

## Two Fund Options

**Endowed Scholarship** — minimum requirement is \$50,000

Endowments are permanent funds. The distribution of scholarships is made from the investment earnings, while protecting the original contribution—or principal.

**Investment Scholarship** — minimum requirement is \$100,000

Invested Scholarships are non-endowed funds in which the payout from the fund is at the discretion of the donor. The fund is invested with our larger portfolio and typically has a long-term spending horizon.

For both endowment and investment funds, PCF's experienced and sophisticated Investment Committee provides professional oversight of our portfolio's investment managers. The Committee is comprised of working investment professionals and other experienced professionals. They keep a watchful eye on asset allocation, portfolio performance, and investment fees to ensure long-term growth.

# Scholarship Funds at PCF

## Benefits

Pasadena Community Foundation (PCF) holds and manages many scholarship funds to support students. Establishing a scholarship as a component fund of PCF provides the following benefits:

- **Investment Management.** Your scholarship can participate in PCF's investment portfolio. With a portfolio of \$161 million in assets, we provide significant diversification. Moreover, PCF receives preferred institutional fee structures.
- **Technology portal.** Applicants can apply for funding through PCF's online scholarship system. This portal also provides access to Selection Committee members for review and evaluation of applications.
- **Administrative support.** PCF can facilitate administration of your process and support the volunteer Selection Committee. This support might include scheduling of meetings, notification to grantees, enrollment verification, check writing, record keeping, and tax reporting.
- **Fundraising.** PCF can support efforts to add to the scholarship fund through active fundraising efforts.

## Scholarship Requirements

IRS requires that for any gifts to an individual, there are certain requirements that must be met. This is true whether the payment is made to the individual directly or to the educational institution.

All scholarships should be awarded on an objective and non-discriminatory basis.

### Scholarship Committee

The Scholarship Committee responsible for the selection of scholarship recipients must be free from conflict of interest. This committee can be an independent group that reviews applications and selects the grant recipients. A donor or other "interested party" may not hold a majority role on the committee. PCF works with many scholarship committees to facilitate their work.

Another option is to create a scholarship for a particular school and delegate the selection of grant recipients to the school's Selection Committee.