



## Endowed Scholarship Worksheet

### Naming

Endowment Name:

\_\_\_\_\_

Donor Name(s):

\_\_\_\_\_

If the endowment is created to honor or remember someone, who is that person?

\_\_\_\_\_

Donor's City, State:

\_\_\_\_\_

### Finances

What is the initial contribution toward the endowment?

\_\_\_\_\_

If not initiating with \$25,000, when do you intend to fully fund the endowment?

\_\_\_\_\_

### Scholarship Criteria

Is the student required to have a financial need?

Yes -or- No

Is the student required to have a certain GPA?

Yes -or- No If yes, what grade point? \_\_\_\_\_

Is the student required to be a part of a particular academic program, career, or calling?

Yes -or- No If yes, \_\_\_\_\_

\_\_\_\_\_

Is there something else you were considering as criteria?

Yes -or- No If yes, \_\_\_\_\_

\_\_\_\_\_

### Scholarship Mechanics

Would you prefer the same scholarship recipient to receive the award each year until they graduate or a different recipient each year?

\_\_\_\_\_

For further questions contact:

### **Office of Advancement**

1209 Fisk Brownwood, TX 76804

Office: 325-649-8048

Email: [advancement@hputx.edu](mailto:advancement@hputx.edu)



*SAMPLE SCHOLARSHIP*

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THIS AGREEMENT entered into by and between **John and Jane Smith**, \_\_\_\_\_, Texas, and **Howard Payne University**, Brownwood, Texas, shall be the basis for the establishment of a perpetual endowment fund to be called *Sample Scholarship*. Said fund shall be for the sole purpose of helping needy and deserving students attend Howard Payne University.

Said fund is hereby established by **John and Jane Smith** to be completed no later than **December 1, 2026** and will be funded with an initial contribution of **\$5,000**. It is understood and agreed that additional monies over and above \$25,000 may be added to said fund from time to time by any person or persons. Contributions to said fund by all persons are deductible to the fullest extent of the law. No goods and services will be exchanged for contributions to said fund.

It is the expressed desire of the donors that this endowment reaches a point where it will be most effective in helping the students of Howard Payne University. If it is found that the amount of this named endowment fund has not reached the sum of twenty-five thousand (\$25,000.00) within five (5) years of the date of this agreement, the donor gives the Board of Trustees of Howard Payne University, at their discretion, the ability to move this endowment fund into the permanently endowed Howard Payne University Scholarship Fund.

The principal of the fund will be construed as endowment monies and will be handled accordingly. The principal will be invested at HighGround Advisors, or at the discretion of the Board of Trustees of Howard Payne University. It is the expressed desire of the donor that the fund be managed under the Texas Uniform Prudent Management of Institutional Funds Act or hereafter promulgated legislation for the management of endowments. The annual payout portion of the endowment will be managed by the Board of Trustees of Howard Payne University in accordance with University policies on current funds. It is the expressed desire of John and Jane Smith that all earnings be capitalized until said fund reaches a book value minimum of \$25,000.00.

Applications for scholarships shall be made to the Director of Student Financial Aid, Howard Payne University. Selection shall be made at the discretion of the Director of Student Financial Aid. It is agreed and understood, however, that all recipients shall be majoring in Christian Studies or Business and have a minimum GPA of 3.0.

The fund shall be used to provide support for scholarships. Scholarship awards shall be made annually. Under no circumstances will a recipient receive scholarship funds in excess of needs for tuition, fees and books, and no cash awards will be given.

This scholarship can be used to support one of the broader scholarship categories that the recipient may have already been offered (e.g. Presidential Scholar Award, Dean’s Scholar Award, Yellow Jacket Scholar Award, Heart of Texas Scholarship, etc.). Whether the scholarship is a stand-alone award or part of the broader categories, the recipient will be made aware that *Sample Scholarship* provided some (or all) of their scholarship support.

Any applicant, otherwise qualified, shall be deemed acceptable for consideration so long as he or she has been approved for enrollment at Howard Payne University and is enrolled for at least twelve (12) hours the semester in which the scholarship applies. One or more applicants shall be eligible to receive awards from this fund in the same semester or academic year as determined by the Director of Student Financial Aid, their successors or assignees.

It is the intention of the University to preserve the value of the endowment in perpetuity. Should it not be possible to award this Fund in the manner herein described, the Board of Trustees of Howard Payne University shall be empowered to modify the criteria for awarding the scholarship, keeping in mind the original intention and purpose of this Fund.

SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2022.

HOWARD PAYNE UNIVERSITY

\_\_\_\_\_  
Cory Hines, Ph.D.  
President

DONORS

\_\_\_\_\_  
John Smith

\_\_\_\_\_  
Jane Smith

## **Endowment Management Policies**

The University's endowment distribution policy seeks to provide a means by which the annual payout is managed and maintained at appropriate levels consistent with the overall objectives of the University. The objective of the policy is to:

- Provide a stable and predictable cash flow for supporting the University's operations and scholarship needs, and
- Balance the needs of current spending and asset growth in order to protect the principal and income of the endowment assets

Realizing that the short-term financial needs of the University and natural cycles of the national economy may influence temporary deviations from this policy, the long-term goal is to distribute approximately 6% annually of the endowment's three-year average value.

On an annual basis, the University's Board of Trustees will review and approve the endowment's distribution rate for the upcoming academic year. In setting the distribution rate, the Board will take into account the following:

- the fund's current values
- the previous three years of quarterly market values
- historical returns
- the outlook for the economy and capital markets and projected future investment returns
- the overall fiscal health and needs of the University, and
- any other relevant information for making a prudent decision

The Board will typically set the distribution rate for the upcoming academic year during the budget adoption process. However, the Board may reassess and adjust the rate at any time that it believes it is prudent to do so, based on market performance and university operational needs.

In considering an appropriate distribution, the University shall protect and preserve the principal corpus of its endowment, which shall be referred to as the University's "permanent" endowment. For purposes of determining the permanent endowment amount, the University shall use the "historic dollar value" amount (fair market value of original gift + additional gifts + mandatory capitalizations) to be the amount permanently invested into perpetuity. The University shall not spend amounts below its permanent endowment level.

This policy shall apply only to those endowed funds for which Howard Payne University has control and authority to exercise discretion over the annual distribution rate. Funds that are held in trust by HighGround Advisors or others, for which the University has no control, are not subject to this policy.

**Sample Scholarship**

*Please provide a brief synopsis of the donor(s) and/or honoree of the scholarship. Students will read this information prior to writing thank you notes each year. The intent of this paragraph is to give the student an understanding of the significance of the scholarship, cultivate a spirit of gratitude, and plant a seed of generosity for future generations.*