**EAST TENNESSEE STATE UNIVERSITY FOUNDATION**

**MEMORANDUM OF UNDERSTANDING**

**THE** \_\_\_\_\_\_\_

**SCHOLARSHIP ENDOWMENT**

**INTRODUCTION**

The purpose of the \_\_\_\_\_\_\_ Scholarship Endowment is to provide scholarship assistance to deserving students enrolled in \_\_\_\_\_\_\_ at East Tennessee State University.

The \_\_\_\_\_\_\_, including all gifts to it and all appreciation in and income from these gifts, shall become the absolute property of the university and its successors. It may be invested and reinvested from time to time in such manner and in such investments, without restriction as to kind, as the university in its discretion may elect.

**BACKGROUND**

***Add a statement and/or bio from the donor(s) establishing the endowment***

**AWARD DESCRIPTION**

Scholarships shall be awarded by the \_\_\_\_\_\_\_ Committee. That Committee shall decide the number of scholarships and the value of each, depending on the funds available.

**ELIGIBILITY**

1. Applications should be submitted to the Scholarship Committee by March 1 of each year.
2. Entering freshmen as well as current ETSU students, transfer students, or non-traditional students shall be eligible for the award. *Donor preference*
3. Once a student is selected to be a recipient, he or she may continue to receive the award to complete an undergraduate degree, not to exceed four consecutive years providing he or she continues to meet the criteria. *Donor preference*

**FUNDING**

An initial gift of \_\_\_\_\_\_\_ from \_\_\_\_\_\_\_ shall establish the endowment. Subsequent contributions, including planned gifts, from family and friends shall be encouraged.

***Remove the following if this is a fully-funded endowment***:

Initially, the fund will be established as a quasi-endowment wherein the earnings shall be added to the endowment each year. After a minimum fund balance of $25,000 has been reached, it shall become a full endowment wherein the principal shall remain intact, and only the interest will be used for the purpose of the fund. The minimum balance must be reached by June 30, (five years) or the quasi-endowment status will convert to that of a restricted account and all funds will be made available for expenditure.

***Remove the following if this is not an Estate Gift:***

The university acknowledges and consents that at this time the designated estate gift is revocable and can be amended by the Donors at any time until the Donors death, at which point estate gift becomes irrevocable.

***Remove the following if this does not involve a pledge:***

This pledge shall extend to and be binding upon the donor’s/s’ executors, administrators, heirs, and assigns. It is a legally binding pledge, governed by the laws of the State of Tennessee. It is necessary for the trustee or other legal representative of a family foundation or charitable gift fund to sign on behalf of the organization or fund that may pay toward this pledge.

***Remove the following if this does not involve a Family Foundation or Donor Advised Fund:***

This commitment will be paid through a Family Foundation or Donor Advised Fund and cannot be considered legally binding. I/We do wish for the fulfillment of this commitment to be binding direction upon our executors, administrators, heirs, and assigns to the extent possible.

The principal of the fund shall remain intact and only the earnings will be used for the purposes of the fund. After becoming an endowment, any operating funds remaining at the end of the fiscal year shall be carried forward.

**CRITERIA**

The \_\_\_\_\_\_\_ Scholarship Committee shall consider the following criteria in awarding scholarships:

***These are suggestions only. The criteria are donor preferences.***

1. The applicants must be a declared \_\_\_\_\_\_\_ major in the Department of \_\_\_\_\_\_\_.
2. Current ETSU students as well as entering freshmen must have a minimum cumulative GPA of 3.0.
3. Documented financial need may be considered in the selection of the recipient.
4. Applicants must meet all requirements for regular admission to ETSU.
5. Applicants must be full-time students.

**CONTINGENCIES**

The signers acknowledge that at some time in the future the scope of the program described and/or the department or college for which the funding is designated in this Memorandum of Understanding may vary substantially, cease to exist in its current form, or the need for the funding may cease to exist. If a department ceases to exist then the proceeding designated department or college will be substituted by way of an addendum. If a change to selection is required, a change in the purpose of the scholarship, or a change in the use of the funds then a revision of this Memorandum of Understanding will be required. Prior to a revision, the donor will, if available, be contacted in accordance with the *Policy on Memorandums of Understanding.* If any portion of this Memorandum of Understanding conflicts with state or federal laws, statutes, regulations, or ordinances then the Executive Board of the ETSU Foundation shall have authority to designate an appropriate use for the endowment and funds that closely approximates the original intent of the Donor. All change(s) shall be related as closely as possible to the original purpose of the Memorandum of Understanding. In all events, the fund shall retain the name of the “\_\_\_\_\_\_\_ Scholarship Endowment” and shall continue to generate funds. Initial determination for necessity of changes will be made by the Director of Development for the respective department or college as related to or referenced in this Memorandum of Understanding.

**EXPENDITURES**

Expenditures must be approved by:

 Account Manager: (***Could be Dean, Chair, Director, etc. please specify***)

Dean,

President/CEO, ETSU Foundation

This agreement supersedes any previous agreement, written or oral.

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

Donor’s Signature Date

Donor’s Contact Information