

Change Lives Through Education

Creating a scholarship fund is a fulfilling way to support students who would like to further their education. Whether honoring a loved one, establishing a family legacy or giving back to a field that has made a difference for you, Madison Community Foundation (MCF) can help you support students through scholarships.

Creating a Scholarship Fund Is Easy

Establishing a scholarship fund at MCF is easy and offers a great deal of flexibility. You name the award, choose the eligibility and selection criteria, set the scholarship amount, and identify whether your scholarship will be given to recipients for one or multiple years. MCF coordinates with the scholarship selection committee to identify recipients and then with recipients to process the awards.

How the Scholarship Process Works

MCF works with high schools, educational institutions and nonprofit organizations who select scholarship recipients based on your established criteria. MCF then disburses the scholarship awards directly to the recipients' educational institutions. Tax rules prevent you from selecting recipients directly. You may have the opportunity, however, to attend scholarship ceremonies and present awards to the recipients.

Decide When and What to Give

You can start an endowed scholarship fund during your lifetime or through your estate plan with a minimum initial gift of \$25,000. MCF can accept a wide range of assets for this purpose. If you are planning to create a scholarship fund through a bequest in your will or trust, MCF staff can work with your advisors to guide you through the process.

Explore Your Options

If you would like to learn more about how a scholarship fund might fit into your charitable giving plans, we would be happy to help. Call us at 608-232-1763 or email legacy@madisongives.org.

Eligibility and Selection Criteria

When you create a scholarship, you create both eligibility criteria and selection criteria. Eligibility criteria define who can apply for the scholarship. Selection criteria help determine who will receive the scholarship.

- Eligibility criteria might include high school seniors or students at a specific high school.
- Selection criteria might include students that are planning to pursue a specific major, who are the first in their family to attend college, or who have a family member who served in the military.

Scholarship Fund Options

	Endowed Scholarship Fund	Designated Passthrough Scholarship Fund
Description	<p>Permanent. Allows scholarships to be awarded to students of any age annually.</p> <p>The scholarship recipient is selected by an organization, such as a high school, college, church or other nonprofit, and MCF distributes the funds.</p>	<p>Temporary. Allows scholarships to be awarded to students of any age based on available resources.</p> <p>The scholarship recipient is selected by an organization, such as a high school, college, church or other nonprofit, and MCF distributes the funds.</p>
Minimum Initial Contribution	\$25,000	\$1,000 plus administrative fees
Recipient Selection	<p>Scholarship recipients are selected through a structured process facilitated by a school, church or other nonprofit organization.</p> <p>Direct donor involvement is discouraged and can jeopardize tax deductibility. The donor or their representative may serve in a minor capacity on the scholarship selection committee at the committee's discretion.</p>	
Annual Distribution Amount	<p>Amount available each year is currently calculated as 4.25% of the fund's average value over the previous 20 quarters.</p> <p>Funds can begin making distributions in the year after their four-quarter anniversary.</p>	You can award the fund's full balance each year.
Investment	<p>Pooled and invested in your choice of either a diversified portfolio or an environmental, social and governance (ESG) portfolio with a perpetual investment horizon.</p> <p>Investment expense: ~0.7%.</p> <p>(MCF reports all returns net of investment)</p>	Held in a fully liquid account. No earnings available.
MCF Support*	1%	Annual flat fee determined at fund inception.

*Covers the costs of operating the fund and helps support MCF's work in the community.