

Independence School District Foundation Scholarship Policy and Guidelines

It is the policy of the Board of Directors of the Independence School District Foundation, Inc. to encourage scholarship awards from private sources that are made available to the greatest number of students possible to be used for a wide variety of purposes at institutions of higher education. New scholarships created after the adoption date of this policy that are to be administered by ISDF are subject to the guidelines and restrictions listed below.

Opportunities

Individuals and groups wishing to create and award a scholarship through the Independence School District Foundation may establish an endowed scholarship fund or a gift scholarship, subject to the guidelines listed below. These scholarships may be funded in a variety of different ways. Scholarships may also be created in honor of or in memory of a person or family. The ISDF Board will work closely with scholarship creators and donors to accurately fulfill their wishes.

Definitions

Scholarship: A cash award to a student enrolled in the Independence School District to be used to assist with financing continued education beyond the high school level.

Endowed Scholarship: A permanently invested fund created for the purpose of generating earnings that may be used to finance one or more student scholarships in perpetuity. Such scholarships shall have named funds in the Independence School District Foundation.

Gift Scholarship: A non-endowed scholarship fund used to finance one or more student scholarships either from existing assets (until depleted) or with a year-to-year gift from a donor(s). Such scholarships shall have named accounts in the Independence School District Foundation.

ISDF: The Independence School District Foundation, Inc.

ISDF Board: The Board of Directors of the Independence School District Foundation.

Guidelines – General

1. Scholarships currently in existence at the time of the adoption of these guidelines are "grandfathered" under their current provisions. They will be reviewed on an individual basis and, with the donor's agreement, amended in ways to bring them as closely as possible into compliance with these guidelines. If a donor chooses not to award their scholarship for one year, the scholarship will no longer qualify under the current provisions. At that time the scholarship would adopt all new policies.

2. All scholarships administered by ISDF must be a minimum of \$500 per individual annual award.
3. All donations to scholarship accounts in ISDF shall be managed in such a way that they meet the requirements of tax-deductible charitable contributions.
4. The ISDF Board reserves the right to refuse to accept or administer any scholarship funds that it deems contrary to its policies or interests.

Guidelines – Endowed Scholarships

5. Endowed Scholarship funds in ISDF must have a minimum of \$10,000 on account before a scholarship will be awarded from the interest earnings from the endowment.
6. Donors or others may set up a Deferred Endowed Scholarship fund with a minimum opening deposit of \$2,000 and a fundraising plan in place to grow the fund to the required \$10,000 minimum within 36 months. Interest earned by the deferred fund will be added to the fund principal during this time. If, after 36 months, the fund does not reach \$10,000, a new fundraising plan must be presented to the ISDF Board. If the donor fails to do so, all assets in the fund may be transferred to the ISD Foundation General Scholarship Fund at the discretion of the ISDF Board.
7. A Gift Agreement approved by the ISDF Board and the donor/creator of the fund will be written before an Endowed Scholarship Fund will be permanently established. Such agreements will specify the terms, conditions, and restrictions on the administration and award of each endowed scholarship. Agreements may be amended by mutual approval at any time, but such changes will not affect any scholarships which have been previously awarded.
8. The donor or creator of the fund may select the name of the scholarship and the endowment fund subject to the approval of the ISDF Board.
9. The ISDF Board will not guarantee any particular rate of interest on invested endowed funds. Earnings per scholarship fund shall be determined and paid monthly according to ISDF policies.

Guidelines – Gift Scholarships

1. Gift Scholarships administered by ISDF must be a minimum of \$500 per individual annual award. The full scholarship amount must be donated or on account by October 1 before the scholarship will be awarded for that school year.
2. A Gift Scholarship must be given as a Foundation General Scholarship. The donor or creator of the Gift Scholarship may not select specific criteria or requirements.
3. A Gift Agreement governing each Gift Scholarship should be written and approved by the ISDF Board before the scholarship will be awarded. Such agreements will specify the terms, conditions, and restrictions on the administration and award of each gift scholarship. Agreements may be amended by mutual approval at any time, but such changes will not affect any scholarships which have been previously awarded.
4. The ISDF Board will not pay interest earnings to any gift scholarship funds held on account in ISDF

5. Donors are not obligated to continue the funding of a Gift Scholarship beyond a year-to-year basis. Donors are encouraged to inform ISDF annually at an early date whether they plan to continue or discontinue the scholarship.

Restrictions

Selection of Scholarship Recipients

6. The application process for scholarships shall be publicized and opened to the widest possible pool of eligible ISD students. The scholarship donor has the responsibility of defining eligibility qualifications and application procedures in accordance with the policies and guidelines in this document.
7. Scholarships may not be awarded to relatives of the donor of the scholarship unless the donor has no influence or an appearance of influence in the selection of the recipient.
8. ISDF has an established selection process, which is recommended for use when selecting scholarship recipients. However, the selection process may be determined by the donor, subject to approval by the ISDF Board.
9. In most cases, alternate scholarship recipients should be selected to receive the scholarship if for any reason the primary recipient becomes ineligible to receive the award.
10. The selection of all award recipients (and alternates) of scholarships administered by ISDF shall be approved by the ISDF Board.

Administration of Scholarships

11. Restrictions on where and how scholarship awards may be used by recipients shall be defined by the donor or creator of the scholarship with approval by the ISDF Board.
12. Scholarship funds shall be sent directly to the institution of higher education selected by the award recipient.
13. As part of its administration of scholarship funds, ISDF shall maintain contact with award recipients and their designated institutions of higher education until the scholarship is completely disbursed.
14. Scholarship awards under \$1,000 will be sent as a single sum to the recipient's designated institution. Awards of \$1,000 or more will normally be paid in two equal installments prior to the start of each semester, unless the donor specifically directs that an alternate payment plan be used.
15. Unless otherwise directed by the donor or creator of the scholarship, scholarship awards are to be used by the recipients beginning in the fall or spring semester following their graduation from high school. After such time, if the recipient remains unwilling or unable to use the scholarship for its intended purpose, it shall be awarded to the alternate recipient or, if none exists, shall be reincorporated into the scholarship account for endowment and/or future disbursements.
16. Costs relating to award plaques, trophies, certificates, etc. shall normally be the responsibility of the donor or creator of the scholarship award.