



Scholarship Policy

Definitions

Scholarships are financial stipends awarded by the ASDF to graduating ASD students to pay for post-secondary education. While the scholarship is awarded to the student, the funds are paid by the ASDF directly to the post-secondary institution to be credited to the students account.

Endowed scholarships. The gift is invested and a portion of the income is awarded as the scholarship. Because the principal cannot be expended, the scholarship will be awarded in perpetuity. An Endowed Scholarship may be named by the donor.

Expendable scholarships The entire gift is expended to fund a scholarship for that academic year. An Expendable Scholarship may be named by the donor.

One-time Scholarships are awarded only for the year in which the gift given.

ASDF Scholarship Fund will provide expendable scholarships. The following types of monies will be credited to the ASDFSF

- An amount set by the ASDF Board by February 15 each year from unrestricted ASDF income.
- Any gifts sent to the ASDF for scholarships without criteria
- distribution from any endowed funds without criteria
- distribution from the ASDF Memorial Endowment

ASDF Representative will be named by the ASDF president to meet with anyone expressing interest in establishing a scholarship. The representative will be a board member or the ASDF administrator.

Endowment Distribution Rate is the percentage of an endowment fund balance that may be distributed. The ASDF Board will establish this rate each year based on the recommendation of the Finance Committee. The distribution amount may be rounded down to the nearest \$5.00 in the case of funds generating less than \$100 and to the nearest \$10 for funds generating \$100 or more.

Establishing A Scholarship

When a donor expresses an interest in establishing a scholarship, the ASDF president will appoint a Foundation Representative to contact and work with the donor. The representative will record scholarship specifics on a Scholarship and Endowment Request Form (SERF) during the meeting with the donor. See Appendix A.

A. Description

A written description, based on the interests and goals of the donor, will be written for each scholarship. The description will indicate:

- the name of the scholarship,
- the donor,
- the purpose of the scholarship, suitable for publication,
- the amount of the endowment or annual commitment amount and number of years, and
- eligibility criteria.

The donor, an ASDF officer, and a ASD official will sign the description. A copy with original signatures will be kept on file in the Foundation office and an original will be given to the donor. Copies will be provided ASD and the principal of an indicated school. See Appendix B

B. Criteria

To insure awardability, no more than two criteria, beyond high school designation may be set (For example, "top math student from Allen who is in the band" would be permissible, while "top math student from Allen who is in the band and wishes to be a teacher" would not.)

C. Selection

While donors may determine eligibility criteria, the selection process will be at the discretion of the building principal. Donors may not be involved in the selection of individual scholarship recipients. The ASDF or its board members shall not be involved in any selection process.

D. Endowed Scholarships

Endowed scholarships may be created with a minimum gift of \$10,000, made by one of the following ways:

1. Outright Gift

The gift must be held in the endowment for a minimum of one year to fund the first distribution. If a donor wishes to award the scholarship before a year passes, they may make an additional cash gift equal to the Endowment Distribution Rate applied to the gift.

2. Installments

Scholarships may be established over a period of time with annual

commitments of at least \$1,000. Income and gains are added to the principal each year. One year after the endowment balance reaches the \$10,000 minimum, the scholarship is awarded.

Donors may elect to award the scholarship immediately, rather than waiting for the endowment to grow, by making additional annual gifts of at least \$500 to be awarded as the scholarship.

3. Planned Gifts

A scholarship may be funded through an estate gift.

E. Expendable Scholarships

Expendable scholarships may be created with a minimum three year annual commitment of at least \$500 payable by February 15 each year.

F. One-Time Scholarships

The scholarship will be awarded only for the year in which it is given and for however much the donor gives. A SERF must be completed, but no Scholarship Description need be written. A one-time scholarship can be named by the donor/s if the gift is at least \$500 and criteria may be established. Otherwise, the gift will be aggregated with other gifts of under \$500 to the ASDF Scholarship Fund.

ASDF Memorial Fund

The Memorial Fund will be an endowment created from the following sources:

- Any of the original Trust and Agency Funds that do not have clear criteria or whose fund balance is less than \$500. NOTE – it is the intention of the Scholarship Task Force that all fund contacts of record at the time of the transfer will be contacted by the ASDF and updated as to the status of their fund.
- Balances of any endowment fund building by installments if
 - endowment level has not been reached after ten years
 - less than 10% of endowment level has been contributed for each of three consecutive years -- unless the donor has made a commitment to provide a direct scholarship until the account is endowed.
 - no contributions are received after two years

The Endowment Distribution Rate will be applied to the memorial fund balance to determine the amount to be put in the ASDF Scholarship Fund for that year.

ASDF Scholarship Fund

The monies from this fund will be distributed to each of the high schools by a formula determined by the ASDF board and to be distributed at the discretion of the principals.

Records

A. Files

Each scholarship fund will have a hard copy file and an electronic file.

- Hard copy file will include the SERF and the written description for each scholarship established after the adoption of this policy and all subsequent correspondence regarding the fund.
- The electronic file will be kept on the ASDF computer system and will include those data elements determined to be necessary for administrative purposes.

B. ASD Trust and Agency Funds

A SERF will be completed by the ASDF for each ASD Trust and Agency fund in preparation for initial transfer

Oversight

The ASDF President will appoint a Scholarship Committee to provide oversight of this policy and to assist in operational activities. *The committee will review this policy every two years.*

- B. The same committee will also be responsible to insure effective donor recognition and stewardship.

Adopted 4/2/14 and amended 4/4/19.