



Scholarship Endowment Endowment Fund Agreement

It is hereby agreed among the undersigned parties that the Antelope Valley College Foundation (hereafter referred to as the Foundation) will establish in perpetuity, on behalf of [Name of donor], an endowed fund to be named [Name of Fund]. This fund and the contributions to it are irrevocable gifts, according to Section 501(c)(3) of the Internal Revenue Code.

The criteria are: [description] [Optional: reasons for establishment of endowment / background]

[Option A]: “Once a candidate has been awarded a grant under this scholarship, he or she is to be preferred as a candidate thereafter until his or her academic program appears to the College to have been completed, or unless the candidate is considered to no longer qualify for the award”. *Or, [Option B]* “Recipients must apply annually in order to be considered for the award”.

The award selection is made by [Option A] scholarship committee members from the college’s respective departments. **OR [Option B] scholarship committee members: who shall be responsible for ensuring that the recipient meets the criteria for receiving the award and that an award is made during each fiscal year, presuming that qualified candidates can be identified.**

The following terms and conditions will apply to this fund:

Terms of Endowment

[Name/s of donor/s establishing the fund] *[Option A]* have made gifts sufficient for the endowment of a fund to benefit Antelope Valley College through the Antelope Valley College Foundation. ***OR [Option B]* will make within a period not to exceed three years, gifts sufficient for the endowment of a fund to benefit Antelope Valley College through the Antelope Valley College Foundation. The minimum level for endowment of a permanent fund is \$10,000. During the period when gifts are being added to bring the corpus up to the minimum level, total investment returns (which may include any combination of interest, dividends, and capital gains or losses) related to this fund will be allocated to it. No grant expenditures may be made prior to achievement of the minimum level unless they are separately funded by the donor(s).**

Should the endowment not be fully funded by the end of the third year, the corpus of this fund may be added to another endowed fund with similar purpose or it may be added to the Foundation’s General Endowment. The principal may also be spent as annual awards for a purpose similar to the donor’s original intent. The Board of Directors of the Foundation will, at the end of the three-year period, determine how the funds remaining in under-funded endowments are to be distributed. As a matter of policy, whenever practical, the Foundation will consult with the primary donor(s), if still living, in the rare event a change from the original intent is necessary.

Under the conditions listed in the preceding paragraph, (Delete all the bolded if using Option A) all gifts to the endowed fund are to be held by the Foundation in perpetuity, and invested according to prevailing Foundation investment policies. Under the Investment Policy, the Foundation may pool the principal with other endowed funds. This pooled endowment fund is invested with the objective of producing a total return on investment. This total return is expected to include the amount designated by the Foundation’s current “Spending Policy” (used to determine the amount of the annual grant), a reasonable appreciation of principal in excess of inflation and a portion to be added back to principal in order to allow for continued growth of the fund. However, the donor is aware and hereby acknowledges that endowments may, over time, incur both capital

gains and losses, depending upon the investment environment. It is anticipated, based on long-term historical patterns, that gains will exceed losses.

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The Foundation will use the fund solely for the purpose(s) outlined above. The Foundation’s intent is that the original donation will not be spent, and the benefit will not be redirected except in very unusual circumstances where the original purpose cannot be achieved. In the event of such a change in circumstances, the Foundation is obligated by law to find another purpose as close to the original intent as possible and to the benefit of Antelope Valley College and its students, as long as Antelope Valley College is in existence. In addition, the Foundation’s prevailing Gift Fee Policy will establish the fees associated with establishing and maintaining the financial portfolio supporting the endowment.

Terms of Expenditure

Investment returns produced through this endowment will be utilized according to the prevailing Spending Policy of the Foundation. The portion to be expended will carry the donor’s name or the name designated by the donor for the fund and will be directed toward the endowment’s purpose annually beginning at the end of the first full fiscal year after the fund has been fully endowed. Use of the funds will be based upon the criteria stated above.

When criteria reference financial need, students must have submitted the Free Application for Federal Student Aid (FAFSA). If no qualified recipient is available during any given year, the donor reserves the right to waive some or all of the criteria established in order that the funds may be utilized by the college.

Contingency Clause

If, for any reason, the programs or purposes for which this endowment is being established cease to exist, or if the award cannot be made because of State, Federal or local regulations or laws, the funds will be redirected to another use deemed as similar as possible to that originally intended. This will be done through a vote of the Board of Directors of the Foundation, in consultation with the donor, if living, and the President of Antelope Valley College or his/her designee.

If the Foundation for any reason ceases to exist, the Board of Directors of the Antelope Valley College Foundation or its successor will, according to the Foundation’s Memorandum of Understanding with Antelope Valley College, ensure that these funds continue to be utilized for the purposes outlined in this document, or, in the event of the above-outlined circumstances, for another use deemed as similar as possible to that originally intended.

We, the undersigned parties, agree to these general rules and specific regulations, and consider them to be binding on all concerned:

Donor name(s) Date

Executive Director, Antelope Valley College Foundation Date

Two copies will be signed; one copy is to be retained by the donor, and the other will reside with the Foundation.