When It Comes to Scholarship Funds, Your Client Has Options

By Regis J. Lekan, Retired Executive Director, Development and Gift Planning for Wright State University

In my over 30 years in institutional advancement, I have had numerous opportunities to facilitate donors’ philanthropic wishes. Almost always, those discussions were meaningful to the donors and highly significant to the two universities for which I raised money – the University of Dayton (UD) and Wright State University (WSU).

Both institutions, and virtually all others, have a perpetual objective to create funds that provide financial assistance in the form of student scholarships. In fact, WSU recently completed its “Rise. Shine.” campaign. Of the final amount raised, 22 percent, which totaled over $36 million, was in the form of scholarship gifts that created 376 new scholarships. At UD, close to 700 students benefit from scholarships generated through donor-created funds.

Why a Scholarship Fund through The Dayton Foundation?

While it often makes sense to work directly with a school or university to establish a scholarship fund, not all donors wish to restrict their scholarship giving to one institution.

– Regis J. Lekan

I have found most planned gift donors to be open to expressing preferences for scholarship award criteria rather than requirements. That way the selection committee would be able to make an award even if the exact criteria is not met. Seldom will a donor want a scholarship from his or her fund to go unawarded due to a lack of eligible students.

Scholarship Fund Examples

Let me present two illustrations for scholarship funds created through The Dayton Foundation.

Pearl Dale and Audrey (Dale) Parker moved to Dayton in the 1940s and began teaching in the Dayton Public Schools. They both enjoyed long careers in education, inspiring others through their teaching. During childhood, their parents had emphasized to them and their brother the importance of getting an education. Inspired by this passion, Pearl Dale established a scholarship fund with a deferred gift through the African-American Community Fund of The Dayton Foundation. She wanted to help Greater Dayton African-American youth pursue their educational dreams, free of the difficulties she had faced as a single African-American woman trying to make her own way.

Though Ray Wright had planned to go to college to study architecture, he loved his high school job so much that he decided to forgo his studies for a career.
Thank You for Letting Us Help Your Clients

Fiscal year 2018, ending June 30, 2018, was an outstanding year for The Dayton Foundation, thanks to you and the many individuals and families who opened charitable funds through the Foundation – 319 new endowed and non-endowed funds and Charitable Checking Accounts. This represents more new funds than in any other year during the Foundation’s 97-year history. Many of these new fund holders were referred to the Foundation thanks to you and your dedication to supporting their financial and charitable giving needs.

This holiday season, if your clients are looking for an easier, hassle-free way to contribute to their favorite charities, think about The Dayton Foundation. With the many charitable fund options available through the Foundation, including the free Charitable Checking Account Service, there is something to match anyone’s giving and financial needs.

Learn more online at www.daytonfoundation.org or call (937) 222-0410 or toll free at 1-877-222-0410.

Go “Green” with New Futures E-Newsletter

To start receiving Futures electronically, sign up online at www.daytonfoundation.org/maillist.html or contact Gina Sandoval by phone at (937) 225-9974 or by email at gsandoval@daytonfoundation.org.

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“The possibilities for a scholarship through The Dayton Foundation are fairly open-ended. Often donors have no particular desire to name a fund or to stipulate the criteria to make awards. For this reason, your client may wish to support The Dayton Foundation Scholarship Fund. This scholarship fund is for Dayton-area students but otherwise unrestricted.

In Conclusion

Establishing a scholarship fund is a natural philanthropic activity for many donors. They most likely were college students once themselves and perhaps benefited from a scholarship. So this fund option can help fill both the personal and charitable needs of a client.

Your client can initiate an endowed scholarship fund for a relatively low initial gift of $25,000. With the current endowment spending rate of 4 percent, that provides an annual award of $1,000, which can be quite meaningful to students and their families. Your client also would have the option to create a non-endowed scholarship in which gifts would be used immediately to make scholarship awards. And, like so many funds at The Dayton Foundation, a scholarship fund can be established in honor or memory of someone who, perhaps, made a difference in the academic or professional life of the donor.

For additional information or assistance in setting up a scholarship fund at The Dayton Foundation, contact a member of the Foundation’s Development staff at (937) 222-0410 or toll free at 1-877-222-0410.

Note: Solutions will differ from case to case. The above does not constitute professional financial or tax advice.

Regis Lehman retired in 2017 after 33 years in institutional advancement primarily at the University of Dayton and Wright State University. He continues to serve the greater Dayton community as a volunteer and non-profit board and committee member, including on The Dayton Foundation’s Development Committee.