

HOW TO ESTABLISH A FUND

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Thank you for considering the creation of a fund to provide scholarships to deserving students. At present there are a variety of different scholarship funds established to benefit students of the Wild Rivers region. We provide a variety of options so that you can choose whatever services you need and create a fund that meets your individual preferences.

Wild Rivers Community Foundation scholarship funds are endowment funds, meaning that the initial gift and future contributions are invested for perpetual growth. We ask that donors open a fund with a minimum of \$2,000 and grow the fund to at least \$10,000 within five years.

Based on an expectation of an average return over time of 8%, a \$10,000 endowment fund can support an annual award of approximately \$500, pay for its own administrative fee of 1.5% (\$150), and reinvest \$150 or so to cover the costs of inflation. As the fund increases, the amount of the award and/or the number of awards can be increased proportionally.

How the Scholarship Award Process Works

Although some scholarships are offered at different times throughout the year, most are awarded in June when students graduate. In February, our partner, Humboldt Area Foundation, sends out information about scholarships to schools and libraries throughout the area. Some donors that offer scholarships to students choose to have their scholarship application included in this packet. In general, students are asked to complete applications and return them by April 1. During the month of April, individual donors, scholarship committees, service organizations and other groups and committees at local high schools and colleges all make their selections. Awards are presented in May and June and are often announced in the press. During the summer, we host small gatherings for those donors who would like to get acquainted with their scholarship recipients.

Creating Your Fund

Wild Rivers Community Foundation staff looks forward to working with you to define and describe your new fund. With your instructions, we will compose a new fund agreement letter that will provide the Foundation with specific direction so that we can administer the fund in accordance with your intentions as the years go by. Of course you can make changes in this original agreement at any time, simply by notifying the Foundation in writing.

You may choose to write a description of your fund and have it included each year in Wild Rivers Community Foundation publications and the Humboldt Area Foundation Yearbook. The Yearbook is distributed in November to approximately 8,000 people throughout northern California.

It may be useful to look through the fund descriptions in the most recent Humboldt Area Foundation Yearbook for some examples. There are several donors who prefer to remain anonymous, so of course their funds are not included in these pages.

Setting up Your Fund

- What would you like to name your fund?
- Would you like the fund to be named in honor or in memory of someone who is important to you? Do you want to include such words as memorial or endowment?
- What criteria would you like to establish to select a scholarship recipient? By law, this has to be a fair and open competitive process, available to all qualified applicants. However, you can list the attributes or qualifications that you would like your recipient to have.

For example, you may want them to be a:

- Resident of a specific geographic area
- High school graduate
- Returning student
- Full-time student GED recipient
- Current high school student
- College undergraduate
- Part time student
- Representative of a particular ethnic or cultural group

And you may want them to have:

- Financial need
- Grade point average of ____ or above

- SAT or other test score of ____ or above
- Academic interest or achievement
- Athletic interest or achievement,
- Other interests, achievement, or work history
- Volunteer service
- Community activities
- Participated in a particular activity
- Received an award or recognition
- Specific career goal

Selecting Your Scholarship Recipient

You might consider the following options for selecting your scholarship recipient:

- Make your own selection each year;
- Form a committee to help you with this task;
- Give the responsibility to an organization such as a service club;
- Assign this task to a local school committee;
- Have the Foundation Scholarship Committee make the selection;
- Work with the Foundation Scholarship Committee to make the selection;
- Propose your own idea.

Selecting Foundation Services

What services would you like the Wild Rivers Community Foundation to provide? We offer the following financial services to all our fund donors:

- An annual independent audit of all financial transactions;
- Preparing all required IRS annual tax returns;
- Providing professional investment management
- Providing a thank-you letter and a receipt that meets IRS regulations will be sent to each person who contributes to your fund;
- Drafting letters of acknowledgement to you, so that you know who is contributing to your fund

Upon request, we will also be glad to send you statements either quarterly or annually that will include an itemized list of donations, investment activity and any disbursements made.

Selecting Recognition Services

All recognition services are optional. Let us know the services you'd like us to provide:

- Your fund description and photo included in Wild Rivers Community Foundation's publications and in the Humboldt Area Foundation's Yearbook each year;
- A press conference or press release when the fund is established;
- The criteria and application for your scholarship in the Wild Rivers Community Foundation and Humboldt Area Foundation application packets;
- A press release each year as the scholarship is awarded.

Next Steps

After you've had some time to think about your goals and intentions, give us a call or stop by to talk with staff. We will draft the new fund letter and send it to you for your revision. When it's just the way you want it, we will formalize it as an agreement.

Contact us for More Information

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