

Scholarship Fund Agreement

Helping Passionate Donors Leave Permanent Legacies

Welcome to the Community Foundation! Thank you for choosing the Athens Area Community Foundation. Our staff is available to assist you with a wide variety of services, from fund creation to ongoing grant making and charitable giving services.

1 Donor Information

All correspondence will be sent to both donors unless otherwise noted.

Quarterly Fund Statements will be mailed to the address listed and posted to the online Donor Portal.

Donor 1

First Name	MI	Last Name	Suffix
Preferred Salutation (e.g. Mr. James L. Smith or Jim Smith)			
Home Address	City	State	Zip
Work Organization	Work Title		
Date of Birth			
Preferred Email	Preferred Phone		

Donor 2

First Name	MI	Last Name	Suffix
Preferred Salutation (e.g. Mr. James L. Smith or Jim Smith)			
Home Address	City	State	Zip
Work Organization	Work Title		
Date of Birth			
Preferred Email	Preferred Phone		



2

Fund Purpose and Required Procedures

The purpose of the fund is to provide scholarships for students who meet the eligibility and selection criteria set forth by the donor and maintained as part of the permanent records of the fund at the Foundation. The donor shall define scholarship eligibility requirements, the application process, and selection criteria (collectively "Procedures"). Procedures shall be objective and nondiscriminatory. Preference may be given to applicants of a particular sex, race, ethnic background, or religion so long as such preference does not violate public policy. The donor shall provide the Procedures to the Foundation for approval and oversight by its Board of Directors. The Athens Area Community Foundation has made available to the donor "Description of Scholarship Program" to assist in the development of such Procedures. Both the donor and the Foundation understand that circumstances change over time and, therefore, acknowledge and agree that the Procedures may be modified. In the event the donor is unable or unwilling to be responsible for maintaining these Procedures, the Foundation shall assume the authority and responsibility.

3

Fund Name

Please choose a name for your scholarship fund.

4

Contributions to the Fund

I/We intend to initially assign, convey, transfer, and deliver to the Athens Area Community Foundation the following property. I/We 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.

Estimated Value of Initial Gift:

Check for _____ (Please make payable to the Athens Area Community Foundation, identifying your fund in the memo line)

Securities valued at _____ Publicly Traded Privately Held

Other _____

You and others may contribute additional funds of cash and/or securities as well as cash and/or marketable securities from trusts, wills, private foundations or other donor advised funds. All contributions must be acceptable to the Foundation, and the Foundation may elect in its sole discretion whether to accept or refuse any asset. Gifts of real estate and certain other tangible assets can only be accepted with prior approval of the Foundation's Board of Directors.

Please select one of the two options:

Allow third party contributions to fund via Foundation website

Do not allow third party contributions to fund via Foundation website



The Foundation shall appoint all members of any selection committee charged with the evaluation of candidates for grants from this fund. The donor may submit to the Foundation for approval names of individuals recommended to serve on the Selection Committee using the Scholarship Recommendation Form provided. The Selection Committee shall review applications and make grant recommendations to the Foundation for approval. The donor and related parties may not comprise a majority of the Selection Committee, nor may they control the Selection Committee directly or indirectly. There shall be no benefit to a donor, relative of a donor, or individual selected by the donor.

Members of the Selection Committee must disclose any familial relationship with any applicant and must refrain from voting on his or her application. Any changes to the composition of the Selection Committee must be approved by the Foundation prior to becoming effective.

Please select one of the two options:

I would like to make committee recommendations through the attached form

I would like the Foundation to make committee recommendations

The Selection Committee shall determine distributions consistent with this agreement and in conjunction with the description of the scholarship program in Schedule A. Scholarships will not be awarded for attendance to any for-profit institution.

Please select either Non-Endowed or Endowed:

Non-Endowed - The fund is fully expendable and is intended to be used for current funding needs with no restrictions on the amount of distributions.

Check below only if applicable.

No distributions shall be made unless the fund balance exceeds \$ _____

Endowed - Distributions shall be made in accordance with the Foundation's applicable spending policy with the intent to ensure a permanent endowment, with the following available optional conditions.

