



## Guidelines for Establishing a Scholarship

The entire Saint Augustine's University family thanks you for your interest in establishing a scholarship fund that works to improve the educational opportunities available to our students. A University education is a dream for many and an accomplishment for too few. At Saint Augustine's University, we try to make that dream possible by providing a quality education at an affordable price. We also offer opportunities for financial aid and distribute a large number of scholarships each year to qualified students.

Over 95% of all Saint Augustine's University students receive some type of financial aid, and scholarships are an important resource in helping students meet their educational costs. In many cases, scholarships are the key to success for a student struggling to afford University. Some scholarships are based on financial need, some on academic performance, and some are awarded to students who meet other special criteria. Such scholarships have been created by individuals, service organizations, corporations, and foundations and are an important part of the mission of Saint Augustine's University because they help change lives, build futures, and provide the gift of education.

While gifts of any amount, at any time, are greatly appreciated and will be added to the University's general scholarship fund, the following information serves as a guideline for establishing a named scholarship fund to be administered by Saint Augustine's University.

**Endowed Scholarships** – Endowing a scholarship is a long-lasting opportunity to honor or memorialize someone important to you. The initial gift, forming the corpus of the endowment, is invested and a percentage of the annual interest earned (typically 5%) is used for the purpose of the scholarship(s). Any income in excess of the payout is returned to the corpus, providing for its growth. The minimum amount required to establish an endowment at Saint Augustine's University is \$10,000. The larger the endowment fund, the greater the number and amount of the scholarship awards.

Ideally, the funds are received as a single gift. However, it is possible to setup a pledge payment schedule not to exceed five years. In cases where the minimum for creating an Endowed Scholarship is not reached within 5 years, Saint Augustine's University retains the option to convert the fund to general scholarship support. There is a one-year delay in awarding the scholarship; thus allowing the scholarship fund time to generate interest. Additional gifts may be added to the endowment fund at any time.

**Annual Scholarships** – An annual scholarship is typically a short-term commitment by the donor – usually for an academic year. However, donors often renew their support annually. The scholarship is typically at least a \$250 award.



Donors may also establish an Annual Scholarship while building an Endowed Scholarship. Awards can be made immediately from the Annual Scholarship Award, while an endowed account is created over the pledge/payment period of up to 5 years; scholarships can subsequently continue to be awarded from the Endowed Scholarship Fund.

**One-Time Memorial or Honorary Scholarships** - The University provides the opportunity to establish a One-Time Memorial or Honorary Scholarship. These scholarships are non-repeating and have varied amounts (minimum \$1,000). The scholarship sponsor is free to set the scholarship award criteria. If a scholarship gift is less than the minimum \$1,000, the gift would be added to the University's General Scholarship Fund and listed in the memory or honor of the named individual.

### **Giving to an Existing Scholarship**

If you are interested in providing funding for scholarship purposes, but you are not ready yet to establish a named scholarship, contributing to an existing scholarship is an opportunity that may fulfill your intention. Your contribution may be earmarked for the general scholarship fund or you may select an existing named scholarship.

### **Ways to Fund a Scholarship**

1. **Cash** – Your personal cash gift is deductible from your adjusted gross income.
2. **Stocks and Bonds** – For full tax benefit, securities may be electronically transferred by your broker to the University broker, or you may send unsigned stock certificates by certified mail.
3. **Life Income Gifts** – Gifts of appreciated property may generate income for you with positive tax benefits. Examples include gift annuities and charitable remainder trusts.
4. **Bequests** – You may reduce inheritance taxes by designating in you will specific gifts of cash, property, or a percentage of the remainder of your estate.
5. **Lead Trusts** – Property or assets may stay in the family, while your gift reduces estate taxes and supports Saint Augustine's University.
6. **Life Insurance** – Designating Saint Augustine's University as a beneficiary of a paid-up policy or new policy helps the University's future endowment and provides you with a tax deduction.
7. **Retained Life Estate** – You retain occupancy of the property for live but give your primary or vacation home or farm to the University for its future income.
8. **Real or Personal Property** – You can deduct the full fair-market value of gifts of real estate or personal property (art, antiques, automobiles, etc.)
9. **Retirement Plan Gifts** – Remainder interest in IRA, 401k and 403b plans may be designated to provide an income stream to loved ones and ultimately benefit the University at substantial tax savings



10. **Matching Gifts** – Often your gift to Saint Augustine's University may be multiplied by matching funds from companies and foundations. Check your company's personnel office

Saint Augustine's University welcomes gifts of all types and will work with you and your financial advisor to maximize the tax benefit for you and the value of your gift to the University.

### **The Scholarship Agreement**

For each type of a scholarship, a formal agreement is drafted and signed by both the donor and the designee of Saint Augustine's University to ensure that the terms and conditions of the gift are clearly understood. The agreement identifies the gift amount, the number of scholarships to be awarded, the selection criteria, and any other pertinent information.

### **Selection of Recipients**

Establishing the scholarship selection criteria is a negotiation process that takes place between the University and the donor at the time the gift is made. The criteria must be carefully developed to assure that both the University and donor objectives are met. Ideally, maximum flexibility will be given to the University for selecting the recipients. Criteria may include, but are not limited to, GPA requirements, standardized test score minimums, financial need, major or area of study, enrollment status, or extracurricular activities. However, restrictions based on race, sex, color, creed, handicap, veteran or marital status, political affiliation, or national origins are prohibited by federal law. The donor may also elect to make the scholarship renewable and define the conditions under which this may occur.

The availability of each scholarship is advertised through the Financial Aid Office and/or through the appropriate academic area(s) for which the scholarship is designated.

Applications are processed through the Financial Aid Office to determine eligibility. Recipients will be selected from a pool of eligible applicants by a scholarship committee officially recognized by the University.

All recipients are encouraged to contact the donor once the award has been made. The Development Office also provides the recipient's name to the donor each year the award is made.