

## What is a Scholarship Fund?

This type of fund offers you an opportunity to build the community's future by investing in the education of tomorrow's leaders.

At IECF, we offer various types of scholarship funds:

- **Advised** – You can actively participate in the selection of students and choose to run the scholarship on their own
- **Staff Supported** – You can actively participate in the selection of students and the Foundation assumes complete responsibility for the administration of the scholarship
- **Designated** – You can select the receiving educational institution and establish the selection criteria (subject to applicable laws) but do not actively participate in the selection of recipients
- **Basic (Pooled)** – You establish a permanent scholarship fund and defines criteria, while IECF oversees the selection process and assumes complete responsibility for the administration of the scholarship

## Who should consider a Scholarship Fund?

Individuals, families, nonprofits, and businesses can establish a scholarship fund.

# SNAPSHOT

## Scholarship Funds

- You and/or designated committee select scholarship recipients based on student application pool
- With IECF, award scholarships based on criteria you decide

## What are the benefits of establishing a Scholarship Fund?

- You are able to select scholarship recipients based on student application pool
- You may choose eligibility criteria based on merit, need, career interests, academic performance, locale, etc.
- IECF helps ensure your contributions are fully tax deductible
- You may give complex or unusual assets at fair value (e.g., real estate, closely-held stock)
- You have the opportunity to name the fund after yourself or in honor of a loved one, family, organization, etc.
- You have the opportunity to involve family in your philanthropy
- You may connect with scholarship recipients if you choose, whether in person, through essays or by other means

## How does a Scholarship Fund work?

1. Our staff members work closely with you to create and carry out your objectives
2. Together, we design a scholarship program that meet those objectives within a structure that ensures your contributions are fully tax deductible and that scholarship awards are not treated as taxable income to the recipients
3. Award payments are made directly to the educational institutions on behalf of the recipients There are various degrees of donor participation based on the Scholarship Fund that you establish:

	Donor Input Into Student Eligibility Requirements	Donor Input Into School Selection	Donor Input Into Annual Selection Process	Overall Donor Participation
Advised Scholarship Fund	HIGH	HIGH	HIGH	HIGH
Staff Supported Scholarship Fund	HIGH	VARIABLE	VARIABLE	VARIABLE
Designated Scholarship Fund	HIGH	HIGH	NONE	LOW
Basic (Pooled) Scholarship Fund	HIGH	NONE	NONE	LOW



**Awarded in  
scholarships in 2017**



**Total number of  
scholarship funds we  
hold (as of April 2018)**



**Amount TCF has  
distributed in scholarships  
and educational expenses  
since 1980**

## What are the tax advantages of a Scholarship Fund?

- Receive the maximum tax deduction available in the year the contribution is made
- Reduce estate taxes with testamentary gifts
- Avoid costly capital gains taxes while realizing the maximum tax deductibility of your donation with a gift of real estate or other complex assets
- Expenditure responsibility requirements do not apply, unlike with a private foundation

	Endowed	Non-Endowed
Advised	Tiered – based on fund balance Min fee \$1,250	3% of assets Min fee \$1,500
Staff Supported	Tiered – based on fund balance Min fee \$3,000	N/A
Designated	Tiered – based on fund balance Min fee \$750	N/A
Basic (Pooled)	2.0% of assets Min fee \$1,000	N/A

## What are the minimums and fees?

A Scholarship Fund may be opened with a minimum of \$50,000. Additional contributions can be made at any time thereafter.

To establish a Scholarship Fund, contact Celia Cudiamat, Senior Vice President of Grants and Community Impact at [ccudiamat@iegives.org](mailto:ccudiamat@iegives.org) or **951.241.7777**.

## Regional Contacts

### Coachella Valley

Joe Staley Jr.  
Regional Charitable Giving Officer  
[jstaley@iegives.org](mailto:jstaley@iegives.org)

### San Bernardino

Darcy McNaboe  
Regional Charitable Giving Officer  
[dmcnaboe@iegives.org](mailto:dmcnaboe@iegives.org)

The information provided is general and is not to be construed as tax, legal or financial advice. Your attorney or tax professional can provide additional guidance on the best options to help you accomplish your financial and charitable objectives.

3700 Sixth Street, Suite 200  
Riverside, California 92501  
Corporate Office:  
T: 951.241.7777  
F: 951.684.1911

[www.iegives.org](http://www.iegives.org)

