

# Scholarship Funds

## Invest in the Future. Empower Deserving Students.

Scholarship Funds help further the education of deserving students who fit criteria defined by the donor. In creating a scholarship, you invest in your community's future and show students you care. The Community Foundation of Middle Tennessee provides the expertise to help you meet your personal goals. Your charitable intent is fulfilled for generations. Not only do those selected each and every year thereafter benefit, but the lives of those around them change immediately and for generations to come.

### HOW IT WORKS

- You make a gift to the Community Foundation of Middle Tennessee. This gift may be cash, publicly traded or closely held securities, bequests, planned gifts, insurance, IRAs, Remainder or Lead Trusts, real property, etc.
- The Scholarship Fund is established in the name you choose with this initial gift and an agreement is created outlining the terms and conditions of the Scholarship. Scholarship Funds may, for instance, commemorate a person or family.
- You receive tax benefits in the year the gift is made. Additional gifts can be made at your convenience.
- In order for a donor to qualify for a tax deduction, the Community Foundation must own the Fund.
- Our professional staff helps you to determine the specific eligibility criteria for the Scholarship that accomplishes your goals. Scholarship Funds may be set up to benefit students from particular geographic areas or schools, certain fields of study, academic achievements, extracurricular activities, financial need, or background.
- Our staff handles all the administrative details. To ensure the charitable nature of the Fund, The Foundation's Scholarship Committee is composed of educators and other impartial professionals who review applications and select recipients on a volunteer basis. This committee enables you to use charitable dollars to invest in the lives of deserving students while outsourcing both the work required and the disappointment from those not chosen.
- Any scholarship fund established will need to be held for a year to grow with our investments before awarding. However, donors can add an additional donation equal to the intended payout to have the fund awarded in the same year.

### FINANCIAL DETAILS

- Scholarship Funds can be established with a minimum gift of \$50,000. See *page 2* for a breakdown of the fund options.
- They are endowed and approximately 4% of the balance of the Fund is used annually for scholarships.
- Funds are generally invested in a diversified portfolio designed to manage risk and ensure steady growth over time. This investment fee is estimated to be 60-80 basis points.
- In addition to an annual investment fee, all Funds will be charged an annual fee of 1.25% to support the charitable work of the Foundation.

### HOW TO GET STARTED

- Reach out to our Scholarships Senior Manager, Kelly Pietkiewicz at [kellyp@cfmt.org](mailto:kellyp@cfmt.org), to discuss establishing a fund.
- Consult your professional advisor for your own personal tax implications.
- Make a gift to Community Foundation of Middle Tennessee and complete the Fund agreement.
- Work with our Scholarship Coordinator to create the criteria of the scholarship and to provide the history of the fund.



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To learn more or to create your Scholarship Fund, contact our Scholarships Senior Manager, Kelly Pietkiewicz at [kellyp@cfmt.org](mailto:kellyp@cfmt.org) or visit **CFMT.org**.

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Scholarship funds provide grants to benefit individuals for educational purposes. CFMT administers four kinds of scholarship programs with varying levels of donor involvement and selection criteria. At the CFMT, we believe in awarding a smaller number of students larger scholarship awards to truly impact the financial burden of higher education with the goal of ensuring our recipients persist through college and graduate with a degree. All of our scholarships are renewable if the recipients remain in good standing.

FUND CATEGORY	Unrestricted Scholarship Fund <small>*pooled fund Donor Recognized in Scholarship Notification</small>	Named Scholarship + Selection Criteria	Named Scholarship + Selection Criteria + Choice of Investment Management
FUND MINIMUM	\$10,000- \$49,999	\$50,000- \$499,999	\$500,000
ANNUAL PAYOUT PERCENTAGE	4%	4%	4%
ANNUAL ADMINISTRATIVE FEES	1.25%	1.25%	1.25%
SELECTION CRITERIA	Set by the CFMT	Recommended by fundholder with guidance from CFMT	Recommended by fundholder with guidance from CFMT
SELECTION PROCESS	Recipient(s) selected by CFMT general selection panel or process	Recipient(s) selected by CFMT general selection panel or process	Recipient(s) selected by CFMT general selection panel or process



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