



Scholarship Endowment Gift Agreement

Name of the Endowment:

Name(s) of Donor:

Endowment Fund Definition:

- A. “Endowment fund” means an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. Endowment fund does not include assets that an institution designates as an endowment fund for its own use.
- B. Endowments are funds set aside and invested to provide reliable streams of current earnings and investment principal to be used in perpetuity. The two main issues in endowment management are investing and controlling the assets of the endowment and managing endowment spending. The maintenance of an endowment’s purchasing power is a function of managing the overall spending rate and the long-term investment growth.
- C. The Board has adopted the policy of establishing a minimum threshold of \$10,000 along with a defined length of time of five (5) years from the original gift instrument and allocation date in order to reach endowment status.

Endowment Fund Expenditures:

- A. The income and appreciation of the fund together with the “corpus” (which means the amount contributed to the account) may be used for scholarships with the understanding that the account should be allowed to grow when possible.
- B. The appropriation for expenditure of an endowment fund, in any given year, will not exceed 7% of the fair market value of the endowment fund.
- C. Fair market value will be calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure is made. (For an endowment fund in existence for less than three years, the fair market value of the endowment fund will be calculated for the period the endowment fund has been in existence).
- D. Subject to the gift instrument and intent of the donor, any fund failing to meet the minimum threshold of establishing an endowment fund (Article II, Section A.) may be disbursed in one year or combined with other funds in a general discretion scholarship or program fund that is appropriate to the intent of the donor.

Distribution Guidelines:

The purpose of this fund is to provide tuition, fees and educational materials for students at Kennebec Valley Community College.

Additional Instructions:

Donor

Date

Donor

Date

Michelle Webb, Executive Director

Date

Scholarship Contact Information:

Name: _____

Address: _____

Telephone: _____ Email: _____