



How to Establish an Endowed Scholarship with the Pensacola State College Foundation, Inc.

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ESTABLISHING AN ENDOWED SCHOLARSHIP WITH THE PENSACOLA STATE COLLEGE FOUNDATION, INC.

The Pensacola State College Foundation, Inc. is a non-profit, tax exempt, 501(c)3 direct support organization of Pensacola State College; its sole purpose is to provide additional resources to the College to help students achieve the highest quality of education.

Scholarship donations acknowledge the work of our students and help them attain goals of higher education and financial stability. Scholarships make a direct impact on the lives of Pensacola State College (PSC) students and their families. Establishment of an endowed scholarship not only guarantees perpetual funding for students, but also ensures long-term growth and stability for the College.

Supporting Scholarships:

Scholarship contributions fall into three general categories:

1. Donations to Existing Scholarships

Scholarship gifts can be designated to any of the Foundation's 300+ private scholarships. There is no minimum donation to support our existing scholarships! If you are unsure which scholarship to select, we suggest the First Generation Scholarship, which may be matched by the state, amplifying your positive impact or the Universal Scholarship, which supports students from diverse demographic backgrounds who are seeking education in a variety of fields.

2. Annual Scholarships

A minimum donation of \$5,000 is required to establish and name an annual scholarship. An annual scholarship provides awards to students without long-term investment of money needed to establish the fund. It is the hope and expectation that the donor replenishes the scholarship balance once all funds are utilized. If the funds are depleted and no additional contributions are received, then the scholarship becomes obsolete. Annual scholarships can be made in memory or in honor of someone. The donor may choose awarding criteria to outline how funds will be used.

3. Endowed Scholarships

Endowed scholarships can be established with \$20,000 or more. While annual scholarships must be replenished through new gifts, endowments receive interest annually and the corpus of the gift is never touched (thereby ensuring it is available into perpetuity). Scholarship awards for students are funded solely from investment income. Endowments truly create a lasting legacy for the donor and their family, and can be made in honor or in memory of a specific person. The donor may choose awarding criteria to outline how funds will be used.

	Minimum Contribution	Choose Scholarship Name	Outline Scholarship Criteria	Permanent	Receive Regular Reports on Scholarship
Donations to Existing Scholarships	N/A	No	No	No	No
Annual Scholarships	\$5,000.00	Yes	Yes	No	Yes
Endowed Scholarships	\$20,000.00	Yes	Yes	Yes	Yes

When you establish a scholarship with the PSC Foundation:

- **You can fully participate in:**
 - determining criteria (within IRS guidelines)
- **The PSC Foundation in partnership with the College will:**
 - publicize the establishment of the fund in appropriate college publications
 - promote the availability of your award to potential and current Pensacola State College students.
 - manage the awarding process through the College’s online awarding software.
 - be responsible for required auditing and accounting.
- **A Pensacola State College Scholarship Awarding Committee will:**
 - select suitable recipients from a pool of candidates for your award according to set criteria
 - due to IRS regulations and state match guidelines, donors or donor organizations are not permitted to select award recipients

Endowment Philosophy:

Endowments are established with the intent that the corpus of the fund be held in perpetuity and that investment income earned by the fund be used to support the area designated.

Establishing an Endowment:

Establishment of an endowment requires a signed agreement. Additional donations may be added to the endowment by any donor(s) at any time via cash, stock, deferred charitable gifts, estate planning, etc.

In addition to naming the endowment fund, the donor may decide to choose awarding guidelines for how any distributed funds will be used. The Foundation will assist donors with creating guidelines that clearly articulate the gift intent and ensure consistent and successful distribution of available funds. The donor may amend endowment fund criteria by requesting any changes in writing.

The Pensacola State College Foundation has a fiduciary responsibility to ensure donor wishes are strictly observed and gifts are used only for the purpose stated by the donor. Gifts received must be spent according to the donor’s intent. The Foundation will monitor the administration of gifts to verify the donor intent is implemented.

Appropriate records related to the endowment funds and accounts shall be maintained by the Foundation. The Foundation sends an annual statement for all endowed scholarships which includes the current financial status and names of your scholarship recipients.

Investment Policy:

The PSC Foundation Board of Governors Investment Committee is charged with the responsibility of investing the assets of the Foundation as a prudent investor would, given the distribution requirements, purposes, and circumstances of the Foundation in accordance with the law of the State of Florida, including the Florida Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), and generally accepted accounting practices.

This standard requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the Foundation portfolio as a whole, and as part of an overall investment strategy which incorporates risk and return objectives reasonably suitable to the Foundation.

The Foundation shall exercise exclusive authority over management of the Endowment, including the pooling of the Endowment for investment and payout purposes, and accounting for endowment assets under generally accepted accounting principles.

The investment goal is to provide long-term stability and continuity to the management of the Foundation’s endowments. Foundation funds are invested to produce maximum total return consistent with prudent risk limits.

Endowment Spending:

Earnings from the investment are annually distributed. Recognizing the need for sustainable income to support the beneficiaries of endowments, spending will be no more than the annual earnings and will not exceed five percent of the average three-year balance of the December 31 market value of the portfolio. Should annual returns exceed five percent, excess earnings will be added to the principal of the non-expendable endowment.

Distributions from endowment funds are managed by the Foundation and limited to the purposes and amounts indicated by the donor and within the bounds of the Foundation’s policies.

Accounting:

Two accounts are established for endowments:

1. The Fund Corpus or Principal Account

The balance in this account represents the accumulated amount of gifts to the fund. Since the purpose of this account is for the original donation(s) to be held in perpetuity, **no disbursements nor other transfers shall be charged to this account.** Additional donations are designated to this account by default. Endowed accounts are allowed to grow at least one calendar year before the first award is made. During this one-year period, the donor may fund the award with a separate gift. *At no time will the endowed principal be used to make awards.*

2. The Endowment Distribution Account or Expendable Account

Award expenditures are charged to this account consistent with the purpose of the endowment fund and in accordance with the PSC Foundation's disbursement policy and procedures. The PSC Foundation will distribute the investment revenues earned by the endowment fund to this account. The unexpended balance in this account will be carried over from fiscal year to fiscal year.

Endowment accounts are audited annually by an external certified public accounting firm.

For more information about endowments and other forms of charitable support through Pensacola State College Foundation, contact the Pensacola State College Development staff at (850) 484-1560.

Checks may be made payable to "Pensacola State College Foundation." Contributions can be mailed or dropped off to our office at:

Pensacola State College Foundation
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Building 17
Pensacola, FL 32504