

2.1.19

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SUBJECT: GUIDELINES FOR ESTABLISHMENT OF ENDOWED SCHOLARSHIPS

An endowed scholarship fund is a specified fund that is separately identified and bears the name of an individual whose name is memorialized and perpetuated by the fund, the name of an entity which established the fund, or such other designation as the donor may determine. The Board of Trustees has established a scholarship award policy that provides for annual awards of 6% of the principal amount of the scholarship. For instance, an endowed scholarship in the amount of \$25,000.00 will fund an annual scholarship in the amount of \$1,500.00 (\$750 per semester).

The following guidelines are established for consideration by those who desire to establish an endowed scholarship fund for the benefit of students at Brewton-Parker College.

- ◆ A scholarship fund may be considered endowed and may be given a separate identification upon a minimum contribution of \$25,000.00.
- ◆ Lesser amounts may be contributed to the general scholarship fund for the purpose of establishing an endowed scholarship. When total contributions reach \$25,000.00, the scholarship fund shall be converted into an endowed scholarship.
- ◆ Income from each scholarship, which has not reached the minimum level of \$25,000, shall be placed back into the corpus of said scholarship fund until such time that the minimum level has been attained. The established figure of \$25,000 should be reached within five years. If not reached, corpus will go into the general scholarship fund although the amount will still be designated by name of the donor. After the minimum level is reached, income from the scholarship will then be awarded to students. Some scholarships were set aside for endowment several years ago when the minimum required was \$10,000. Brewton-Parker College will honor the commitment made by individuals to establish an endowed scholarship at that \$10,000 limit.
- ◆ The donor of an endowed scholarship may establish reasonable criteria for the award of scholarship funds that support the mission of the College and that meet the requirements of federal and state laws governing the operations of the College as a not-for-profit organization. Such criteria may include, for example, geography, denomination, course of study or intended vocational pursuits. Criteria may also include maintenance of a specific grade point average.

Contact for Interpretation: Vice President for College Advancement

This policy statement supersedes all previous policy statements on this subject.