Check below only if applicable.

No distributions shall be made unless the fund balance exceeds \$ _____

Additional distributions may be made to either acquire or renovate a capital asset, meet urgent unexpected financial needs that are unlikely to recur, or for another specific purpose as follows:

*Grants requested for these purposes are **Subject to** **Not Subject to** any minimum fund balance.*



Donors may designate individuals who will serve as advisors to the fund. If you would like to add advisors to your fund, please list their information below. Once designated, an advisor's status can only be revoked in writing by the donor(s) who established the fund.

Please only fill out the section below if you are wishing to add an advisor in addition to those listed in Section 1.

Additional Advisor 1

First Name

MI

Last Name

Suffix

Preferred Salutation (e.g. Mr. James L. Smith or Jim Smith)

Home Address

City

State

Zip

Work Organization

Work Title

Date of Birth

Preferred Email

Preferred Phone**Additional Advisor 2**

First Name

MI

Last Name

Suffix

Preferred Salutation (e.g. Mr. James L. Smith or Jim Smith)

Home Address

City

State

Zip

Work Organization

Work Title

Date of Birth

Preferred Email

Preferred Phone



8 Investment Allocation

The assets of the Fund shall be invested according to the Foundation's investment policy, as it may be amended from time to time by the Foundation's Investment Committee. Please select your preferred investment allocation.

95% Invested and 5% Cash (*Default*)

100% Invested

100% Cash

Other: _____

9 Referral

How did you learn about the Athens Area Community Foundation?

Advisor

Family/Friend

Existing Donor

Website / Media

Foundation Presentation

Other: _____

10 Legacy Society

Your values today can reflect your giving forever. Your planned gift (Bequest, IRA/Retirement Plan, Life Insurance, Property) is invested with us, growing over time to make an even greater difference in organizations you support and bestowed at timing you control through your planned gift. Our experts can help you and your financial advisors identify the best way to reduce estate and income taxes or produce retirement income.

I/we have named the Athens Area Community Foundation in my/our will or trust.

I would like to learn more about the Legacy Society and how to create a Planned Gift.

11 Acknowledgements and Signatures

POLICIES AND PROCEDURES

The undersigned have received and reviewed the Policies and Procedures for Scholarship Funds and agree to its terms and conditions described therein. The undersigned understand that any contribution represents an irrevocable gift to the Foundation and is not refundable. All persons and organizations making contributions to this fund shall be bound by the terms of this agreement. The undersigned hereby certify that all information presented in connection with this agreement is accurate, and the undersigned will promptly notify the Foundation in writing of any changes.



It is understood that as and when the Policies and Procedures for Scholarship Funds change from time to time, they are automatically deemed to be amendments to this fund agreement.

FEES AND EXPENSES

The Foundation charges an administrative fee as outlined in its published fee schedule. A copy of the most current fee schedule is provided with this agreement. This fee may be changed from time to time with 60 days advance notice to the donor. In addition to these administrative fees, an investment management fee will be assessed on your fund to pay the investment managers for related services. Investment management fees vary depending upon your fund's investment pool and will be allocated across all funds in the pool. All fees and expenses will be charged directly to your fund.

INVESTMENTS

The undersigned understand that investments will be administered in accordance with the policies of the Foundation. The undersigned acknowledge that investments are subject to market and interest rate fluctuation risks, and that any gain or loss generated by the investments described in this agreement will be credited or charged to the fund.

VARIANCE POWER

Distributions from all funds are subject to the Foundation's variance power which gives the Foundation the power to modify any restriction or condition on the distribution from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgement of the Foundation, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served

DONOR 1

Name (*please print*)

Signature

Date

DONOR 2

Name (*please print*)

Signature

Date

**The Athens Area
Community
Foundation**

Name (*please print*)

Signature

Date

Title



ADDENDUM A: Procedures for Establishing Scholarship Funds

Incorporation of Governing Instruments of the Athens Area Community Foundation

The Athens Area Community Foundation, Inc. (the "Foundation") is a Section 501(c)(3) public charity. The Foundation's governing instruments include its Articles of Incorporation and Bylaws as amended from time to time, as well as any resolutions and procedures adopted from time to time. All the provisions of such governing instruments and procedures are incorporated in this Agreement and by this reference made part hereof.

