

ESA FOUNDATION

IRREVOCABLE ENDOWMENT AGREEMENT PROGRAM

The ESA Foundation established the Perpetual Endowment Scholarship Program as a means to accommodate those people interested in further the purpose and goals of the ESA Foundation. A Perpetual Endowment is an everlasting memorial or honorarium, which earns interest annually. The Scholarship Endowment program was established with a minimum amount of \$ 5,000 on deposit with the ESA Foundation to become endowed.

The money is placed in a trust account, which earns interest. A scholarship amount is determined and awarded from the established spending rate totals after May 31 of the current year.

FULLY ENDOWED SCHOLARSHIPS

Once a minimum of \$ 5,000 has been on deposit by May 31 of any given year, a scholarship will be awarded based on the established earning / spending rate set by the ESA Foundation Board of Directors. An Endowment Statement will be sent after the close of the financial year – May 31. The Endowment Statement contains information on the current balances, return on investment, the current spending rate, and the actual available amount of the scholarship. The established spending rate each year will be used to figure the actual amount available to be given for the scholarship the next academic scholarship year, not the current year.

BEGINNING AN ENDOWMENT

The ESA Foundation encourages the promotion within your state of the establishment of a Perpetual Endowment. You may honor an individual who has made outstanding contributions to the ESA Foundation, ESA International, or the community. This may be a memorial, honorarium, for an individual, your family, your business, or a state endowment.

1. Request, or download from the ESAF website (www.esaintl.com/esaf), the Irrevocable Endowment Agreement Program from the ESA Endowment-Scholarship Chairman or State Counselor.
2. Complete the Irrevocable Endowment Agreement form including the criteria in Section V.
3. Submit the completed Irrevocable Endowment Agreement along with a minimum of \$ **100** (check or credit card payment) to the ESA Foundation Registered Agent, (363 West Drake Road, Ft. Collins, CO 80526). The scholarship / endowment is not fully endowed until the amount in the account reaches \$ 5,000. All accounts will be maintained with a Restricted Account Principal of \$ 5,000 and the remaining amount will be placed in the Spendable / Available account balance.
4. The Endowment-Scholarship Chairman will return a signed Irrevocable Endowment Agreement to you along with a Contact Person(s) form (if that was not included with the original submittal). Return the completed contact information to the Endowment-Scholarship Chairman as soon as possible.
5. Continue contributing donations to the endowment.

**ESA FOUNDATION
IRREVOCABLE ENDOWMENT – SCHOLARSHIP AGREEMENT**

The undersigned, _____ agrees to donate funds to establish an education or charitable endowment-scholarship with the ESA Foundation. The ESA Foundation agrees to accept said funds and maintain them as an endowment – both the Principal and income from this endowment shall be used exclusively for the specific purpose of a scholarship.

This endowment shall be entirely subject to the rules, regulations, and bylaws of the ESA Foundation and the requirements of Section 501(c)3 of the Internal Revenue Code.

In the event the income from this fund is insufficient, in the opinion of the ESA Foundation, to carry out its intended purpose, the ESA Foundation may expend such portions of the principal of the fund as it deems appropriate or combine the income with other funds held by them for that same purpose.

This **AGREEMENT** is made this _____ day of _____, 20____, between the ESA Foundation and _____.
[Individual / Chapter / Council or other Organization establishing endowment]

TERMS OF AGREEMENT:

I. **Amount** forwarded to establish endowment / scholarship: \$ _____
[\$ 100 minimum]

II. This Endowment - Scholarship is to be known as:

or
A. An Honorarium to be known as:

or
B. A Memorial to be known as:

III. Special Criteria for Endowment - Scholarship

[Example: Specific Major – i.e. nursing, teaching, engineering, etc.; limited to students in a certain state or to a specific university / college, etc. or **ANY MAJOR, ANY STATE, ANY SCHOOL**

IV. Weighted Criteria to be used for Scholarship judging: (Select one – 1)

4	Criteria	Character	Leadership	Service	Financial Need	Scholastic Ability
	A	10	20	10	30	30
	B	10	10	5	50	25
	C	10	10	5	25	50
	D	25	25	20	15	15
	E	20	20	20	20	20
	F	10	10	35	35	10

V. All accounts will be maintained with a Restricted Account Principal of \$ 5,000 and the remaining amount will be placed in the Spendable / Available account balance.

VI. When the Endowment’s Restricted Account Principal is \$ 5,000, an endowment is eligible to award a scholarship in a given amount (see options below) if that amount is present in the endowment’s **Available Balance** as of May 31 (year end of the ESA Foundation) of any given year.

VII. The Endowment is Irrevocable

[The ESA Foundation Board of Directors shall administer this scholarship. Once the endowment is established, moneys are not refundable and in the event the terms of agreement cannot be met, the Board of Directors shall determine the appropriate action.]

