is not intended to be endowed]**. Distributions from the Fund may be made in any amount not to exceed the balance of the Fund.

**[Alternative 2 – use for endowed funds].** Donor intends this Fund to be an endowment. Distributions from the fund shall be limited to the fund’s distributable amount determined in accordance with the Foundation’s spending policy.

IV. Advisory Committee [optional]

The Foundation may establish an advisory committee for this Fund. The committee will consist of \_\_\_\_ members, all of whom must be appointed by the Foundation. Up to \_\_\_ **[must be less than a majority]** members may be the donors, persons related to the donors, or persons the donors appoint. The committee will operate in accordance with the Foundation’s Policies and Procedures for Scholarship Funds. Donor representatives to the committee will be the following persons:

The following individuals will be donor representatives to the committee.

* + 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
    2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
    3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upon the death, incapacity, or other disqualification of the donor representatives, the following individual(s) named may serve as successor donor representatives.

* + 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
    2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
    3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

V. Variance Power

This Fund is a component fund of the Foundation and its assets are assets of the Foundation. The Fund is subject to the Foundation’s governing instruments including the Foundation’s power (1) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

This is the standard wording of the variance power taken directly from Treasury regulations. Substitute your foundation’s wording if it is different, but make sure that it is sufficient for National Standards. For examples of sufficient language see: <http://www.cfstandards.org/FAQ/do-you-have-examples-sufficient-variance-power>

**VI. Fees**

The Foundation will assess administrative and investment management fees against this Fund in accordance with the Foundation’spublished fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

VII. Administration

The Fund will be administered in accordance with the normal and customary policies of the Foundation (available upon request)

**VIII. Anonymity/Publicity**

To recognize and honor our donors, the Foundation’s policy is to include our donors’ names in publicity about the Foundation unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

□ I have no objection to the inclusion of my name in Foundation publicity

□ I do not wish to have my name included in Foundation publicity and I wish to be listed as an anonymous donor

□ Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

First Donor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Second Donor

ACCEPTED:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COMMUNITY FOUNDATION

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule A – Contributed Property

Schedule B – Description of Scholarship Program

The scholarship will be awarded annually to **[number]** eligible applicants in the amount of $\_\_\_\_\_ as long as there are sufficient assets in the Fund.

.

**Alternate if fund is endowed**

provided the total amount of scholarships awarded does not exceed the Fund’s distributable amount.

As assets grow, the Foundation may elect to increase the grant amount or award additional scholarships.

To be eligible, applicants must meet these criteria:

Describe the criteria for eligibility. For example:

* Residency requirements
* School currently attended
* Level of study to be supported (undergraduate, graduate, etc.)
* Requirement for field or fields of study and/or career guidelines
* Need based and/or merit based requirements
* Requirement for attendance at specific institution(s) or within geographic boundary

Criteria chosen must be objective, non-discriminatory, and reasonably related to the purpose of the scholarship.

Scholarship recipients are eligible to apply for renewal for a period of \_\_\_\_ years if the recipient continues to meet the eligibility requirements and is in good standing at the educational institution the student is attending.