

# donor handbook



FOR SCHOLARSHIP FUNDS

Community Foundation for Northern Virginia Staff

**President and CEO**

Eileen M. Ellsworth  
703-879-7635 (o)  
703-399-5672 (m)  
[Eileen.Ellsworth@cfnova.org](mailto:Eileen.Ellsworth@cfnova.org)

**Insight Region®**

Elizabeth Hughes  
Senior Director  
[703-865-5002](tel:703-865-5002)  
[Elizabeth.Hughes@cfnova.org](mailto:Elizabeth.Hughes@cfnova.org)

**Marketing and Events Team**

Tara Nadel  
Vice President of Marketing and  
Events  
703-879-7637  
[Tara.Nadel@cfnova.org](mailto:Tara.Nadel@cfnova.org)

Alex Carey  
Manager of Communications &  
Events 703-347-7427  
[Alex.Carey@cfnova.org](mailto:Alex.Carey@cfnova.org)

**Finance Team**

Cindy DiMarco  
Director of Finance  
703-879-7638  
[Cindy.DiMarco@cfnova.org](mailto:Cindy.DiMarco@cfnova.org)

Moses Ulom  
Gifts & Grants Administrator  
703-879-7642  
[Moses.Ulom@cfnova.org](mailto:Moses.Ulom@cfnova.org)

**Grants and Scholarships Team**

Sari Raskin  
Vice President of Grants and  
Community Leadership  
703-879-7641  
[Sari.Raskin@cfnova.org](mailto:Sari.Raskin@cfnova.org)

Jennifer Cochran  
Manager of Grants and Scholarships  
703-879-7639  
[Jennifer.Cochran@cfnova.org](mailto:Jennifer.Cochran@cfnova.org)

**Philanthropy and Donor Services Team**

Michael Barret Jones  
Chief Philanthropy Officer  
703-879-7643  
[Michael.Jones@cfnova.org](mailto:Michael.Jones@cfnova.org)

Director of Development  
703-879-7636

Gabrielle Webster  
Director of Donor Relations  
703-347-7419  
[Gabrielle.Webster@cfnova.org](mailto:Gabrielle.Webster@cfnova.org)

*Community Foundation for Northern Virginia  
2940 Hunter Mill Road, Suite 201  
Oakton, VA 22124*

## About the Community Foundation for Northern Virginia

Founded in 1978, the Community Foundation has been the premier charitable partner trusted by thousands of generous Northern Virginians for decades. Our mission is to advance equity across the region through philanthropy and community leadership. Comprised of donor advised funds, permanent funds, giving circles, and other charitable endowments, the Community Foundation connects donors to community and promotes a more equitable and inclusive prosperity that marries our economic strength with the full breadth of our diverse community.

### **The Community Foundation makes scholarship fund management easy.**

Many donors across our region turn to the Community Foundation for simplicity and ease of scholarship fund management. Our professional staff can offer guidance and community expertise to help craft the exact award criteria, application language, and selection committee process most suited to your philanthropic goals.

### **The Community Foundation is a trusted philanthropic partner.**

Our Community Foundation has hosted and managed scholarship funds for decades. Over the years, we have awarded scholarships to hundreds of worthy recipients. As a trusted philanthropic partner across Northern Virginia with deep roots in local community, we leverage our relationships with local school systems to optimize awareness of the scholarship opportunities we offer.

### **The Community Foundation serves the entire region.**

We serve the entire Northern Virginia region, which includes the counties of Arlington, Fairfax, Loudoun, and Prince William and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. Over the years scholarships have been awarded from our Community Foundation to graduating seniors from all county and city school systems in the region.

## Why Open a Scholarship Fund with the Community Foundation?

Scholarships for deserving degree seekers have never been more important than they are today. They relieve the financial pressure on students and their families. They enable a greater focus on studies and a lower student loan debt burden after graduation. They are encouraging and can promote successful degree completion. Most importantly, they help level the playing field for low-income students, recent immigrants, students of color, women, and others who have suffered from various historic prejudices and disadvantages, contributing to a more diverse inclusive, and productive society.

When you establish a scholarship fund at our Community Foundation, you invest in the future of our young men and women. Working with Community Foundation staff to ensure legal compliance and a sound competitive application process, you establish the award criteria for your scholarship fund in ways that meaningfully advance your charitable intentions.