Nature & Terms of Establishing Funds

To create a Scholarship Fund, you sign a Fund Agreement – a document that conveys your gift to the Athens Area Community Foundation. A donor is the person who establishes the fund and a donor advisor(s) is designated by the donor in the Fund Agreement as the only person(s) who can recommend disbursements from the fund. In the agreement, you may name yourself as an advisor, either to act alone or with another individual(s). Each fund shall be the property of the Foundation, owned by it in its normal corporate capacity. In such capacity, the Foundation shall have the ultimate authority and control of all property in the fund, and the income derived therefrom, for the charitable purposes of the Foundation. Contributions to the Foundation's funds are treated for tax purposes as gifts to a Section 501(c)(3) public charity and are generally tax deductible, subject to individual and corporate limitations. Each fund may be recorded on the books and records of the Foundation as identifiable and separate. Funds will be a component part of the Foundation and shall be subject to the governing instruments of the Foundation, including the Articles of Incorporation and Bylaws, as amended from time to time. Restrictions may not be imposed that prevent the Foundation from effectively employing the contributed assets, or the income generated, to further the charitable purpose of the Foundation.

Investment of Assets

The funds of the Athens Area Community Foundation are managed by professional investment managers under the supervision of the Finance Committee of our Board of Directors in accordance with our Investment Policy, which may be modified at any time by the Foundation. The Foundation has the responsibility and authority for the investment of the assets of each donor advised fund. Although the assets may be commingled with other assets of the Foundation in investment pools, the fund's separate identity and value will be maintained.

The Foundation does not guarantee that the fund will earn any particular or minimum rate of return with respect to the investment of assets. All income and capital gains or losses of the investment pool(s) in which the assets are invested shall be allocated to the fund on a periodic and pro rata basis, upon the ratio that the value of assets related to the fund invested in the investment pool bears to the aggregate value of all assets in the invested in said pool(s). Regular reviews are conducted to monitor investment performance and activity.

Any decisions with respect to the retention, investment, or reinvestment of assets and with respect to the commingling of assets, shall be made by the Foundation's board of directors, in accordance with its regular procedures in accordance with prudent investment standards.

Inactive Funds

If there are no gifts to a fund for 24 consecutive months and the Foundation has not received a grant recommendation from the advisor during the same 24 month period, the Foundation will attempt to contact the advisor to determine their desired level of involvement with the Fund. If the advisor or successor advisor does not respond after three attempts by the Foundation to contact the advisor (and, if one has been named, a successor advisor) at the most recent address or phone number in the Foundation's records, then the fund shall be transferred into the Athens Area Community Foundation's community grantmaking fund.



Distributions

All distributions from funds are subject to the Foundation's variance power and must be ratified by the Foundation's Board of Directors. The donor advisor(s) recognized in the Fund Agreement may submit grant recommendations to one or more publicly supported 501(c)(3) charitable organizations, schools, churches, or government entities. Grants may not be made to or for the benefit of specific individuals. Foundation staff will research and document the charitable status of the proposed recipient organizations and the charitable nature of their activities, when necessary. The Foundation's primary interest is the support of nonprofit institutions in Athens-Clarke, Oconee, Oglethorpe, Madison, Jackson, and Barrow counties. The Foundation recognizes there may be charitable organizations outside of this geographical area that are also of special interest to you and are deserving of support. Grants to these institutions will also be considered.

Restrictions on Distributions

The Foundation honors the charitable intentions of donors consistent with community needs and applicable laws and regulations. Grants may not result in benefits, goods, or services to the donor or advisor, members of their families, and businesses they control. Failure to observe this restriction can subject the donor to tax penalties. Benefits include the payment of pledges, event tickets, meals, sponsorships, registration fees, discounted merchandise, preferred parking and/or seating, and memberships unless the membership confers nothing of value.

