



WAUKESHA COUNTY

Community
FOUNDATION

RESTRICTED SCHOLARSHIP FUND

WHAT IS A RESTRICTED SCHOLARSHIP FUND?

A Restricted Scholarship Fund is a scholarship fund where you can select the receiving institution and establish the selection criteria (subject to applicable laws) but do not actively participate in the selection of recipients.

WHO SHOULD CONSIDER A RESTRICTED SCHOLARSHIP FUND?

Donors who wish to support education by helping define key eligibility criteria for the scholarship program and want limited involvement thereafter. Many donors use this type of scholarship as part of an estate planning strategy (i.e., a bequest).

WHAT ARE THE BENEFITS OF A RESTRICTED SCHOLARSHIP FUND?

- WCCF's partnering educational institutions identify potential recipients during the selection process
- WCCF coordinates annual scholarship distributions with educational institutions
- You can give complex or unusual assets at fair market value (e.g., real estate, closely-held stock)
- Opportunity to name the fund after you or in honor of a family member, a friend or an organization (e.g., the Cronin Family Foundation)
- You may connect with scholarship recipients if you choose, whether in person, through essays or by other means

AT A GLANCE

RESTRICTED SCHOLARSHIP FUND

- Awards scholarships based on merit, need or academic performance to benefit students of any age, background or educational level
- Creates a legacy of supporting education at a specific institution
- You may define permanent eligibility criteria for scholarship grants, subject to applicable laws

HOW DOES A RESTRICTED SCHOLARSHIP WORK?

- 1 Donor establishes Scholarship Fund and creates eligibility requirements.
- 2 WCCF's partner institutions review scholarship applications in selection process.
- 3 WCCF distributes funds directly to the scholarship recipient's school, which then makes funds available for the student.



WHAT ARE THE TAX ADVANTAGES OF A RESTRICTED SCHOLARSHIP FUND?

- Receive the maximum tax deduction available in the year the contribution is made
- Reduce estate taxes with testamentary gifts
- Avoid costly capital gains taxes while realizing the maximum tax deductibility of your donation with a gift of real estate or other complex assets
- Expenditure responsibility requirements do not apply, unlike with a private foundation

CONSIDERATIONS

You would not be involved once the receiving institution and eligibility requirements have been established. This is a good option for donors interested in leaving a legacy through an estate gift or a bequest.

WHAT ARE THE MINIMUMS AND FEES?

A Scholarship Fund may be opened with \$10,000. Additional contributions can be made at any time thereafter.

Administrative fees are 1 percent, assessed annually. Investment management and consulting fees related to the foundation's investment pools are charged separately. Additional fees may be charged for any mutually agreed-upon extraordinary legal, banking or other services rendered on behalf of a fund. Contact WCCF for more information about calculating administrative fees.

To establish a RESTRICTED SCHOLARSHIP FUND, contact President, Shelli Marquardt, (262)513-1861 or smarquardt@waukeshafoundation.org

RESTRICTED SCHOLARSHIP

Donor input into student eligibility requirements	High
Donor input into school selection	High
Donor input into annual selection process	None
Overall donor participation	Low



IMPORTANT LEGAL DISCLOSURE.

The information provided is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. The Waukesha County Community Foundation does not provide legal or tax advice. You should consult with your tax advisor to properly determine the tax consequences of making a charitable gift to the Waukesha County Community Foundation.

Contributions to the Waukesha County Community Foundation represent your irrevocable gifts subject to the legal and fiduciary control of the Foundation's Board of Directors.