

Scholarship Funds

A scholarship fund is a meaningful way to invest in the future of your community. It allows you to make a charitable contribution, qualify for an immediate tax benefit, and provide scholarships—often in perpetuity—to students from the South Puget Sound region who are pursuing education beyond high school.

How a Scholarship Fund Works

1

The donor establishes the fund with an initial contribution and works with the Foundation to define the fund's purpose.

2

Annually, the Community Foundation awards the scholarship to students selected by the scholarship committee.

Scholarship Fund Details

- The fund minimum is \$25,000 for a non-endowed fund, and \$100,000 for an endowed fund and can be built over time. The minimum distribution is \$2,500.
- Fees: Annual fund administration and management are 2% (minimum of \$500 per year); investment service fees related to the Foundation's investment pool are assessed separately and are currently about 0.26%.
- The Community Foundation handles all back office and administrative work, including, but not limited to, required state and federal filings, issuing checks, corresponding with students, counselors, and higher education institutions, and producing fund statements.
- The Community Foundation conducts due diligence to confirm GPA, college enrollment, or other requirements.
- Scholarship funds are typically endowed, and an amount based on the investment performance and the Community Foundation's Spending Policy is made available annually for scholarships. Alternatively, a non-endowed fund will allow you to support scholarships over a set number of years.
- Gifts to the fund are irrevocable.
- The Community Foundation of South Puget Sound manages the scholarship application and selection process based on the agreed-upon scholarship purpose.

**Contact the Community Foundation's Staff
today at 360.705.3340 to get started!**



About Scholarship Funds

Scholarship Purpose

You may choose to define the purpose of your scholarship fund or entrust the Community Foundation to direct the support where it's needed most. We recommend keeping the purpose broad—such as supporting students with financial need in Mason County or assisting first generation college students—so your fund can remain relevant as community needs evolve.

All scholarship purposes must align with IRS regulations, serve a charitable purpose, and be awarded through an objective, non-discriminatory process. Final approval of scholarship purpose and criteria rests with the Community Foundation's Board of Directors.

Scholarship Criteria

Because most scholarship funds are established to last for generations, we work with donors to develop criteria that are both meaningful and flexible. This ensures your fund can adapt over time while still honoring your intent. Common selection criteria may include:

- Residency in a specific geography or attendance in a particular school district
- A minimum or range of GPA
- Demonstrated financial need
- Plans to pursue a particular field of study or career path
- Participation in extracurricular activities, employment, or community service

All scholarships are administered through the Community Foundation's current application processes and timelines. For administrative reasons, we are not able to create separate applications or timelines for individual scholarship funds.

Selection Process

The Community Foundation of South Puget Sound manages the scholarship application and selection process, ensuring that each award aligns with the fund's purpose. Selection committees are appointed by the Foundation and may include staff, volunteers, community members, and subject-matter experts.

Donors and those connected to the establishment of a fund do not participate in scholarship selection committees or review applications. This policy helps ensure fairness, avoid conflicts of interest, and preserve the public benefit of the scholarship fund.

Donor Engagement

As a scholarship donor, you'll receive annual updates on your fund and the students it supports. When possible, we invite you to attend scholarship ceremonies or recognition events where you can meet recipients and hear their stories. While we can't guarantee recipient attendance, we're committed to helping you stay connected to the impact of your generosity.

Frequently Asked Questions about Scholarship Funds

May I name a scholarship fund?

Yes. You may name the fund after yourself, a loved one, a family member, an organization, or someone you'd like to honor.

Are scholarships just for college-bound high school seniors?

No. Scholarships may support a range of educational opportunities—from early childhood programs to vocational training, higher education, and adult continuing education.

Can scholarships be paid directly to individuals?

Generally, no. Most scholarships are paid directly to accredited educational institutions on behalf of the student.

May I create a Donor Advised Fund (DAF) for scholarships?

No. The Pension Protection Act of 2006 prohibits grants to individuals—including scholarships—from donor advised funds. Because of this, donors with DAFs may not participate in directly selecting scholarship recipients.

Some scholarship programs nationally involve donors in an advisory role as part of a larger, community-based review committee, but our Community Foundation typically does not offer that option.

If you are interested in supporting scholarships, a donor advised fund can make grants to a school or another nonprofit organization that administers its own scholarship program. We are happy to talk through options that align with your goals.

How will you keep us informed of the fund's activity?

You will receive an annual statement each year detailing contributions, investment performance, administrative fees, and the fund balance. Fund holders also have access to our secure Fund Advisor Portal, where you can view real-time fund activity, including scholarship payments.

What happens if there aren't enough students who meet the scholarship criteria?

Our priority is to make an award. If no applicants fully meet the established criteria, we will select a recipient who most closely aligns with the fund's intent, ensuring your gift continues to make an impact.

Can I continue fundraising for my scholarship fund?

While the Community Foundation generally does not support fundraising events or grant writing for scholarship funds, donors are welcome to invite others in their network to contribute to the fund. You may also continue adding to the fund over time.