

ESTABLISHING A SCHOLARSHIP ENDOWMENT

A scholarship endowment provides a meaningful opportunity for you to honor or memorialize a loved one, friend, colleague, teacher or even yourself. As an endowment donor, you have an opportunity to provide financial support and help create a lasting influence on students attending the University of Central Missouri.

WHAT IS A SCHOLARSHIP ENDOWMENT FUND?

A scholarship endowment fund is a permanent fund in which the principal remains intact and invested at all times. Scholarships are awarded from the allocated income earned on the principal investment in accordance with the UCM Alumni Foundation Spending Policy.

STARTING A SCHOLARSHIP ENDOWMENT IS EASY.

Discuss your interest with a director of development. We are here to help put your wishes and dreams into action and make a difference for UCM students!

Depending on the scholarship terms, many companies offer a Matching Gift program to support educational purposes. In addition to tax benefits for contributions, future funding through a planned gift may include estate assets, helping advance UCM's educational mission while reducing possible capital gains or estate taxes. Contact a professional advisor for specific details.

Establishing a Scholarship Endowment

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1 PURPOSE

2 CRITERIA

3 FUNDING

4 AGREEMENT

5 ACTION STEPS

6 MONITORING

THESE ARE THE STEPS TO FOLLOW:

1. Determine the purpose of your scholarship.

Establishing a scholarship depends upon identifying the reason for awarding it, as well as the target student audience it can potentially help. Scholarships may carry a name that characterizes its purpose, which may include:

- Personal named scholarships
- Specific identified academic fields, such as education, business, nursing, etc.
- Extra-curricular activities such as clubs or sports

2. Determine the criteria to be used for selection of a recipient.

You may customize your scholarship's criteria to select the most deserving and most qualified student applicant(s). Examples of qualifications commonly considered include:

- Financial need
- Academic achievement, shown by GPA, ACT, etc.
- Leadership skills
- Writing skills, demonstrated by application essay
- Interest demonstrated in particular major/discipline
- Geographical location

3. Determine how to fund your scholarship.

Providing funding for your scholarship is very important. You may decide to fund it entirely on your own or with the aid of family members or other corporate, community or educationally based donors.

The current minimum requirement to establish an endowment is **\$25,000**. The full amount will be invested to earn a one-time reinvestment fee, which will be the income generated within the first year of investment, up to the maximum of 3 percent. In no event will the funds be held for more than one year or the time required to earn 3 percent, whichever is lesser. The fund will then be invested for another six months

to be eligible for the annual payout, at which time all endowments are assessed an annual administrative fee of 1.5 percent.

Donors may utilize a pledge option to fund a scholarship over a five-year period. This option requires a Statement of Intent document outlining a commitment to gift a specific dollar amount according to a fixed time schedule. If for any reason the pledge is not completed within the agreed-upon payment schedule, any naming opportunity associated with the pledge shall be removed.

If there is interest in an early start to the scholarship, prior to reaching the full endowment minimum, an agreement may be outlined for a split gift over the pledge period, with a portion of the annual gift to be used for the scholarship and a portion used to build the endowment balance.

Depending on the scholarship terms, donors may be able to receive tax benefits for making contributions to your scholarship. Please contact a professional advisor for specific details.

4. Determine the final agreement for your scholarship endowment.

After reviewing and finalizing the details of a scholarship agreement, we will work with you to complete all necessary documentation and secure appropriate signatures. One copy of the agreement remains with the UCM Alumni Foundation, and one is provided to you.

5. Determine action steps after your scholarship has been established.

These are the primary steps UCM follows after receiving your gift to award the scholarship and notify you about the recipient.

The Application: UCM creates a scholarship application based on the criteria established in your agreement.

Area Notification: UCM sends the scholarship application and a distribution memo to the department

or group that will benefit as well as to the Office of Student Financial Services.

Publicity: The scholarship is advertised directly to prospective and current students and at ucmo.edu/scholarshipfinder.

Application Deadline: Students must submit applications for scholarships by March 15 (with a priority deadline of Feb. 1).

Selection Timeframe: Scholarship selection committees begin meeting in February to review applications and make selections by April 15.

Recipient Selection: Recipients are then notified about their scholarship award.

Award Timeframe: Scholarships are awarded for the following academic year. For example, the ABC scholarship is offered April 15 but is applied to the student's available financial aid for the following fall and spring semesters.

Money to Student: Scholarship dollars are applied for the appropriate semester after verifying the student is enrolled and meets required criteria.

Donor Notification: UCM notifies donors in the spring/summer about their newest scholarship recipient(s). We are limited in the information we can send you about recipients in compliance with strict federal privacy laws. We make every effort to connect you and the recipient in a meaningful way while protecting their privacy and yours.

Endowment Report: We send you a report each fall about the financial status of your scholarship endowment.

6. Monitor your scholarship.

It is essential to periodically review your scholarship for financial health and to ensure that it is serving its purpose in helping students. You can always contact the UCM Alumni Foundation to discuss your scholarship.