

NORTH THURSTON EDUCATION FOUNDATION (NTEF)

Administrative Policy – Establishing Named Scholarship Funds

The Board of Trustees will accept donations for named scholarship funds under the following guidelines:

1. **To establish a named permanently endowed scholarship to be held in perpetuity**
 - a. The contribution must be large enough to generate an annual scholarship of at least \$1,000 (currently Foundation scholarships are \$2,000 each). Generally, the Investment Committee has suggested approximately \$18,000, with an annual return of 6-7 per cent, to establish a minimal scholarship. The Investment Committee and Board of Trustees may increase the minimum due to inflation, rising college costs.
 - b. The donors may give a significant amount and increase it over a two-five year period to meet the minimum. Terms of the pledged amount need to be specified.
 - c. The scholarship endowment will be held in trust; the corpus will be inviolate. Only interest earnings may be used for the scholarships. According to investment policy, a portion of the earnings will be maintained in the corpus to help offset inflation and potentially fluctuating earnings.
 - d. The donor may stipulate criteria for the scholarships, although the general Foundation guidelines for the selection process will be followed. All criteria must comply with the non-discrimination provisions of the Foundation by-laws.

2. **To create a limited named scholarship to be awarded annually until the amount of the donation is expended**
 - a. The contribution must be a minimum of \$10,000 and will be given in annual scholarships at the level established by the Board of Trustees.
 - b. The donor may stipulate criteria for the scholarship although the general Foundation guidelines for the selection process will be followed. All criteria must comply with the non-discrimination provisions of the Foundation by-laws.

Donors must submit written directions, expectations and preferences regarding the type of scholarship fund and other guidelines of the scholarship, which are subject to review by the Board of Trustees.

The Foundation does not charge any fees for managing named scholarships.

The Board reserves the right to negotiate if the preferences and expectations cannot be met or are not deemed appropriate to the Foundation mission and bylaws. The board may decline to accept an endowed, named scholarship if such is in the best interest of the Foundation.

The Foundation Board of Trustees retains the discretion to make adjustments in the scholarship procedures over time in the event changed circumstances require such changes.