The Community Foundation is a 501(c)3 public charity. Therefore, all contributions that you or others make to your scholarship fund are tax deductible. Some of the advantages of establishing a scholarship fund at the Community Foundation for Northern Virginia include:

- **Experience:** The Community Foundation for Northern Virginia has a long history of scholarship fund support that has enabled many hundreds of students to realize their education goals while securing their financial future.
- **Relationships:** We work with hundreds of public schools across Northern Virginia. These relationships optimally position us to promote our scholarship fund opportunities and thereby increase the number of students who apply.
- **Options:** Our scholarship opportunities allow students to pursue degrees in both general and specific fields of study including medicine, education, STEM (Science, Technology, Engineering, Math), and many more. Our range of scholarship opportunities attracts applicants from jurisdictions across our region.
- **Connections:** Over the years we have connected scholarship fund donors to each other and helped cultivate a community of like-minded, philanthropic men and women who can choose to work together and learn from each other for greater impact.
- **Responsiveness:** The tools and processes we use are responsive to the ever-changing needs of our scholarship donors and the students they support.
- **National Accreditation:** The Community Foundation complies with and is accredited by National Standards for Community Foundations, the most rigorous legal and operational standards of practice in all of philanthropy.

## Establishing a Scholarship Fund at the Community Foundation

The Community Foundation for Northern Virginia makes it simple to establish a scholarship fund specific to your charitable intent. We will equip you with the tools necessary to meaningfully support deserving students in our community.

### Scholarship Page

Every scholarship fund will have its own personalized page explaining the criteria, deadlines, scholarship amount, application process, and contact information for the current year's scholarship process. This scholarship page is the gateway for students to view information about this opportunity and to apply for funding. There is also space to provide a story regarding the background and purpose of the scholarship fund.

### Donation Page

The Community Foundation provides an option to create a customizable donation page for you to invite other donors to contribute tax-deductible donations that will help grow the balance of your scholarship fund.

### Contributions to Funds

You have 12 months from the date you sign your scholarship fund agreement to make the initial \$25,000 minimum contribution to your fund. Additionally, all funding required for that particular scholarship year must be contributed to the fund prior to making the scholarship application available to applicants. Both the establishing gift and all subsequent donations to your scholarship fund are tax-deductible, and all donors will be acknowledged with a tax-deductible receipt. For a list of all gift types that can be accepted by the Community Foundation, please contact our Donor Services Team.

The Internal Revenue Code requires that all completed contributions to the Community Foundation are irrevocable and must provide a charitable benefit. As a result, legal ownership of all gifts lies in the Community Foundation.

### Scholarship Criteria

The donor may establish the pool of students eligible for a scholarship, permitted the pool of eligible applicants for each scholarship is large enough to assure a fair and unbiased selection process. There should be at least three applicants for each scholarship awarded, and if the fund does not have sufficient applicants, the donor will be asked to broaden the criteria for applicants.

The donor may set reasonable criteria for awarding a scholarship. Reasonable criteria are those that can be measured objectively, including but not limited to, academic performance, attendance at a particular school, interest in studying a certain field, financial need, and the like. All selection criteria and award selection processes must be objective and nondiscriminatory. The



minimum award from Community Foundation for Northern Virginia Scholarship Funds is \$1,000 per year.

### **Selection Committees**

Selection of scholarship applicants will be determined by an independent scholarship selection committee. The donor may designate individuals or positions to the selection committee when the fund is established, so long as donors, related persons, and persons recommended by the donor together make up less than 50% of the total committee membership. If the donor designates an individual to serve on the scholarship committee who cannot objectively provide expertise on the selection process (ie – family, friends, employees that have no experience/background with the scholarship selection criteria), they will be counted toward the donor's portion of control. The Community Foundation may name additional members to the committee to ensure the donor does not control the selection committee.

Committees should consist of at least three members, not including the donor, and the donor may sit on the selection committee as long as they are in the minority. All committees are subject to Community Foundation approval and changes in the composition of the selection committee must be requested in writing and are subject to the Community Foundation approval. No committee member shall be in a position to receive a private benefit for themselves or for a member of their family, either directly or indirectly. All members on the selection committee will sign and submit a Conflict of Interest statement each year prior to award deliberations.

### **Community Foundation-Managed vs. Donor-Managed Scholarships**

Donors can manage their own scholarship selection process with Community Foundation oversight, or choose to have their scholarship process managed by the Community Foundation directly. For a full list of the differing responsibilities and fees associated with each option, please refer to the [Donor Managed vs. Community Foundation Managed Scholarships chart](#).

### **Scholarship Awards and Disbursement**

At the conclusion of each selection process, the donor will complete a Scholarship Report form and return it to the Community Foundation along with a signed Conflict of Interest statement for each committee member and copies of all scholarship applications (for Donor Managed Scholarships only). The Community Foundation requires ten business days to review and approve the scholarship awards. No scholarship winners may be informed or scholarships awarded until the Community Foundation notifies the donor that the report has been approved.

