

COMMUNITY FOUNDATION for LOUDOUN and NORTHERN FAUQUIER COUNTIES
SCHOLARSHIP FUND
Community Selection Committee

1. Gift. I wish to establish a scholarship component fund with the Community Foundation for Loudoun and Northern Fauquier Counties (hereafter “the Foundation”), a Virginia nonprofit corporation, with the gift of the following-described property:

Check #
\$XX,XXX of which shall be permanently endowed
\$XX,XXX of which shall be held as “pass through”

The initial endowment contribution equaling or exceeding \$25,000.00 will be placed in a separate subaccount maintained by the Foundation. All monies shall immediately upon contribution become the property of the Foundation over which the Foundation shall exercise exclusive legal control, and shall not be refundable under any circumstances.

OR depending upon the size of the initial endowment

The initial contribution restricted for endowment totaling less than \$25,000.00, will be placed in a separate subaccount maintained by the Foundation until the amount of the money in the sub-account equals or exceeds \$25,000.00. Until the amount of the money in the separate sub-account equals or exceeds \$25,000.00, the income from the money will be periodically deposited into the general unrestricted account of the Foundation. If the amount of the money in the separate subaccount does not equal or exceed \$25,000.00 within five years after the date of this letter, all money in the subaccount shall be redirected at the discretion of the Board of Directors. All money shall immediately upon contribution become the property of the Foundation over which the Foundation shall exercise exclusive legal control, and shall not be refundable under any circumstances.

2. Fund Name; Fundraising/Outreach. The fund shall be known as the **XXXX Scholarship Fund**, a component fund of the Community Foundation for Loudoun and Northern Fauquier Counties which name shall be used at all times when referring to the fund (hereafter “the Fund”).

Any fundraising program to benefit or that mentions the Fund shall require prior written consent of the Foundation and subject to the Foundation's policies.

3. Administration.

a. The Fund is intended as to serve as a permanent endowment and shall be dedicated to the payment of scholarships for qualifying students (hereafter "the charitable purpose" as described in paragraph 5) or its successor organization providing public education.

b. Distributions from endowment shall be made in the amounts determined under the Foundation's Distributions Policy in effect from time to time. These Foundation policies track both current market value of the Fund and Historic Dollar Value, defined as "the fair value of the endowment funds at the time it is established, as increased by each donation to the Fund and by accumulations as directed by the applicable gift instrument." (Historic Dollar Value does *not* include interest, dividends, appreciation, or other earnings, to a fund's balance unless the Fund instrument so specifies. It also does not include grant distributions that are not distributed or taken during any given fiscal year.) Unless otherwise determined by the Foundation's Board of Directors or its designated committee, a Fund balance that is equal to or less than Historic Dollar Value shall suspend grantmaking distributions from the endowment portion of the Fund in order to protect future grantmaking provisions of the Fund.

c. I recommend that the investment advisor that shall hold the Fund shall be determined by the Foundation's Board of Directors or its designated committee.

d. The Fund shall be open-ended, i.e., additional contributions of cash or property are permitted to be made by any person or entity.

e. I recognize that the Foundation's administrative fee of not more than two percent (2%) will be calculated and 1/12th deducted monthly from the Fund based on a monthly market value. In addition, investment fees as assessed by investment advisors will be calculated and deducted from the Fund.

I recognize that, should no Selection Committee recommendations be made for five successive years, the Foundation's Board of Directors or its designated Scholarship Committee shall be authorized to assume selection

responsibility and apply the criteria for distributions selection as set forth in this agreement whereby not more than three percent (3%) will be calculated and 1/12th deducted monthly from the Fund based on a monthly market value. In addition, investment fees as assessed by investment advisors will be calculated and deducted from the Fund.

1.

4.Variance Power; Investment Authority. I recognize and consent that the Fund is subject to the terms and provisions of the Articles of Incorporation and Bylaws of the Foundation, including the ability of the Foundation's Board of Directors of the Foundation (a) to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Foundation's Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served; (b) to replace any participating trustee, custodian, or agent for breach of fiduciary duty under Virginia law; and (c) to replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Foundation's Board of Directors all without the necessity of obtaining my approval or the approval of any other person or interested party.

