



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

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1000 College Boulevard, Building 17 • Pensacola, Florida 32504-8998  
Phone: (850) 484-1560 • Fax: (850) 484-1559 • [foundation@pensacolastate.edu](mailto:foundation@pensacolastate.edu)  
<https://foundation.pensacolastate.edu/>



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

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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  
1000 College Boulevard  
Building 17  
Pensacola, FL 32504



**<Scholarship Name>  
ENDOWMENT AGREEMENT**

An Endowment Agreement, entered into on <DATE>, between <NAME(S)> (“Donor”) and the Pensacola State College Foundation (“Foundation”), a non-profit, 501(c)(3) corporation, establishing an endowment to be held, managed and used by the Foundation for the benefit of scholarships at Pensacola State College (“College”).

**A. Endowment to be Established**

The Foundation shall establish the <NAME> (“Endowment”), pursuant to the terms of this Agreement and Foundation policies adopted by the Board of Governors. The Endowment shall be classified a permanent endowment with assets held and managed for investment and appropriation for purposes described below.

**B. Background**

<Information on donor and reason for establishing the endowment.>

**C. Transfer of Assets**

All contributions to this Endowment are irrevocable gifts and shall become the property of the Foundation. The Endowment shall be established upon transfer and acceptance by the Foundation of donated assets:

Cash, Stocks, <other... please describe> in the total amount of \$<amount>, payable upon the following schedule:

- \$ \_\_\_\_\_ paid by Donor (on or before month/day/year)
- \$ \_\_\_\_\_ paid by Donor (on or before month/day/year)
- \$ \_\_\_\_\_ paid by Donor (on or before month/day/year)
- \$ \_\_\_\_\_ paid by Donor (on or before month/day/year)
- \$ \_\_\_\_\_ paid by Donor (on or before month/day/year)

**D. Purpose of Endowment**

At the direction of the Foundation, the Endowment’s payout shall be utilized exclusively for scholarship awards to Pensacola State College students based on the following criteria:

1. Award amounts are variable as funds allow.
2. Student must demonstrate a financial need for supplemental funding.
3. Student must have a minimum grade point average of \_\_\_\_\_.

4. Student must be enrolled in \_\_\_\_\_ field of Study.
5. Scholarship will cover tuition, fees, books, and/or materials required by the syllabi.
6. Student must \_\_\_\_\_.
7. Student must \_\_\_\_\_.
8. Student must \_\_\_\_\_.
9. Student must \_\_\_\_\_.
10. Preference is given to students who \_\_\_\_\_.

#### **E. Endowment Payout**

The annual distribution available for spending shall be determined by the spending policy established by the Foundation's Board of Governors, and 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. Annual distribution will be no more than annual earnings up to five percent. Should annual returns exceed five percent, excess earnings will be added to the principal of the non-expendable endowment.

#### **F. Investment of Endowment Assets**

The Foundation shall invest endowment assets as an institutional fund under UPMIFA with the goal of optimizing yield and maintaining the spending power of the endowment assets. The Endowment's assets shall be subject to the investment policies of the Foundation relating to endowments and shall be managed in a manner that is consistent with these requirements. 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.

#### **G. Additional Assets to Endowment**

Additional assets may be added to the Endowment by contribution or by transfer of other funds held by the College or by the Foundation for the College. Such additional assets shall not contain restrictions, conditions, or designations which are inconsistent or in conflict with this Agreement.

#### **H. Alternative Use of Endowment Distributions**

In the event the above purpose cannot be accomplished, Endowment distributions shall be made available as specified by the Foundation for uses most consistent with the above stated purpose.

#### **I. Endowment Management**

The Endowment shall be managed in accordance with applicable law of the State of Florida, the provisions of this Agreement, and Foundation's endowment policies.

#### **J. Recognition, Promotion and Reporting**

To express the appreciation of the Foundation, to enhance the Fund, and to attract gifts for similar purposes, the College and the Foundation may make appropriate announcements through internal/external publications and other acknowledgments of the Donor's generosity, as is suitable.

## Approval:

### Donor

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<name>

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Date

### Pensacola State College Foundation

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<name>, President  
Board of Governors, Pensacola State College Foundation

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Date

### Attest

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<name>  
Executive Director, Pensacola State College Foundation

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Date





## SCHOLARSHIP CONTACT INFORMATION

**Endowment Name:** \_\_\_\_\_

**Fund # (to be completed by PSCF):** \_\_\_\_\_

**Donor / Primary Contact Name:**

Company (if donor is an organization): \_\_\_\_\_

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

Preferred Name / Nickname: \_\_\_\_\_ Maiden Name: \_\_\_\_\_

**Spouse / Partner:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

Preferred Name / Nickname: \_\_\_\_\_ Maiden Name: \_\_\_\_\_

**Mailing Address:**      Work                  Personal

Street: \_\_\_\_\_  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Primary Phone Number:** (\_\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_      Work                  Home                  Mobile

**Secondary Phone Number:** (\_\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_      Work                  Home                  Mobile

**Email Address:** \_\_\_\_\_                  Work                  Personal

**Contact Preference:**                  Phone                  Email                  Mail

Birthday (Month/Day/Year): \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Employer: \_\_\_\_\_

Job Title: \_\_\_\_\_

Does your employer match donations made by its employees?      Yes                  No                  Unsure

**PSC Affiliation**  
**(select all that apply):**

Alumni	Employee	Retiree	Student
Parent of Current Student		Parent of Former Student	
Friend	Board Member	Other: _____	



## SECONDARY SCHOLARSHIP CONTACTS & BENEFICIARIES

Please list the individuals you would like to designate as secondary scholarship contacts (if any) and as scholarship beneficiaries (two minimum). Secondary scholarship contacts will receive reports and updates regarding the scholarship. Scholarship beneficiaries will be contacted only in the event the donor cannot be reached, or the donor is no longer able to act as the scholarship contact. If the donor is no longer able to act as the scholarship contact, then the beneficiaries listed below become the scholarship contact(s).

**1.) The below individual is a (select all that apply):**      **Secondary Contact**      **Beneficiary**

**Name:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Spouse / Partner:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Mailing Address:**

Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Phone Number:** (\_\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Relationship to You (Child, Sibling, Friend, etc.):** \_\_\_\_\_

2.) The below individual is a (select all that apply):      **Secondary Contact**      **Beneficiary**

**Name:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Spouse / Partner:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Mailing Address:**

Street: \_\_\_\_\_  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Phone Number:** (\_\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Relationship to You (Child, Sibling, Friend, etc.):** \_\_\_\_\_

3.) The below individual is a (select all that apply):      **Secondary Contact**      **Beneficiary**

**Name:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Spouse / Partner:**

Prefix: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_ Suffix: \_\_\_\_\_

**Mailing Address:**

Street: \_\_\_\_\_  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Phone Number:** (\_\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Relationship to You (Child, Sibling, Friend, etc.):** \_\_\_\_\_

If I or my beneficiaries are no longer available or cannot be contacted, the PSC Foundation Board of Governors may make changes, to maintain the validity of the endowment.

## Approval

**Donor / Primary Contact Signature:** \_\_\_\_\_

**Date (Month/Day/Year):** \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_