



\_\_\_\_\_  
(Date)

## SAMPLE SCHOLARSHIP FUND

### ESTABLISHING DOCUMENT

We hereby transfer cash or other property to establish the \_\_\_\_\_ (“Fund”) with the Community Foundation for Nantucket (“Community Foundation”). We understand that this is an irrevocable gift, subject to the Foundation’s governing documents and By-Laws.

The Community Foundation is authorized to accept charitable contributions to the Fund subject to the terms set forth herein.

We intend that the income and principal from the Fund provide annual scholarships for the purpose(s) stated below. **[If “annual net income” is chosen above, the following language should be inserted -** Net income shall be defined as an amount that shall be computed annually based upon the current spending policy of the Community Foundation (currently 5% of the average past three year-end Fund balances). If any portion of the net income is not distributed in a particular calendar year, the undistributed net income for such year shall be added to principal.]

**[If “annual net income” is chosen above, the following language should also be inserted –** It is not our intention to distribute scholarships from the principal of the Fund. However, in the event of extraordinary circumstances, the principal of the Fund, up to the entire Fund balance, may be distributed. Recommendations for distributions of the Fund’s principal shall be in writing to the Board of Directors of the Community Foundation and shall contain the statement of the Chair of the Advisory Committee that the request is made with the approval of at least a two-third (2/3) vote of the Advisory Committee.]

1. Purpose

The purpose of the Fund shall be to provide scholarships to *[state purpose]*:

\_\_\_\_\_  
\_\_\_\_\_

2. Student Eligibility

The students eligible for assistance *[state conditions of eligibility]*:

\_\_\_\_\_  
\_\_\_\_\_

3. Type and Amount of Aid

The type and amount of aid shall be at the discretion of the Board of Directors of the Community Foundation and may include, but is not necessarily limited to *[list type and amount requirements]*:

\_\_\_\_\_  
\_\_\_\_\_

**SELECT ONE OF THE FOLLOWING TWO (2) OPTIONS:**

[4. Advisory Committee

An Advisory Committee (identified on the attached document) shall recommend scholarships from the Fund to eligible students and recommend to the Board of Directors of the Community Foundation such other actions as it deems appropriate under such rules of procedure as the Advisory Committee may adopt. The Community Foundation may act upon receiving and approving the written recommendation of the Chairperson of the Advisory Committee. It is understood that the Advisory Committee shall be appointed by the Community Foundation and the manager of scholarship funds for the Community Foundation shall have the ultimate authority to select scholarship recipients. It is also understood that the Advisory Committee is accountable to the Board of Directors of the Community Foundation and that all grants for travel, study or other similar purposes shall be awarded pursuant to an objective and non-discriminatory procedure that has been approved by the Board of Directors of the Community Foundation. If there are no persons on the Advisory Committee who are available to advise and consult with the Community Foundation due to death, resignation, or incapacity to serve and no successor advisors have been appointed by the Community Foundation, then the Community Foundation, through its duly authorized committees, shall review all eligible scholarship applications and make the selection(s) independently.]

[4. Selection of Scholarship Recipients

All scholarship applications shall be submitted directly to the Community Foundation. The Community Foundation, through its duly authorized committees, shall review all eligible scholarship applications and make the selection(s) independently.]

The Foundation maintains investment pools with varying risk and return objectives as described in the attached Investment Recommendation Form. All investment options are reviewed and approved by the Foundation's Board of Trustees and may change from time to time as the Board determines. You may make recommendations to the Foundation for investment of your Fund in one or more of these pools. All recommendations must be in writing.

We hereby acknowledge receipt of the CFN Procedures for Establishment and Operation of Funds, Administrative Fee Schedule attached and accept the terms of said schedule. We further understand the fee schedule is subject to modification and may be increased or decreased at the sole discretion of the Foundation's Board of Trustees. We agree to be bound by the most current schedule of fees published by the Foundation.

We have received copies and accept the terms of Articles 17.01 through 18.03 of the Bylaws of the Foundation. We also understand that the Foundation, through its duly authorized committees, reserves the right to make the final decision regarding distributions from the Fund.

If there are no persons on the Advisory Committee who are available to advise and consult with the Community Foundation due to death, resignation, or incapacity to serve, then the Community Foundation may appoint successor advisors. In the event that the Board of Directors of the Community Foundation determines that continued distributions for the above specified charitable purpose(s) have become unnecessary, obsolete, incapable of fulfillment, impractical or inconsistent with the community's charitable needs, the Community Foundation may change the field of interest of the Fund or shall use the principal and income from the Fund for its general and charitable purposes as set forth in the Bylaws.

Sincerely,

\_\_\_\_\_

\_\_\_\_\_

Accepted by: \_\_\_\_\_

Margaretta Andrews, Executive Director  
Community Foundation for Nantucket

**Initial Advisory Committee Members**

*(Please include name, address, phone numbers, and e-mail address for each member.  
Please also indicate the chairperson of the Advisory Committee.)*

Margaretta Andrews, Executive Director  
Community Foundation for Nantucket

Appointed by:

\_\_\_\_\_  
Margaretta Andrews, Executive Director  
Community Foundation for Nantucket

Date: \_\_\_\_\_