

POLICIES AND PROCEDURES

Subject: Endowed and Sponsored Scholarship Fund Reference: G-X-1

Source: President Eff. Date: February 9, 2001

Approval Auth.: President Approved: _____

Remarks: Replaces previous policy dated September 1, 1997.

Date: February 9, 2001

Endowed and sponsored scholarships for McLennan Community College students shall be established and administered by the McLennan Community College Foundation in concert with the Office of Financial Aid and the College's Scholarship Committee. There shall be two types of endowed scholarships, as follows:

SPONSORED SCHOLARSHIPS

To help students further their education, a donor/sponsor may contribute any dollar amount for this purpose. If the gift is intended for a particular student, Internal Revenue Service regulations shall be explicitly followed and prior approval of the Executive Director of the McLennan Community College Foundation shall be required before the gift may be accepted.

Scholarships shall be awarded to qualified students by the Scholarship Committee, in accordance with the guidelines established by the Director of Financial Aid and the Executive Director, McLennan Community College Foundation.

NAMED SCHOLARSHIPS

A scholarship named according to the wishes of the donor may be established with a minimum endowment of \$10,000 or more. An initial donation of \$2,000 shall be considered sufficient provided the donor makes a commitment in writing to achieve the minimum amount of \$10,000 through additional gifts within five years. However, no scholarship funds shall be awarded to students until the endowed amount of \$10,000 is reached and earnings are sufficient to fund the scholarship. Twenty percent of all earnings shall be retained to increase the principal of the endowment. Donors who desire an exception to this practice shall discuss their wishes with the Executive Director of the Foundation prior to finalizing the guidelines for the scholarship fund. If the minimum principal amount is not achieved during the initial five-year period, the principal shall be added to the general scholarship endowment fund of the Foundation.

Selection of scholarship recipient(s) shall be the responsibility

of the Scholarship Committee of the College and subsequent approval of the Executive Director of the Foundation except in cases where the donor(s) selects a recipient and does not violate IRS regulations. Eligibility criteria shall be determined by the donor(s), however, if none are specified, the general guidelines for awarding scholarships shall be followed by the Scholarship Committee.

McLennan Community College reserves the right to provide final approval of all scholarship eligibility criteria.