



Dear Public Education Champion,

Establishing a scholarship fund, program fund, or other restricted fund with the Hamilton Southeastern Education Foundation offers a permanent legacy for donors and a lasting impact for the HSE community. This information packet is designed to help guide the process and conversation.

Demand for scholarship support is always greater than available funds. Tuition costs continue to outpace wages and inflation, while federal education aid remains stagnant. Many students, both local and nationally, are faced with delaying college entry or dropping out due to the burden of education debt.

Yet, the benefits from obtaining a college degree are undeniable. Unemployment rates for high school graduates are about 90% higher than people with bachelor's degrees and those with a bachelor's degree earn about \$24,000 more annually than their high school counterparts. The perks continue beyond finances with increased reports of job satisfaction, overall health, and personal development among college graduates.

Scholarships are an investment in the future. Early research suggests that even small scholarship have substantial impact as they serve as a clear message to students, "We believe that you'll succeed." Scholarship funds offer hope to both students and their families, increasing their opportunity for not only academic success, but for future financial self-sufficiency.

Please find enclosed a new scholarship checklist, scholarship agreement, recipient selection, impact funds summary and a designated fund agreement including an administrative fee structure.

The future of our community, our schools, and our students will be built by ordinary people demonstrating extraordinary generosity. Thank you for your interest in the Hamilton Southeastern Education Foundation and the nearly 22,000 students we serve. Please do not hesitate to contact us for more information about partnering with the Hamilton Southeastern Education Foundation.

Sincerely,

A handwritten signature in black ink that reads "Justin Hirnisey".

Justin Hirnisey  
Executive Director

A handwritten signature in black ink that reads "Kristen Wolf".

Kristen Wolf  
Director of Programs and Communications



## **Hamilton Southeastern Education Foundation New Scholarship Checklist**

- Thoughtfully consider the purpose of your scholarship. Are you seeking to honor someone special? Establish a memorial? Promote a specific field or industry? Support a specific population, club, sport, or characteristic? Donors may opt to name your scholarship. What are two or three key characteristics you want to see in the scholarship recipients? Note for IRS tax deductibility, the group of applicants from which the recipients are selected must be sufficiently broad as to be considered a charitable class. Donors may not tightly delineate the selection criteria. The Selection Committee will review the criteria if less than five applicants are eligible. This protects the donor's charitable deduction eligibility.
  
- Review the HSEF application. HSEF administered scholarships utilize a common application process. However, donors establish eligibility criteria for each scholarship. Review the categories of questions. The Selection Committee will attempt to weight responses by category (e.g., financial need, leadership, etc.) according to the donor's stated selection criteria.
  
- Review the HSEF selection process. Typically donors do not participate in the selection process due to potential and/or perceived conflict of interest. The Pension Protection Act of 2006 (P.L. 109-280)
  
- Hamilton Southeastern Education Foundation has established a designated fund agreement designed to offset administrative costs associated with managing scholarship and other restricted funds. An HSEF representative is able to review this agreement with you at any time.
  
- Donors have choices in establishing scholarship and other restricted funds:
  - HSEF partners with the Legacy Fund to support endowed funds. These funds are the most permanent and lasting commitment to our mission. Legacy Funds named on behalf of HSEF are restricted for Foundation use and are therefore, protected by donor choice. Legacy Fund manages the principal and allocates an annual spendable amount, typically 5%, for scholarship awards. Endowed funds are required to meet a minimum threshold, typically a minimum of \$10,000.



- Donors may also choose to invest funds directly with HSEF. HSEF will draw on these funds to award scholarships. HSEF maintains a restricted account separate from our operating account to ensure designated funds do not commingle with general funds.
  - In some situations, HSEF may choose to accept “pass through” donations. If this is an area of interest for you, please notify an HSEF representative.
- Donors typically receive substantial tax benefits for establishing scholarship funds. Donors are encouraged to confer with tax advisors.