The Foundation is authorized, at its discretion, to direct the investment advisor to invest any part or all of the Fund in securities or in other property, real or personal, in good faith and with the care that an ordinarily prudent person in like circumstances would invest his or her own funds in similar circumstances. Investment decisions about an individual asset shall be made not in isolation but rather in the context of the Foundation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the Foundation. I recognize that the Fund will not hold interests in any closely-held businesses, unless specific provision is made therefore.

5. Charitable Purpose.

a. Distributions will be made to promote and publically commend acts of kindness for eligible recipients with financial support for educational opportunities. An eligible recipient shall [NOTE :

- i. Be a resident of XXXXXCounty;
- ii. Be a graduating senior of XXXXXX High School, Purcellville, VA (
- iii. Be accepted and plan to attend within six (6) month....

iv. ETC

b. The scholarship award shall be applied for first year of study, noting that confirmation of enrollment shall be required for distribution each semester. However, should the award exceed first-year costs or expenses, remaining funds may be applied for subsequent years' study up to four consecutive years;

c. The financial award shall be made payable to the institution to benefit the individual's education, or through direct payment to a vendor for books, and other educational costs, or housing expenses.

d. In the event that a recipient does not in fact timely attend the institution, the amount of the Fund dedicated to payment of the scholarship awarded to that recipient shall be added back to the Fund.

e. No scholarship awards from this fund can be made to any family member or family members of the Selection Committee. For purposes of this subparagraph, the term "family member" shall mean any sibling, ancestor, descendant, or a spouse thereof.

f. The recipients shall be determined from among the pool of eligible nominated recipients and recommended for approval to the Foundation's Board of Directors by a Selection Committee annually designated by the Foundation's Board of Directors.

6. Selection Committee

No more than thirty percent (30%) of the Fund Selection Committee may be comprised of family members or having a family relationship to the Fund's primary donor(s). **"Family Relationship"** includes a spouse; ancestors; brothers and sisters, whether whole of half blood; children; whether natural or adopted; grandchildren; great grandchildren; and spouses of brothers, sisters, grandchildren, and great grandchildren. **Primary donors** are those donors who created the fund, named the fund, and provide ongoing advice for awardee selection.

a. The Committee shall be comprised of donors and family members as allowable as stated above, but may also include but not be limited to individuals who fill the following offices:

- School guidance counselor

- Staff of kitchen/cafeteria
- Janitorial staff
- Classroom teachers
- Principals or assistant principals of the school
- At large members as recommended by the Selection Committee

b. The Foundation shall require that the Fund Selection Committees provide, in advance of scholarship review or recommendations, the following:

- (i) A key contact for the Selection Committee;
- (ii) The Names and Titles of all Selection Committee members for the year;
- (iii) A description of the member’s role, position, or office filled; and
- (iv) Written declarations from each Committee member that no scholarship recipient shall be recommended who is related or a “Family member” to any member of the Fund Selection Committee, and, each Committee member shall hold confidential all information about applicants.

c. The Foundation shall reserve the right to conduct an independent investigation of any scholarship recommendation made by a selection Committee to evaluate whether the advice is consistent with the law and policies of the Foundation, and shall conduct such an investigation in any case where there is any reasonable question of the propriety or appropriateness of the scholarship recommendation. Where investigations are made, a written report shall be prepared and filed within the Foundation. The Fund Selection Committee shall be entitled to receive a copy of any written reports that recommend against following the scholarship award recommendation. The Foundation’s judgment shall be final.

7. Fund Acceptance. I recognize that the Fund must be approved by the Foundation’s Board of Directors of the Foundation, and will not be approved if implementation of the objectives of the Fund are not within the parameters permitted so that such implementation would negatively impact on the Foundation’s status as a tax-exempt organization exempt from income taxes as a community foundation under Internal Revenue Code Section 501(c)(3).

 DONOR
 Address

Date

APPROVED AS AUTHORIZED:

President

Date

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