

**DELAWARE TECHNICAL AND COMMUNITY COLLEGE**  
**EDUCATIONAL FOUNDATION**

*Scholarship Policy and Guidelines*

Delaware Technical and Community College Educational Foundation (Foundation) welcomes the creation of scholarships for Delaware Tech students. Approximately 50% of Delaware Tech students receive financial aid assistance from the College each year. While a large portion of this assistance comes from state and federal support, the Foundation, through its numerous scholarship accounts, provides substantial financial aid assistance to students college-wide.

**Selection and Award**

Scholarship recipients are identified by a Scholarship Committee using established criteria. The committee is skilled at “packaging” various types of financial aid that students may receive in order to help meet their differing financial needs. IRS regulations prohibit donors from identifying or selecting recipients for their scholarship award.

Scholarships can be used to help cover the costs of tuition, fees, books, etc. They may also cover assisting students with other special needs such as transportation, child care, and housing.

**Scholarship Endowments**

Gifts of \$25,000 qualify to be maintained as a permanent scholarship endowment of the Foundation, which may be named according to the donor’s wishes. Donors who create scholarship endowments can specify criteria for scholarship awards. The donor and/or a person (or family) may receive recognition in annual reports, scholarship luncheon brochures, Delaware Tech magazine, etc. A tribute card can be created at the donor’s request to memorialize a named scholarship endowment and to distribute to recipients of the scholarship.

All scholarship endowment monies are commingled with the assets of the Foundation’s endowed accounts for maximum investment return. As an example, a 5% return on investment for a scholarship endowment with an average value of \$25,000 would generate \$1,250 per year, and hopefully more as the principal grows through prudent investment or additional contributions.

Once a scholarship endowment is established, it can receive contributions through a variety of sources including individual gifts, Employee Giving Campaign contributions, Annual Giving Campaign gifts, etc.

Separate accounting is maintained for each scholarship endowment and an annual statement is provided by the Foundation to the donor showing investment income, scholarship fund distributions, fees, and any additional deposits that were made to the scholarship account.

### **Incremental Endowment Option**

The \$25,000 minimum can be achieved by making gifts over as many as four years. This arrangement must be formalized with a pledge agreement signed by the donor. If the minimum is not achieved within four years, any remaining balance will be transferred to the unrestricted scholarship account. Exceptions may be made for donors wishing to establish an endowment incrementally over a period of more than four years with the prior approval of the President of the Foundation. If scholarship donors wish to begin making immediate distributions to students, but have not yet contributed the minimum \$25,000 required for an endowment fund, they may contribute an additional amount of at least \$500 per year, the full amount of which will be used to award the scholarship.

### **Current Use Scholarships**

While the Foundation places an emphasis on scholarship endowments with a minimum of \$25,000 which provide sustainable income, it also accepts smaller gifts for scholarship purposes. These current use scholarships are awarded in full during the academic year in which they were received.

For current use scholarships between \$5,000 and \$24,999, the donor and a person (or family) to be honored will be recognized in the College's annual report, donor wall, scholarship luncheon brochure, etc. Donors specifying criteria for current use scholarships will be required to sign a donor agreement.

Scholarship gifts of less than \$5,000 will be deposited into the non-endowed general scholarship fund.

### **Communication**

Information for all scholarships is provided to students through the Academic Works online scholarship management system. Named scholarship endowments are listed in perpetuity on the Academic Works webpage.

*Effective for new funds established after Educational Foundation Board of Trustees' approval of these Scholarship Guidelines.*