

COMMUNITY FOUNDATION OF SOUTHERN WISCONSIN, INC.

GUIDELINES FOR SCHOLARSHIP FUNDS

Scholarship funds at the Community Foundation of Southern Wisconsin, Inc. are an appealing way for individuals, families, businesses or other groups of people to strengthen their community.

Many people recognize that the key to their success in life is due to the education they received and they want to make it possible for others to benefit from a good education. The Community Foundation of Southern Wisconsin, Inc. makes it possible for generous, caring community members to fulfill their dream of establishing scholarship funds—and for people who want an education to get one.

GENERAL INFORMATION: Because the Foundation serves Grant, Green, Iowa, Lafayette, Jefferson, Rock and Walworth counties, we encourage the creation of scholarship funds that benefit students from a designated school or a particular part of our service area. We also welcome scholarship funds that will help students from our area attend a specific school, college or university, regardless of its location, or pursue a particular course of study. Donors may establish scholarship funds for any level of study, from preschool to postgraduate. Donors may specify other selection criteria for recipients, including but not limited to academic achievement and financial need.

A scholarship fund can carry the name of the donor, family, company, or someone the donor wishes to honor. All grants from the fund are made in the name of the fund, in perpetuity. Donors who prefer anonymity can choose names that reflect their fund's charitable purposes.

The names of scholarship funds are listed in the Foundation's Annual Report and are identified to prospective applicants. Unless they request anonymity, all donors to scholarship funds are listed in the Annual Report in the year the gift was made.

As is true of all funds of the Community Foundation of Southern Wisconsin, scholarship funds are integral components of the Foundation. They are subject to the terms and conditions of the Foundation's Bylaws, Articles of Incorporation and policies.

POLICIES FOR SCHOLARSHIP FUNDS: All scholarship awards must be given for charitable purposes, and selection of recipients must be made on an objective, non-discriminatory basis. There must be broad dissemination of eligibility requirements and application deadlines for scholarship awards. The Foundation makes scholarship awards on the basis of written criteria only to qualified educational institutions for the benefit of selected students.

SELECTION PROCEDURES: Recipients of scholarships that benefit students attending or graduating from a specific school or district will generally be selected by a committee of faculty and staff of that school or district, as well as community members and a representative of the Foundation as appropriate.

Scholarships not for students from a specific school or district but benefiting students from a specified geographic region or intended for a particular interest, field of study, or other specified criteria may require a special selection committee whose make-up will be determined by the Foundation in consultation with the donor.

In any case, donors or their family members may not make up the majority of any selection committee. There must be no benefit to a donor, relative of a donor, or individual selected solely by the donor. Members of a selection committee must disclose any familial relationship with any applicant and must refrain from voting on that particular applicant.

The following guidelines will be observed by the selection committee:

- ♦ Applications will be reviewed and scholarship recipients selected in accordance with the written criteria established by the donor of each award.
- ♦ All qualified applicants will be considered.
- ♦ Financial need will be considered as appropriate to the specific scholarship.
- ♦ For each scholarship recipient selected, the name, home address, telephone number, social security number, institution that the student will attend, institutional address to which the scholarship check should be sent, and scholarship amount will be forwarded to the Foundation for confirmation and handling.

FUND SIZE: The minimum size for a scholarship fund is \$10,000. If a scholarship fund is to be established over a period of time, activation of the fund will occur when the principal reaches \$10,000. If, after five years, the principal of the fund has not reached \$10,000, the amount in the fund will be transferred to a scholarship fund held by the Foundation that most closely matches the donor's original intentions.

TAX CONSIDERATIONS: The tax laws passed by Congress make charitable giving attractive for many people. Contributions to a scholarship fund at the Foundation provide tax benefits in the year the gift is made. Contributions of appreciated property can be deducted at their full fair market value. Appreciated assets given to a fund at the Foundation are free of capital gains taxes. To protect and maintain the Foundation's non-profit status, efforts to interpret these guidelines shall reference applicable regulations under the Internal Revenue Code.

STARTING A SCHOLARSHIP FUND: Scholarship funds at the Community Foundation can be established quickly and easily. As donor, you need to make some decisions: the purpose of your fund and its name, and which assets you will donate.

The Foundation will prepare a sample fund agreement that you can customize to meet your own needs. Completing this agreement can often help donors clarify their charitable objectives. You may wish to have your own attorney review it, and you should consult your advisor about the tax consequences of making any sizable charitable contribution.

FOR MORE INFORMATION: The Foundation's staff is ready to help you by answering any questions you might have about a scholarship fund. For more information, please call the Foundation's office at (608) 758-0883, out of Rock county at 1-800-995-2379, email at info@cfsw.org, or write to the Community Foundation of Southern Wisconsin at 111 N Main Street, Janesville, WI 53545.