



SCHOLARSHIPS

Chapter scholarship process:

- Distribute applications to all local high school and junior college counselors
- Make sure the Chapter's criteria, contact name, address, and phone numbers are included on applications
- Establish a selection committee (minimum of three individuals)
- Select recipients
- Contact Kristy Kimball to confirm student eligibility
- Turn in Scholarship Report form, recipients' applications, and any funds needed to award the scholarships to the Texas Exes by May 15th
 - Remember to round down to the nearest dollar on money reported.
 - Ex: \$1234.05 would be used only as \$1234.00
- Notify all applicants
- Hold an event to honor recipients locally - or announce the Chapter's awards at the student's High School Honors Day event
- Announce the awards in local newspapers

Soliciting applicants:

- Maintain a good, working relationship with college counselors at the local high schools
 - Distribute applications to them
- Distribute applications to the local admissions office, if UT has an admission office in the area
 - UT Admission Offices in Austin, Dallas, Houston, San Antonio, the Valley, Lubbock and Longview
- Put information about the Chapter's scholarships and how to apply on your website
- Contact students who have been accepted to UT

Selection process:

- Chapters have autonomy in selecting scholarship recipients (subject to final approval from the Scholarship Committee of the Texas Exes Scholarship Foundation).
- A list of admitted students from specific areas is available through the Texas Exes.
- Financial need definitely should be considered. Annual UT costs for Texas residents are now approaching \$23,596.

- Scholarship awards will be approved only if made to students admitted and enrolled full time at UT Austin.
- Student-athletes are not eligible for a Texas Exes Scholarship Foundation Chapter Scholarship award.

Scholarship Endowments

Endowment Overview

- Endowments are managed by the Association's Investment Committee.
- General endowments require a minimum of \$7,500 for Texas Exes Chapters. The Chapter can begin depositing with a smaller amount to save toward any endowment.
- The current policy is for an endowed fund's market value to be averaged as of the end of the calendar year over the previous 12 quarters, 4.5% of that average disbursed as scholarships for the next academic year, with a small percentage from each fund also paid for administrative fees. A fund must be in investment for a full calendar year before disbursement can begin.
- A review of the Chapter's endowment and available funds will be sent to the Chapter president and the scholarship chair, if listed, every February.
- Funds for Chapter scholarships must be managed by the Association rather than held locally and invested in order to protect Chapter volunteers, as well as the fund.

Steps for endowing a Chapter Scholarship

- Chapters must complete a Chapter Endowment Agreement and have it signed and on file with the Association.
 - Chapters can fill out the background information on the endowment and the eligibility requirements.
 - Eligibility requirements can be changed within reason; this will require signing a new endowment agreement to keep on file at the Association.
 - Chapter endowments can be named in someone's honor.
- The Chapter Endowment Agreement should indicate that money is to be placed in an endowment.

Benefits of endowing a Chapter Scholarship

- It relieves the pressure of annual fund-raising for the Chapter. Endowments allow for scholarships to be offered continually in perpetuity from investment earnings.
- Scholarship endowments allow for scholarships to be offered every year, even without adding money to the fund, and even if the Chapter disbands. (The Association's Scholarship Committee can make the selection in order to make the award to students from the Chapter's community/ies.)
- An endowment is great way to honor someone from the local Chapter for their continued efforts in the Chapter.

Scholarship Fundraising

Helpful tips (beyond auctions and raffles!)

- Publicize your scholarship fund on your website and on your email broadcasts. Let your alumni know that they can contribute year round. This also touches people who don't actively participate in Chapter events.
- On your website, consider profiling your most current scholarship winners. This adds a human interest element and personalizes the scholarship fund.
- Make sure that donors know they can participate through the employers matching gift program.
- Add an extra few dollars to the cost of attending an event with proceeds going to the scholarship fund.
- Have a wine and cheese tasting, for example, with proceeds going to the scholarship fund. If vendors see this as an opportunity to educate a new audience about their products, then they may be willing to work with a Chapter on such an event.
- At game watches, collect a dollar or two from anyone who wants to participate each quarter of the game. Those that contribute are entered into a drawing at the end of each quarter. All proceeds go to the scholarship fund. Prizes are small items – t-shirts, hats, etc., that can either be purchased cheaply by the Chapter or items they get donated.
- Hold a “silent” meal auction in which members of the Chapter donate menus that they would prepare. Menus are auctioned off to the highest bidder, and the cooks are not revealed until the menu is sold. This leaves suspense as to who will be cooking for whom. The date of the meal is then arranged by the host and the winner. This is also a great way for members to get to know each other.

Note about raffles: Chapters can only have two raffles per year but can have an unlimited number of door prizes.

Endowed Scholarship Program Overview

- To establish an endowed scholarship administered by the Texas Exes Scholarship Foundation, a minimum gift of \$30,000 for groups or individuals is required for named scholarships with general selection criteria. If the donor(s) wish to designate a named award with specific selection criteria, then a minimum of \$50,000 is required for an endowment. Endowments must be funded in five years or less. The overall scholarship program is monitored by the Scholarship Committee of the Texas Exes Scholarship Foundation. The minimum gift for Texas Exes Chapter Scholarships is \$7,500, regardless of specific or general selection criteria.
- The Texas Exes Scholarship Foundation has approximately \$61 million under management in a diversified investment portfolio. Management of the endowment funds is through an investment agreement with the Texas Exes and executed through the Texas Exes Investment Committee. The Investment Committee consists of approximately 12 persons, carefully chosen based on their education and business

experience. Several are professional money managers in their own careers. The committee is assisted by professional investment consultants, and is guided by a written investment policy statement. Portfolio security management, that is, decisions regarding the actual composition and mix of securities – the what, when, and how much of buying and selling securities – is performed by professional fund managers. The Investment Committee meets four times each year at a minimum, more when situations dictate such.

- Each fund is accounted for separately but is pooled for investment purposes and will reflect market gains or losses on investments or additional principal contributions. The level of distribution from all scholarship endowments is determined annually by the Texas Exes Scholarship Foundation Board of Directors, based upon the recommendation of the Investment Committee. The level of distribution is expressed as a percentage of the average balance of the fund over the trailing 12 calendar quarters. Therefore, the distribution may be entirely from earnings or a combination of earnings and corpus, depending on the investment returns generated by the fund and on the distribution percentage determined by the Board of Directors. The same distribution percentage is applied to all scholarship endowments. The decisions of the Investment Committee and of the Board of Directors are guided by the concept of perpetual endowment. Most recently the distribution percentage was set at 4.5 percent (net of fees) of the 12 quarter average. Investment performance has traditionally been higher than industry benchmarks.
- The Investment Committee negotiates administrative and investment fees, which are paid to the money managers, the investment consulting firm and the Texas Exes for their services. The fees, which are based on the market value of the fund, are taken from the fund each year.
- Disbursements will be made only within written guidelines provided by the donor and approved by the Texas Exes Scholarship Foundation Board of Directors. Contributions may be added at any time. Corporate matching gifts are welcomed. Checks and matching gift forms should be made out to The University of Texas but designated for a particular fund and then mailed to the Texas Exes. The first distribution can be made only after the funds have been invested for at least a full year.
- The Ex-Students' Association of The University of Texas (Texas Exes) and the Texas Exes Scholarship Foundation are both classified under the Internal Revenue Code as a 501 (c)(3) organizations, so your scholarship donations are tax deductible.
- All Texas Exes Scholarship Foundation scholarship recipients receive special recognition. They are welcomed to the campus in the fall and their scholarship checks are presented at special and appropriate occasions during the year.