Variance Power

It is understood that all assets contributed to the fund become irrevocable gifts to the Foundation, and the ultimate authority and control of all property in the fund rests with the Foundation. All funds established at the Foundation are subject to the Foundation's variance power, required by Treasury Regulations for the Foundation and its donors to enjoy the more favorable income tax treatment of a community foundation as opposed to the less favorable income tax treatment of a private foundation. Treasury Regulations section 1.170A-9(f)(11)(v)(B)(1) specifically states that the governing body of a community foundation must have the power "to modify any restriction or condition on the distributions of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the governing body (without the necessity of approval by any participating trustee, custodian or agent), such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served."

Conflict of Terms

In the event of an inconsistency between these procedures and any procedures, terms, or conditions appearing elsewhere in connection with any fund, these procedures, as interpreted by the Foundation, shall govern, and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund of the Foundation.

Foundation Fee Schedule

The fees we collect support due diligence, grant processing, contribution acknowledgement, audits and tax filings. They also allow you to help us fulfill our mission. **With your help, we are inspiring charitable giving, building resources for the future, and connecting donors with causes they care most about.**

Foundation fees are charged on a quarterly basis on the average daily balance of the fund. For all funds, there is a \$500 yearly minimum fee.

For funds that include assets other than cash, equities, bonds, or mutual funds, the normal Foundation fee is charged plus out of pocket costs unique to the management of the asset. Foundation fees are not assessed on unfunded agreements. Fees, commissions, and transaction expenses charged by Professional Investment Managers and Mutual Funds are netted from the fund and are considered in calculating total return for performance comparisons.



Donor Advised Funds

- 1.5% - First \$2 million (\$0-\$2M) (fee no less than \$500)
- 1.0% - Next \$1 million (\$2M-\$3M)
- 0.5% - Over \$3 million (\$3M+)



Designated Nonprofit/Agency Funds - Endowed

- 1.0% - First \$1 million (\$0-\$1M) (fee no less than \$500)
- 0.9% - Over \$1 million (\$1M+)



Designated Nonprofit/Agency Funds - Non-Endowed

- 1.5% - Any size fund (fee no less than \$500)



Charitable Remainder Trust, Gift Annuities, Charitable Lead Trust, etc.

- 0.9% - Balances up to \$500,000 (fee no less than \$500)
 - 0.8% - Balances from \$500,000 to \$1 million
 - 0.5% - Balances \$1 million to \$3 million
 - 0.4% - Balances above \$3 million
- Plus out of pocket costs including annual tax preparation.



Pass through gifts

- 3.0% - Any size gift (fee no less than \$500)
- 1.0% - Any size gift directed to a nonprofit with a fund held at the Foundation

Foundation Fee Schedule

◆ **Special Project Funds**

Special Project Funds are pass-through funds that support a specific charitable purpose and solicit support from a broad range of donors. These funds are held in cash during their time at the AACF and the fee structure is set to cover a portion of our overhead costs. Fees are:

Set Up Fee: \$500

Ongoing Administrative Fee: \$500 annually

◆ **Scholarship Funds and Field of Interest Funds**

2.0% - Any size gift (fee no less than \$1,000 yearly)

Foundation will provide:

Review of:

- Eligibility Requirements
- Selection Criteria
- Application
- Spending Policy
- Evaluation Process

Services:

- Training of Selection Committee
- Collection of required applicant information & documents
- Review and Approval of Recommended Scholarships
- Scholarship/Grant disbursement from the fund

Scholarship/Grants Committee will be responsible for:

Development of:

- Eligibility Requirements
- Selection Criteria
- Application
- Spending Policy
- Evaluation Process
- Notifications to Scholarship/Grant Recipients/Applicants



Schedule A: Description of Scholarship Program

1 Scholarship Program

Name of Fund _____

Purpose of Scholarship Fund

Number of Scholarships to be Awarded Each Year _____

Dollar amount of each scholarship will be a:

Flat fee amount of: \$ _____

Variable amount determined by spending policy

Length of each scholarship will be:

One-time award

Renewable for _____ additional years

2 Selection Committee

Scholarship recipients should be selected by using one of the options below. In all cases, the scholarship committee must be independent of the donor, any sponsoring employer, or membership organization.

