Together we can help you do more.

Thanks to the generosity of community members dedicated to the scholastic development of area students, scholarship funds can be established to help local students continue their education, expand their talents, and achieve their goals.

Establishing a Scholarship Fund: How it works

Fund Requirements

The minimum gift required to establish a scholarship fund is $20,000. The following stipulations apply in order to set the fund up for success:

- The fund may not make an award until the fund reaches the minimum balance of $20,000 (corpus, which excludes earnings). An initial gift of $10,000 is suggested, but the donor may build the fund to $20,000 within three years of the establishing gift.
- If the fund does not reach $20,000 (corpus, which excludes earnings) within three years, the donor may choose to 1) spend down the fund by making awards until there are insufficient funds and we must close the fund, or 2) roll the balance of the fund into another fund that meets the donor’s goals, such as the Petoskey Education Foundation Fund or the Harbor Springs Education Foundation Fund.
- If the donor makes a gift of $20,000 to establish the fund and desires that the award be made in the same year, they must provide for that first year’s award so the fund can have sufficient time to grow for the next year’s award.

Administrative Fee

The Community Foundation takes a 2% administration fee on the scholarship fund annually, for which the donor receives:

- Financial management of the fund
- Quarterly fund statements to keep the donor apprised of the growth of the fund
- Carrying out the scholarship award annually, which includes maintaining the application, promoting the availability of the scholarship fund, working with students and school personnel, managing the selection process with the Scholarship Advisory Committee, announcing the awards at area high school honors ceremonies, and preparing the payment to the educational institutions on behalf of the award recipients.

Investing in Students

Al and Pat Olofsson established the Olofsson Family Scholarship Fund in 1999 with $10,000, growing the fund to over $60,000 through gifts and growth. The individual is selected based on scholastic ability (with a minimum GPA of 3.0) and financial need. According to the terms of the agreement, priority will be given to families who have accumulated some financial resources, but who might not be able to continue their child’s education without some assistance. Priority consideration is given to those studying business, math or science curriculums. Over the years, the Fund has provided $22,000 in scholarship support to students from Emmet County. Now that’s a good investment.
A Spending Policy that Protects Future Growth of Endowment Funds

Endowment funds grow over time and ensure a permanent source of charitable dollars on your behalf. The Community Foundation has a prudent spending policy meant to protect and preserve our endowment funds. The current spending policy allows the Foundation to distribute from each fund up to 5% of that fund’s 12 quarter rolling average balance as of December 31 of the preceding year. However, the Corpus shall not be invaded. The corpus simply means the total amount of gifts given to the fund. For example, if a fund has received $22,000 in gifts (the corpus) and now has an average balance of $26,000 the 5% of $26,000 would be $1,300. Since taking $1,300 from the $26,000 would not dip the fund balance below $22,000, the $1,300 would be available for the scholarship award.

Scholarship Advisory Committee
Community members serving on the Scholarship Advisory Committee are responsible for oversight of the scholarship application process and recommending scholarship awards in accordance with the donor’s intent.

Creating a Fund that Promotes Your Values and Meets Your Goals
The Community Foundation recommends that you create broad Eligibility and Selection Criteria to ensure you receive a satisfactory pool of applicants. Selection for all scholarships must be based on a fair, equitable, objective and non-discriminatory selection process and the criteria used in selecting grant recipients should be related to the purpose of the grant. Consider the following when determining criteria for your Fund:

Eligibility: students must meet these requirements to be considered for the scholarship.
• Geographic Area/School District: some scholarships are open to all students in Emmet County, including homeschooled students, graduating students, or returning students. Some scholarships are much more narrow and choose a particular school district or students graduating from high school in the current year.
• Grade Point Average: Some scholarships give guidance as to the expected GPA, over 3.5, for example.
• Extracurricular Activities: Some scholarships highlight a particular extracurricular activity, like soccer, debate, or band.
• Future Plans: Some scholarships are targeted toward students pursuing a particular educational path, like a nursing degree or a building industry career.

Selection: these criteria give the committee guidance about how to narrow the field of candidates to select the student who best matches the intent of the scholarship.
• Academic Strength: the committee considers things like GPA, difficulty of coursework, and ACT score.
• Financial Need: the committee considers both unmet need and potential student loan debt using the Financial Information Form completed by colleges and universities.
• Citizenship or Community Involvement: the committee considers membership or participation in community activities like school band, sports, clubs, or volunteer organizations, in addition to work schedule, and letter of recommendation.
• Extracurricular Activity: participation in a particular extracurricular activity, like soccer, debate, or band.
• Future Plans: students who plan to pursue a particular career path, like political science or education.

The committee finds it helpful when the language expresses the levels of importance. For example, “selection is based primarily on financial need; academic strength will also be considered.” Another way to show priority is language like “preference will be given to students who plan to pursue a career in nursing.”

Next Steps:
Upon receipt of the establishing gift, Community Foundation staff will prepare a fund agreement, including Schedule A, for your review.

To learn more, please contact us:
David Jones | Executive Director | djones@phsacf.org
616 Petoskey Street, Suite 203 | Petoskey, MI 49770 | 231-348-5820 | www.phsacf.org