



## **Colorado Mountain College Foundation Endowed Scholarships**

### ***Policy Statement***

Contributions to the Scholarships Endowment of Colorado Mountain College (College) will create an enduring and permanent partnership between the College and the citizens of the region. Funds in the Scholarships Endowment will be managed and maintained on behalf of the College by the Colorado Mountain College Foundation (Foundation).

The monies generated from the prudent investment of the Scholarships Endowment will guarantee that each year more people will be able to attend the College and realize their dreams. Endowed scholarships encourage and enable students to pursue academic excellence in their field of study of higher professional competencies.

Funds obtained through individual or corporate gifts to the Scholarships Endowment are donated with the express understanding that only the interest income from such funds may be used. Therefore, a minimum balance of \$50,000 is necessary for the establishment of a permanent endowment. If a smaller amount is received, earnings from that account will be re-invested until the minimum of \$50,000 is reached.

Endowments that have a total fund balance below \$35,000 (30% below the required \$50,000) for three consecutive years or more, may be merged into a like-purpose or local campus endowment. The Foundation will make every effort to reach donor, or donor representative, prior to a merger of endowed funds.

Endowment funds may be given either for a specific named purpose or given with no specific conditions. If a specific purpose is designated, the Donor must establish conditions for the awarding of funds in writing at the time the gift is made to the College. If no specific criteria is established, the interest income from these funds will be distributed at the discretion of the Foundation as an integral part of the College's Financial Aid Program.

Students are selected to receive awards from the Scholarships Endowment in accordance with procedures established by the Foundation. Students who meet the selection requirements may apply for any scholarship. Recipients will be notified in a timely manner. The Donor may also choose to be notified of the award and provided information and brief history of the recipient.

Endowed scholarship funds must be on deposit at least one year prior to the first year of award. Donors may increase the amount of retained principle at any time in order to increase the value of each scholarship awarded or to expand the number of scholarships offered each year.

The Foundation's Cash and Investment Policy has the intended purpose of managing an annual scholarship in perpetuity, as defined by the donor(s). Endowment funds are typically invested for long-term growth and targets a distribution rate of 4.5% of total average earnings of the prior three years. Any earnings above the 4.5% are reinvested with the overreaching objective to provide full distribution of the intended scholarship award in perpetuity.

For endowments that state a designated award value vs. the usage of a 4.5% distribution, the Foundation has the authority to increase the annual award level to allow for cost-of-living adjustments over time, up to the 4.5% distribution allowance.

The Foundation's Board of Directors reviews the investment percentage annually and reserves the right to make changes to the percentage distributed as it determines necessary.

Per Foundation policy a one-time 3%-5% administrative fee will be charged to cover associated costs of processing the contribution to the Foundation. This fee can be paid separately or taken directly out of the gift.

Once endowed, should market conditions cause a reduction in the corpus of the endowment such that the Foundation is not able to satisfy the scholarship award designated, the Foundation reserves the right to halt distribution of funds until such time as the corpus recovers to an amount where distributable earnings are once again available to award. The Foundation will consult with its investment committee when making these decisions and will advise the donor if donor's whereabouts are known.

If at a future time, the intent of the gift is no longer applicable (i.e., designated for a program that no longer exists), or should use of the earnings from the corpus of the above-described fund become impractical, the Foundation shall use said funds in a way that most closely resembles the original intent of the donor(s) and the fund corpus shall remain property of the Foundation.

The Foundation will always make a good faith effort to clear any press releases with each party (Donor(s) and College) prior to any actual media release regarding donations and endowments.

Should any of the above be violated by either party, or should it be mutually deemed appropriate, the name of the scholarship may be changed.