## Hamilton Southeastern Education Foundation Impact Funds

Community members committed to public education have additional options in deciding how to leave a legacy, effect change, or make a difference. Impact Funds may be endowed, designated, or pass through and offer the same naming rights and other privileges traditionally associated with scholarships. The added benefit of Impact Funds is the investment stays right here in your local community and often impacts hundreds or thousands of students.

Impact funding allows donors to dedicate dollars to a specific interest area, student population, or geographic area to be serve. During the foundation's history, we have had the honor of administering a wide variety of special interest funding including:

- **Interest Area** – The Hamilton Southeastern Education Foundation currently administers impact funds in the areas of Fitness, Civics, and Innovation. However, there is much to be done. The Foundation hopes to secure sustainable funding in STEM, the Arts, Mental Health, Social Justice, Special Education, and more.
- **Student Population** – For years, HSEF provided funding to ensure students facing financial hardship received eyewear allowing them to engage more successfully in the classroom.
- **Geographic Focus** – HSEF currently administers a legacy gift for Durbin Elementary School.

HSEF has a proud history and investing donor dollars wisely. Several of our award recipients and programs have earned local and national awards or attention. Additionally, several pilot programs have been renewed or adopted by other schools in the district.

Support of classroom and district initiatives has never been in more demand. While public perception suggests Hamilton County, Fishers, and HSE schools are without need, many would be surprised to discover the Foundation funding basic academic needs and core curriculum. In fact, while the 2015 legislative session was successful in improving the funding formula for growing districts, much of those dollars will be appropriately dedicated toward critical teaching salaries. Little, if any, funds remain for educational innovation and advancement.

Generous donors have successfully bridged these gaps by dedicating funding that not only impact students and teachers in our community, but also provide moral support and recognition. For more information visit: <https://www.hsefoundation.org/teachers/> or discuss your interest in program funding with an HSEF representative.



### SCHOLARSHIP AGREEMENT

This scholarship agreement is made and entered into this date, \_\_\_\_\_,  
between the Hamilton Southeastern Education Foundation (Foundation) and  
\_\_\_\_\_ (Donor).

This agreement is set forth to provide guidelines and conditions for the administration of this fund.

1. This scholarship shall be identified as: \_\_\_\_\_
2. Initial contribution amount: \$ \_\_\_\_\_
3. Funds will be held at:  Hamilton Southeastern Education Foundation  Legacy Funds
4. Estimated amount of annual scholarship: \$ \_\_\_\_\_
5. **Criteria:** Donors may select eligibility criteria, but not the recipient. This is to protect both the Foundation and the Donor. Eligibility criteria could include field of study, academic performance, geographic consideration, community service, need, non-academic activities, and others. Donors may also elect to have the Foundation establish criteria. Please list criteria here: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. **Fund Management:** This fund is open ended and can be added to at any time. All subsequent additions will be administered using the same guidelines mentioned here. While funds remain, each spring the Foundation will promote the scholarship, process applicants, select and notify recipients, and disperse funds according to Foundation policies. Established funds are irrevocable.
7. **Process:** On rare occasions, circumstances arise that make it illegal or impossible to use the funds as specified, an appropriate recipient cannot be identified and/or a scholarship check is returned. In this event, the Foundation will attempt to communicate the issue to the Donor and may submit a request for modification of the purpose. In the event the Foundation cannot reach Donor, the modification request will



be submitted to the Foundation Board of Directors. In general, please indicated your preference:

- Return the award to the specific fund and forego annual award *or*,
- Allow HSSF to select a comparable recipient, *or*
- Allocate annual award to greatest educational need of the Foundation.

8. **HSE Schools Award:** Scholarship must be awarded to an applicant at Fishers High School and/or Hamilton Southeastern High School.
9. **Recognition:** The Foundation has Donor’s permission to announce and acknowledge this gift. The Donor is encouraged to provide detail of any information supporting this gift including, but not limited to, bios of donors, memorials, or honorees. Please communicate to the Foundation if you prefer to be anonymous.
10. **Fund Agreement:** Donor has received a copy of the Foundation’s designated fund agreement and understands the agreement will be applied to funds administered by the Foundation.
11. **Attachments:**            Yes            No

Donor Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-mail: \_\_\_\_\_

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

Hamilton Southeastern Education Foundation Representative: \_\_\_\_\_

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



### **Attachment 1: Recipient Selection**

Scholarship donors are encouraged to utilize the Hamilton Southeastern Education Foundation selection process. The Pension Protection Act of 2006 states that donors may not directly or indirectly control the selection process. For scholarships that do not utilize the HSEF selection process, please list the committee members including yourself if applicable here. If committee composition changes, please notify the Foundation.

