

# Procedural Guidelines for Donor-Initiated, Named Scholarships

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## Policy

Henderson State University welcomes the opportunity to assist individuals, families, businesses and other organizations in establishing memorial, honorary and named scholarships to benefit students and programs at the university. All scholarships established by donor-initiators through Henderson State University must be compatible with the mission and standards of the university and be consistent with its long-term direction and values. It will be the responsibility of the university to make the final determination of the appropriateness of all named and donor-initiated scholarships. All scholarships accepted by Henderson State University must be in compliance with state and federal laws. Scholarship agreements must be signed by the executive director of the Foundation and the president of the university.

## Criteria for Establishing Scholarships

- The minimum to establish an active, endowed scholarship is \$25,000. This threshold is effective for scholarships initiated after March 12, 2014.
- The minimum to initiate an endowed scholarship is \$5,000.
- An active endowment level of \$25,000 must be achieved within five years of the date of initiation. In the event the \$25,000 is not achieved within five years, the accrued funds shall be transferred to the Foundation's general scholarship endowment.
- Scholarships may be established in memory of (or to honor) an individual, individuals, a family or an organization and may be restricted to a particular academic program or discipline.
- In the event an academic program or discipline is eliminated by the university, the Foundation reserves the right to realign the scholarship requirements to the next most-related academic program or discipline. Scholarship agreements must contain provisions for alternate use of scholarship fund endowments in the event the original intent of the scholarship is no longer valid and/or lawful.
- Potential scholarship recipients need to be members of a group or class large enough so that the scholarship does not result in private inurement on the part of the donor, or in recharacterizing the scholarship as a personal gift.
- The university, in its sole discretion, will choose scholarship recipients, even though the donor/initiators may be given an advisory role in the selection.
- All endowed scholarships shall have a memorandum of agreement in place with the foundation at the time the initial scholarship recipient is selected.