



Information on Starting a Scholarship Fund

1. Why use CFRBA to administer my scholarship fund?

Given CFRBA's public charity status [that is, CFRBA is a 501(c)(3) organization as defined by the IRS], you will receive the maximum tax advantage allowed by Federal law for all donations made to your fund. You may decide to establish a scholarship fund in memory or honor of a particular individual. A non-profit organization can set up a scholarship fund to honor the cause represented by their organization. CFRBA will work with you to set up your scholarship with very little paperwork, oversee the prudent investment of your endowment funds, handle all administrative tasks associated with your scholarship, and make the distributions from the fund to scholarship recipients.

2. What specific administrative tasks does CFRBA handle for my fund?

- CFRBA will set up the scholarship application form, share it with interested parties, and allow it to be completed online by applicants.
- CFRBA will collect all applications and verify accuracy and completeness of the information.
- CFRBA will compile packets for all scholarship review committee members which include applications, transcripts, essays, financial data, letters of recommendation, guidelines for awarding the scholarship, conflict of interest policies, and rating sheets.
- CFRBA will set up the scholarship review committee meeting at its offices and guide the committee through the decision-making process.
- CFRBA will notify the respective winners of their awards and make proper presentations of the scholarships to the recipients.
- CFRBA will send each scholarship award to the respective college, camp, or continuing education facility of the recipient's choice.

3. What is the function of the scholarship review committee and how is it formed?

The scholarship review committee evaluates applications and makes recommendations for scholarship awards, based on the eligibility standards that you have established. CFRBA can work with you to set up your review committee, which generally has between three and seven members and usually consists of educators, community volunteers, and possibly donors to the fund (although not the primary donors).

In fact, as the principal contributor to your scholarship fund, IRS guidelines prohibit you from being involved in deciding who will receive a scholarship award. In addition, all members of the scholarship review committee are subject to conflict of interest and confidentiality policies and must recuse themselves from deliberations about anyone in whom they have a special interest or relationship.

Once the scholarship review committee has completed its work, the scholarship recommendations will go to the CFRBA Board for final approval.

4. How much do I need to contribute to establish a scholarship fund with CFRBA?

You can create a scholarship fund with a minimum contribution of \$10,000, and you have five years to reach that \$10,000 amount (including your contributions and your fund's investment earnings). No scholarships will be awarded out of your fund until it reaches the \$10,000 level. You can contribute to your fund at any time and in any amount, and you can encourage others to contribute to your fund, as well.

5. What is the typical scholarship award amount?

Award amounts are based on the amount available to be distributed from your fund each year and the number of award recipients. Scholarship amounts generally range from \$500 to \$1000 per year. (Based on the current CFRBA distribution policy of 4% annually, a \$10,000 fund would generate a \$400 annual scholarship.)

6. For what purposes may scholarships be used?

Scholarships can be set up to help students attend college, graduate school, technical, or trade school as well as educational camp, mission, or travel studies. Scholarships can also be used help adults who are returning to school.

7. What criteria may be used to select scholarship recipients?

You may set out specific criteria for recipients of your scholarship, such as city or county of residence, school to be attended, course of study, or other factors. Generally, donors who have set up scholarship funds have asked their scholarship review committee to consider demonstrated academic ability, demonstrated concern for school and community through extracurricular activities and volunteer service, voluntary or paid work experience that support the student's career goals, and any unusual circumstances which make an applicant more worthy of consideration. Scholarship awards can also take into account financial need of the student.

8. Can fundraising events be held to benefit my scholarship fund?

If you wish to raise money for your scholarship fund at a public fundraising event, you should review CFRBA's Fundraising Policy and submit a completed fundraising application to CFRBA for consideration well in advance of the fundraising activity. You are responsible for understanding and adhering to this policy, which keeps the Foundation in compliance with applicable laws and IRS guidelines.