The Community Foundation will produce an award letter and an online Scholarship Acceptance Form for each scholarship recipient. The recipient must return the signed Scholarship Acceptance Form before the scholarship will be paid. When received, the Community Foundation will process and mail the scholarship check and accompanying letter directly to the student's university or institute of higher education.

## Scholarship Fund Fee Schedule

The Community Foundation for Northern Virginia charges a Community Foundation Support Fee on scholarship funds. Community Foundation Support Fees are a critical source of revenue for the operations of the Community Foundation. They enable us to provide services to donors, hire and maintain staff, conduct community leadership endeavors, and continue to serve the philanthropic needs of Northern Virginia. The schedule is subject to change by the Community Foundation's Board of Directors.

Our current schedule of Community Foundation Support Fees is as follows:

### One-Time Set-Up Fee: **\$250**

This includes the Community Foundation's preparation and review of the Scholarship Fund agreement, accounting for contributions to establish the Fund, and written acknowledgement of donations.

Community Foundation Support Fees for scholarship funds are as follows (assessed quarterly in arrears):

- **2% of the fund balance per year** for Donor-Managed Scholarship Funds
- **3% of the fund balance per year** for Community Foundation-Managed Scholarship Funds

## Investment Management of Scholarship Assets

Donors have the following choices regarding the treatment of their Scholarship Fund assets:

- **Cash and Cash Equivalents:** The Community Foundation's Pass-Through Fund consists of 100% cash and cash equivalents. None of it is invested in the market. This account is primarily used for fund assets that are not endowed, but at the written request of any fund donor, assets in pass-through scholarship funds can also be invested in the market through the Pooled Investments, described below, if the donor so chooses.
- **Pooled Investments:** The Pooled Investments consist of assets from many Community Foundation funds that are pooled for investment purposes. For example, scholarship funds that are endowed, endowments that comprise The Permanent Fund for Northern Virginia, and portions of pass-through scholarship funds that donors have requested be invested in the market, are all a part of the Pooled Investments. The Community Foundation has retained Goldman Sachs to provide investment management services on the Pooled Investments. Goldman Sachs charges a comprehensive, total, annual fee of 45 basis points, or .45%, for its investment management services on the Pooled Investments. This investment management fee is paid directly to Goldman Sachs and is in addition to the Community Foundation Support Fee described earlier in this handbook.
- **Third Party Investment Advisory Firms:** If a new scholarship fund is created with a contribution of \$100,000 or more, the donor may request that his or her fund be invested in the market by an investment advisory firm that the donor recommends and the Community Foundation approves. In these cases, fund assets are transferred into a new, separate account that the Community Foundation opens with the chosen investment advisory firm in the Community Foundation's name with the Community Foundation's tax identification number. The investment advisory firm will charge its own stated fees and commissions for investment services against the fund, which will be paid directly to the investment advisory firm. These fees are in addition to the Community Foundation Support Fees described earlier in this handbook.

All assets of the Community Foundation that are invested in the market, whether through the Pooled Investments or through separate accounts with third party investment advisory firms, are overseen by the Community Foundation's Investment Committee to ensure that investment strategies and asset allocations comply with the Community Foundation's Investment Policy Statement, a copy of which can be found in **Appendix B**.



## Gift Transmission Information

***[PLACEHOLDER FOR UP-TO-DATE GIFT TRANSMISSION INFO HERE]***

## What Does the Scholarship Award Process Look Like?

The Community Foundation offers two options for a donor to establish their scholarship – **Community Foundation Managed Scholarships** and **Donor Managed Scholarships**:

**Community Foundation Managed Scholarships:** When the Community Foundation manages a scholarship, we lead the entire scholarship process from convening the committee, accepting scholarships through our online system, to sending out the scholarship payments to the colleges and universities.

**Donor Managed Scholarships:** When a donor manages his/her scholarship, the donor leads the entire process and then notifies the Community Foundation of the scholarship award recipients(s). The Community Foundation subsequently mails the scholarship payment to the colleges and universities.

