

SCHOLARSHIP FUNDS

A SCHOLARSHIP FUND IS A DIRECT, PRACTICAL WAY TO CHANGE A STUDENT'S TRAJECTORY.

Demand keeps rising while dollars lag. Tuition has increased significantly in the past few decades, and now 84% of Hoosiers say college is too expensive. It's no surprise that about 9 in 10 U.S. students now rely on some form of financial aid.

Your scholarship can change that by reducing debt, boosting completion, and opening doors to good jobs. We make it simple for students with one multilingual application that connects them to the most comprehensive scholarship offering in Indiana opportunities across four-year, two-year, and technical programs. Scholarships are slightly more challenging to administer because of IRS rules and regulations, and the entities within the CICF Collaborative have extensive experience managing these funds and guiding donors through the process.

Read the latest annual review of the CICF Collaborative's scholarship program at www.cicf.org/cicf-collaborative-scholarship-report

HOW IT WORKS

Choose Your Fund Type:

Our team meets with you to learn about your goals and the type of student you want to benefit, and together we decide which scholarship option is best for you.

Select Criteria:

You determine the eligibility and selection criteria for students, thereby supporting the educational or training goals you have and the type of student you are most interested in supporting. We can help you navigate the process of setting appropriate criteria for your scholarship.

Establish the Fund:

We work with you to establish your fund and ensure that everything—from applications to monitoring students' progress and continued eligibility—meets your expectations and all IRS rules and regulations. You may choose to meet the scholarship recipient(s) and follow them through their program. You choose your scholarship fund's name.

Contribute Funds:

You make a contribution of cash, securities, or other assets. You receive tax benefits in the year your gift is made, and because your fund is held at an entity within the CICF Collaborative, you receive the maximum tax advantages the law allows. You and others can add to the scholarship fund at any time. There is no minimum contribution amount once the fund is established.

Launch the Application:

We create a dedicated webpage and URL for your scholarship and solicit applicants through our expansive marketing process, unless you request otherwise.

Select Recipients:

The scholarship recipient is selected according to the type of your scholarship fund.

Award & Report Back:

Awards are paid directly to the eligible educational institution for use by the selected student, and we keep you informed of the growth of your fund and its impact on students' lives.

SCHOLARSHIP FUND OPTIONS

DESIGNATED SCHOLARSHIP FUNDS:

Helping students from your favorite school

- **Who's Eligible:** Students from a high school or college of your choice. In agreement with the school, you can also select other criteria such as fields of study or student profiles that are acceptable to the school.
- **Application Process:** The school or college, or educational foundation connected to the designated school or college, selects the students using its existing scholarship award processes.
- **Structure:** Endowed fund with 5% of the fund balance as of December 31 of the prior year available for award.
- **Minimum to establish:** \$25,000.
- **Fees:** 1% annually. Fees are reduced for fund balances exceeding \$1 million.

BLUE RIBBON SCHOLARSHIPS:

Personal connections, minimal hassle

- **Who's Eligible:** You work with us to establish general criteria and eligibility requirements that reflect your interests and passions.
- **Application Process:** Students apply via our online portal. Through the portal, they can concurrently apply for any other scholarships for which they are eligible. Our experienced Blue Ribbon Selection Committee reviews the applications to your fund and selects the scholarship recipient. You or your representative can participate on the committee and meet the scholarship recipient(s) if you wish.
- **Structure:** Blue Ribbon scholarships may be either endowed or pass-through. Endowed scholarships award up to 5% of the fund balance as of December 31 of the prior year. Pass-through scholarships may award up to 100% of the assets in the fund in one year, depending on your intention for the fund.
- **Minimum to establish:** \$100,000.
- **Fees:** 2% annually plus an optional annual \$5,500 fee for premium services. Fees are reduced for fund balances exceeding \$1 million. Minimum annual fee: \$2,000.

GOLD STANDARD SCHOLARSHIPS:

Maximum choice and flexibility

- **Who's Eligible:** You work with us to establish customized criteria and eligibility requirements that reflect your interests and passions.
- **Application Process:** Students apply via our online portal. Through the portal, they can concurrently apply for any other scholarships for which they are eligible. Or if you prefer, we can help you run a separate application process. You can work with us to create a selection process and appoint a selection committee for your scholarship fund. Federal law requires that we make the final authorization of the scholarship awards. You can participate on the committee and meet the scholarship recipient(s) if you wish.
- **Structure:** Gold standard scholarships may be either endowed or pass-through. Endowed scholarships award up to 5% of the fund balance as of December 31 of the prior year. Pass-through scholarships may award up to 100% of the assets in the fund in one year, depending on your intention for the fund.
- **Minimum to establish:** \$100,000
- **Fees:** 2% annually plus flat \$5,500 annual premium service fee. Fees are reduced for fund balances exceeding \$1 million. Minimum annual fee: \$7,500.

SUPPORT AN EXISTING SCHOLARSHIP FUND

- If you are passionate about helping students with educational expenses without starting your own scholarship fund, we can help identify one of our existing funds that align with your interests or passions.

Best-practice criteria that help students finish

- Encourage and facilitate degree or certification attainment by offering renewable scholarships, where one student may receive an award each year for multiple years to degree or program completion, subject to the student meeting basic renewal criteria.
- Keep criteria broad and use preferences instead of rigid requirements to preserve charitable intent and widen access.
- Include two-year and career-technical pathways where relevant; these routes are valuable, accessible, and in-demand

Legal Requirements

In the Pension Protection Act of 2006, Congress significantly altered the requirements for a sponsoring organization like the entities within the CICF Collaborative to administer scholarship funds. A donor to a scholarship fund cannot exclusively choose scholarship recipients or exclusively appoint or control a committee that chooses scholarship recipients.

Additionally, note that scholarships cannot be awarded to the donor(s), selection committee members, or family members of the donor(s) or selection committee members (and other "interested parties" as prohibited by the IRS).

We help you navigate these administrative and selection requirements and have the processes in place to engage donors and their family members in effective—and legal—ways with scholarship awards.