<b>Committee Member Name</b>	<b>Relationship to Donor</b>	<b>Contact Information</b>



## DESIGNATED FUND AGREEMENT

- I. **Purpose:** The purpose of this policy is to set guidelines on how the Hamilton Southeastern Education Foundation (HSEF) accepts and administers gifts that a donor has made for a specific or restricted purpose that is not a current program set by the HSSF Board, including scholarships and the HSEF endowment. The HSEF typically requires a \$1,000 minimum for such gifts, and must be approved by the HSEF Board of Directors. Individual donations less than \$1,000 can be accepted if the total amounts received for the specific program are anticipated to be greater or equal to \$1,000.
- II. **Structure of Account:** The designated fund is a temporary fund for the purpose of receiving contributions toward a specific program. The designated fund account will continue until:
  - a. the program is completed;
  - b. all designated money is disbursed from the fund;
  - c. the program ending date has expired and the HSEF Board has not approved an extension; or
  - d. the HSEF Board of Directors determines that the specific program is no longer approved.
- III. **Fund Status:** For the purposes of the designated fund status, the HSEF Board of Directors may approve a fund status for an initial period of twelve months. During this time all gifts given by donors to the designated fund should be marked accordingly. ***Funds received with no reference to a specific designated fund will go to the HSEF's general unrestricted account.*** Designated fund status will be reviewed and extensions may be granted by the HSEF Board of Directors at their sole discretion.
- IV. **Contributions:** Contributions to the HSEF specified for the designated fund or the endowment will be accounted for in a separate general ledger account but may be combined in a bank or brokerage account. Contributions may be made by check, credit card, bank transfer or by stocks, bonds or other financial instrument subject to approval of HSEF. ***Contributions to specified funds should be labeled as such by the donor.***
- V. **Fees:** The HSEF will charge a fee to compensate for costs incurred in administrating the designated funds and documentation of a program. This annual fee is assessed on the total number and amount of donations received during the HSEF fiscal year (7/1-6/30) and is calculated based on the fee schedule below.
  - a. Minimum annual fee equal to the lesser of \$100 or 10% of total donations
  - b. 3% of the first \$5,000
  - c. 2% of the next \$20,000
  - d. 1% of any amounts received in excess of the first \$25,000





- e. HSEF typically collects this fee annually, reserves the right to collect fee on a quarterly basis.

- VI. **Distribution of Funds:** The designated program or usage must meet the mission of HSEF to enhance educational opportunities, inspire excellence and engage the community to foster a legacy of achievement and be approved by HSEF.
- VII. **Waiver:** Employees of the Hamilton Southeastern School District acting as donors on behalf of a school, club or organization may request a waiver of the designated fund fee. The organization requesting a waiver must be acting in accordance with the HSEF mission and serving current students/teachers. Examples of such donors include, but are not limited to Parent Teacher Organizations (PTO), National Honor Society, etc. Alumni Organizations, individual/family scholarships or similar groups do not fall under this exception. Waivers will be determined by the HSEF Board of Directors at their sole discretion; however, consideration will be given if:
- a. The above eligibility is met.
  - b. Annual transactions for the designated fund are minimal ( $\leq 25$ ).
  - c. The waiver request is made in writing, preferably at the origination of the designated fund.
  - d. The school, club, or organization is in good partner standing with HSEF.
- VIII. **Dissolution:** The designated fund will be dissolved when the program ends as described in item II above. If there are any unused funds, these will be combined into the HSEF's general unrestricted account or at the discretion of the HSEF Board of Directors, to a successor not for profit organization (if one exists that is continuing to finance the program).