Below is a high-level overview of the tasks involved for a Community Foundation Managed Scholarship Process vs a Donor Managed Scholarship Process:

Community Foundation Managed Scholarship Process	Donor Managed Scholarship Process
<p><i>The Community Foundation handles the entirety of the selection process once the donor(s) have designated the basic framework for the scholarship.</i></p> <p><b><u>DONOR RESPONSIBILITIES:</u></b> Creation of scholarship purpose, guidelines, and applicant criteria</p> <p><b><u>COMMUNITY FOUNDATION RESPONSIBILITIES:</u></b> Create and publish scholarship application Create scholarship timeline Create customized donation and scholarship pages on the CFNOVA website Allocate and acknowledge donations to the Fund Organize receipt of applications Communicate with potential applicants Designate and oversee volunteer selection committee, which includes: - Ensuring selection committee members have signed a Conflict of Interest Form - Review and evaluate submitted applications - Selection of recipients - Notifications to award recipients and notifications to renewal applicants</p>	<p><i>Donor(s) will handle the entirety of the selection process and communicate the scholarship winners to the Community Foundation</i></p> <p><b><u>DONOR RESPONSIBILITIES:</u></b> Creation of scholarship purpose, guidelines, and applicant criteria, including: Create and publish scholarship application Create scholarship timeline Manage all communications with applicants Organize receipt of applications Designate and oversee volunteer selection committee, which includes: - Ensuring selection committee members have signed Conflict of Interest Form - Reviewing submitted applications - Selection of recipients Provide all applications and communicate selected award recipients to CFNOVA through completion of Scholarship Report Form</p> <p><b><u>COMMUNITY FOUNDATION RESPONSIBILITIES:</u></b> Create customized donation and scholarship pages on CFNOVA website</p>

- Send checks to academic institutions on behalf of scholarship recipients

Allocate and acknowledge donations to the Fund  
Send checks to academic institutions on behalf of scholarship awardees

## How Do I Access My Scholarship Fund?

The Community Foundation for Northern Virginia offers a secure online fund management system that provides complete access to your fund at the Community Foundation, available 24/7. You can check your scholarship fund balance, gift and scholarship history, and access quarterly fund statements through the portal.

When you sign your scholarship fund agreement, our Donor Services Team will provide you with log-in credentials. Then simply visit <https://www.cfnova.org/donor-portal> to get started.

See **Appendix A** for our step-by-step Donor Portal Navigation Manual.

### Sample Donor Portal Screenshot

Test Scholarship Fund for Northern Virginia

Home

Gifts

Grants

Recommend A Grant

Fund Statements

Files

Logout

Current Balance: \$17,025.00

Available Cash: \$13,025.00

Fund Advisors are: Valdes, Stephanie

Recent Contributions

* Date	* ID	* Contributor	* Amount
11/03/2021	23818	Anonymous	525.00
07/21/2021	23817	Valdes, Stephanie	25,000.00

Recent Grants

* Date	* ID	* Status	* Recipient	* Amount
07/30/2021	11431	Pending	George Mason University	2,000.00
07/30/2021	11429	Pending	Northern Virginia Community College	2,000.00
06/30/2021	11428	Paid	The College of William and Mary	2,500.00

## Quarterly Financial Reporting

Approximately one month after the end of each calendar quarter (June 30, September 30, December 31, March 31), fund financial reports will be uploaded to Donor Portal. The report contains a Statement of Financial Positions, Statement of Activities, and a detailed list of all gifts to and distributions from funds.

## Fund Activity Policy for Scholarship Funds

Fund Activity. In general, scholarship funds should remain active regarding scholarship disbursement activity. Scholarship funds are considered active when there is regular communication between the fund advisor and the Community Foundation regarding the fund. Some examples of activities that would deem a fund active include, but are not limited to:

- The fund advisor awards scholarships once a year;
- The fund advisor specifies a particular reason not to award scholarships and the Community Foundation agrees. For example, fund advisors may want to build up the fund balance to make more substantial scholarships, or to build a more substantial scholarship fund for their retirement years, or to leave a charitable legacy for the next generation to administer; or
- The fund advisor wants to make undervalued or illiquid gifts to their fund that require time to pass before the gift recovers its value or becomes liquid enough for grant recommendations to commence or resume.

Donors may propose other reasons to Community Foundation staff for not awarding annual scholarships. In the absence of such activities or understandings, if there is no scholarship process for three successive years, steps will be taken by the Community Foundation to activate the fund. These steps may include, but are not limited to, outreach to the fund donor encouraging scholarship awards or closing small funds that have not reached the Community Foundation's required \$25,000 minimum and distributing those fund balances to the Community Foundation's unrestricted funds, all as the Community Foundation Board may further determine.

### Minimum Fund Balance

If the principal balance of a fund falls below \$1,000, the entire balance of the fund may be distributed upon advice of the donor or at the discretion of the Board, or, if the Board so determines, may be added to the unrestricted funds of the Community Foundation.

**APPENDIX A: DONOR PORTAL NAVIGATION MANUAL**

## APPENDIX B: INVESTMENT POLICY STATEMENT