Use the existing scholarship selection committee in place at most high schools, colleges, and/or universities

Use a separate committee using donor recommended members based on objective criteria related to the expertise of the individual. ***Please submit a Scholarship Committee Recommendation Form for members.***

Fund donors and other disqualified persons (family, employees, individuals with contractual relationships to the donor, and in the case of civic groups their members) may participate but not comprise a majority of the committee nor control the selection process, either directly or indirectly.



3

Setting Eligibility Requirements

Eligibility requirements are general criteria used to determine whether or not a person is qualified to apply for a scholarship. The Foundation encourages you to provide for as much flexibility as possible by recommending eligibility requirements that are not so narrow that it becomes difficult to award a scholarship each and every year. Select the criteria below:

High School Graduate	Yes	No
GED Graduate	Yes	No
Part-time Student	Yes	No

For eligibility requirements selected below, please detail the requirement specific to this scholarship:

Resident of a specific geographic area	A Minimum grade point average
Graduate of a specific high school/program	Proficiency in specific field
Plans to attend a certain type of institution	Employee/Child of specific industry*
Plans to attend a school on a pre-selected list	Participation in particular activity
Plans to pursue a specific course of study	Other*

**As allowed by law*

Further description: _____

4

Setting Selection Criteria

Selection criteria are the specific standards used to identify the most qualified applicants who will ultimately be recommended to the Board of Directors of the Foundation as scholarship recipients. Selection criteria will involve:

Financial Need	Academic Achievement	Extra Curricular Activities
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For each selected above, define how each criteria will be determined:

Financial Need: (Official Poverty Guidelines, FAFSA Application, etc.)

Academic Achievement: (For example: GPA required, courses completed, awards, etc.)

Extra Curricular Activities: (sports, volunteering, work history, etc.)

**5**

Creating the Application

a. General Information

The first page of the application form will ask for general information on the applicant, such as name, contact information, etc. This is also where the applicant will establish that he or she meets the eligibility requirements.

b. Financial Need

Please select which of the following will be required to submit with an application:

FAFSA (the government form students must submit to receive financial aid)

Household Adjusted Gross Income from previous year's tax return

c. Academic Achievement

Please select which of the following will be required to submit with an application:

High school transcripts

Recent report cards

Test scores (SAT, ACT, Regents Exam, AP Exams, etc.)

Class Rank

Other: _____

Additional Application Items:

Please select any of the following that are required to submit with an application:

RESUME

ESSAY: Essay Question _____

LETTERS OF RECOMMENDATION - from teachers, coaches, employers, etc.

6

Application Collection and Review

Generally, completed applications are submitted to the scholarship fund's selection committee. The committee or its designee reviews each application to ensure it is complete, and all required attachments are included. After the selected due date has passed, applications are processed for review.

7

Renewable Scholarship Details

If the scholarship is renewable, define the requirements for renewal:

Minimum GPA: _____ Semester Cumulative

Regular submission of transcripts

Other: _____



If the student must leave school for a period of time while on the scholarship (such as serving on a religious mission trip or for medical reasons), how will the remaining scholarship be handled?

Scholarship is awarded for a specific time period (Example: single school year)

Scholarship is awarded for a given number of years and allows for interruption in attendance at school (For example: five years)

Scholarship is forfeited

At the discretion of the Foundation on a case by case basis

Will an alternate be chosen if the selected recipient does not enroll, fails, or drops out?

Yes

No

8

Foundation Approval of Recipients

At its discretion, the Foundation will, after taking into consideration any recommendations made by the selection committee, alter or adjust the guidelines listed above if they prove to be unworkable, become irrelevant, or no longer serve the purpose of the fund. The Foundation's Board of Directors will give careful and thoughtful consideration to the recommendations of the committee. Donors and committee members should understand that 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.