

**SCHOLARSHIP FOUNDATION  
OF INDIAN RIVER COUNTY, INC  
f/k/a Dollars for Scholars of Indian River County, Inc.**

**POLICY GUIDELINES REGARDING ACCEPTANCE OF CONDITIONAL GIFTS FOR  
PERPETUAL, NAMED AND MEMORIAL SCHOLARSHIPS**

Background - The following policies are based on the desire of the Board to standardize requirements for establishing new Perpetual, Named, Community-Sponsored and Memorial Scholarships. All existing scholarships will remain subject to their original contractual terms or existing practice (including those which have been funding recurring scholarships with new (not pre-funded) contributions each year).

**A. Perpetual Scholarships**

1. The establishment of a perpetual scholarship shall require a completed funding donation of \$50,000 or more placed directly into the custody of the Scholarship Foundation, in accordance with the terms of this Policy for the purpose of establishing a perpetual scholarship. The number of students to receive scholarship awards each year with respect to such perpetual scholarship shall be determined by the Scholarship Foundation Awards Committee, subject to terms or stipulations required by the donor, except that the maximum number of yearly awards that can be required by the donor shall be obtained by dividing the total funding donation by \$50,000 (rounding down).

Should the donor wish to put a preference on the scholarship(s) (example: only nursing students or only students living in North County), or should the donor wish to participate in the selection of the recipient(s) from a pool of qualified candidates, or should the donor require some special application or essay or interview from candidates, the minimum principal donation per single perpetual scholarship shall be \$100,000.

A current or former Board Member or the family of a deceased Board Member or former Board Member of the Scholarship Foundation who served on the Board before 2005 may establish a Perpetual Scholarship in the name of the Board Member with a contribution of \$20,000 or more instead of the normal \$50,000. This \$20,000 figure represents the long-standing policy held by the Board of Directors for a minimum to establish a Perpetual Scholarship and allows the Board Member to adhere to the policy in place during his or her term of service.

Typically, each student recipient will receive a two-year award, although exceptions may be approved by the Scholarship Foundation.

2. Except where specifically requested by the Donor and approved by the Budget and Finance Committee, such donated funds should be placed into the "Board Designated Endowment" ("BDE") account where they will be subject to the Board's policy regarding the amount or percentage to be drawn out annually from such BDE, which policy shall be subject to change by the Board from time to time.

Scholarship Foundation shall refrain from representing to the Donor that a guaranteed amount, or even a guaranteed percentage, of contributed funds will be applied annually toward the

scholarship(s) and/or the operation of the Scholarship Foundation. Instead, donors should be advised of the Board's current policy regarding use of the BDE funds. [As of October 2009, such policy provides that 5% of the BDE's previous six quarter rolling average value ending 12/31 is to be drawn out of the BDE each year, with such withdrawal being applied to fund (i) current year scholarship awards, and (ii) any operating expenses of Scholarship Foundation not fully covered by the current year's other unrestricted revenues.

3. All Perpetual Scholarships must be established by preparing a Perpetual Scholarship Agreement signed by both the donor and an officer of the Scholarship Foundation (unless established by acceptable terms imposed under a Will or Trust bequest). That Agreement shall be the governing document which outlines 1) the amount to be donated over what period of time 2) the name of the scholarship 3) responsibilities of the parties 4) preferences on the scholarship, if any and 5) any other relevant terms and restrictions. The agreement shall be prepared or approved by an attorney serving on the Board, if any, and by the Chairpersons of the Budget and Finance Committee and of the Scholarship Committee. A fully executed copy of the Agreement shall be furnished to the donor or his/her representative and a copy shall be maintained by the Executive Director of the Scholarship Foundation for future reference as to the management of the scholarship.

#### B. Named, Memorial or Community-Sponsored Scholarships (One-time or Recurring)

1. The Board may accept donations to establish Named, Memorial or Community-Sponsored Awards given to recognize or honor individuals, businesses or organizations, provided as follows:

(a) The minimum donation for such shall be \$4,000. At least \$4,000 must be collected before the recipient(s) of the scholarship are named. The number of students to receive scholarship awards each year and the award amounts with respect to such donation shall be determined by the Scholarship Foundation Awards Committee, subject to terms or stipulations imposed by the donor (or stipulated representative with respect to donations from multiple parties), except that the maximum number of recipients which the donor (or representative) may require shall be one recipient for each \$4,000 of donated funds (rounding down). Unless another \$4,000 minimum is donated the second year to fund a new two-year award, the soonest another recipient would be named would be the third year.

(b) Should the donor or sponsor of an award wish to place a preference on the award (example: only nursing students or only students living in North County) or participate in the selection process by selecting the recipient from a pool of qualified candidates, the minimum contribution shall be \$8,000. At least \$8,000 must be collected before a recipient is named. The number of students to receive scholarship awards each year and the award amounts with respect to such donation shall be determined by the Scholarship Foundation Awards Committee, subject to terms or stipulations imposed by the donor (or representative), except that the maximum number of recipients which the donor (or representative) may require shall be one recipient for each \$4,000 of donated funds (rounding down). Unless another \$8,000 minimum is donated the second year to fund

new two-year award(s), the soonest another recipient would be named would be the third year.

(c) After the initial funding year, should the contributions cease or fall below the required minimum, the named scholarship will no longer be awarded to new recipients.

(d) In its discretion, the Scholarship Foundation may award an amount less than the total donated funds unless the donor originally required that all funds donated go to scholarships.

(e) Although the above contemplates two-year awards (which is to be typical), exceptions may be approved by the Scholarship Foundation.

C. Exceptions - The Core Committee may make exceptions to, or waive requirements of, the foregoing provisions; provided that it concurrently files a "Statement of Exception" detailing the variance and the reasons therefore, which statement shall be placed and retained in the Board's Policy Manual behind this Policy.

D. Effective Date - The effective date of this policy as it pertains to limits on conditional gifts shall be November 17, 2009, with adoption of the policy October 15, 2013 reflecting the organizations new name; provided, however, that preexisting conditional gift arrangements and named scholarships shall not be subject to the limitations unless the Board specifically votes to discontinue a particular gift arrangement.

The adoption of the above policy is hereby certified as of October 15, 2013.

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Joan Cook, Secretary