[Signature – Individual / Chapter / Council or other Organization Representative establishing the Endowment – Scholarship.] [Date]

[Address] [City] [State] [Zip]

Phone # _____

E-Mail _____

Accepted for the ESA Foundation: _____
[Signature Endowment-Scholarship Chairman] [Date]

Name _____

Address _____

City / State / Zip _____

An official vote of the Board will be taken at the Annual or Mid-Year Meeting.

Mail two (2) originals to: ESAF Endowment – Scholarship Chairman.

Approved Agreements will be mailed to the Scholarship Director and the ESAF Registered Agent.

Copies will be mailed to the appropriate Board of Directors.

SPENDING CRITERIA

Scholarships may be awarded reflecting the investment policy and spending rate established by the Board of Directors.

SCHOLARSHIPS MAY BE AWARDED UNDER THE FOLLOWING CONDITIONS:

Each year, originators will receive a "statement of fund balances" with information on their endowment:

- 1) **Total Fund Balance**; which includes:
 - a. The **Principal Balance** (restricted and may never be used for any purpose);
 - b. The **Available Balance** (unrestricted amount which may be used for scholarships).

An endowment is eligible to award a scholarship in a given amount (see options below) if that amount is present in the endowment's **Available Balance** as of May 31 of any given year (the ESA Foundation fiscal year end).

SCHOLARSHIPS WILL BE AWARDED USING THE FOLLOWING OPTIONS:

- 1. **Spending Rate Option:** by multiplying the endowment's **Total Fund** Balance as of May 31 of any given year by the spending rate as determined by the ESA Foundation Board of Directors. Example, if the Total Fund Balance of XYZ Endowment is \$7,837 and the spending rate is 5.87%, the scholarship under the Spending Rate Method would be \$460 (\$7,837 x 5.87% - rounded to the nearest dollar).
- 2. **\$500 Incremental Option:** Scholarships may also be given in increments of \$500. (Note: Using this method may deplete the endowment's **Available Balance** if used over a long period of time without continued cash contributions from the endowment's supporters.)

**ESA FOUNDATION
IRREVOCABLE ENDOWMENT AGREEMENT
ENDOWMENT – SCHOLARSHIP CONTACT PERSON(S)**

[Date] _____

[Endowment – Scholarship Name]

An official contact for each endowment will be appointed. The ESA Foundation shall work through these parties to best serve the needs of the Endowment. According to law, it is the ESA Foundation Board of Directors that has the legal responsibility to administer the Endowments. The Board shall consider the parties that establish the Endowments. If for any reason the contact person(s) becomes unavailable, the administration recommendations for this Endowment shall be automatically assumed by the ESA Foundation Board of Directors unless another contact person is appointed and is on file with the ESA Foundation Endowment – Scholarship Chairman.

The “Contact Person(s)” for this Endowment will be: *[Check the appropriate line]*

- _____ The current President of an ESA State Council.
- _____ The current ESA Foundation State Counselor in the State
- _____ A current Multi-State Council President
- _____ A current ESA Chapter President
- _____ An individual assigned to handle the Endowment with no special state / chapter or council officer credentials
- _____ A member of the family which the Endowment honors
- _____ Other [Please specify]

FIRST Contact
(If other than current officer)

SECOND Contact
(If first contact is unavailable)

Name _____

Name _____

Address _____

Address _____

City / State / Zip _____

City / State Zip _____

Phone # _____

Phone # _____

E-Mail _____

E-Mail _____

Please indicate any comments, special instructions, etc. (Use back side of this form if necessary.)

ESA FOUNDATION
IRREVOCABLE ENDOWMENT
AUTHORIZED CHANGE FORM

_____ wishes to make the following
 (Individual/Chapter/Council or other Organization Establishing the Endowment)

change(s) for the _____
 (Current name of the Endowment)

1. Change the name of this endowment to read:

2. Change the special criteria (such as: Nursing, Teaching Major, Engineering Major, limited to students in a certain state or to a specific university, etc.) for the endowment to:

3. We (I) wish to designate the weighted criteria for judging this scholarship. (All scholarships that are not designated otherwise are judged by (A) the first weighted criteria on the list). Select one (1) of the weighted criteria to be used for judging the Scholarship:

✓	Criteria	Character	Leadership	Service	Financial Need	Scholastic Ability
	A	10	20	10	30	30
	B	10	10	5	50	25
	C	10	10	5	25	50
	D	25	25	20	15	15
	E	20	20	20	20	20
	F	10	10	35	35	10

4. We (I) wish to change the authorized person for this endowment to the following:

Name _____

Address / City / State / Zip _____

Phone _____ E-mail _____

Signed _____ Date: _____
 (Current authorized person for this endowment must sign)

Please complete and mail to the current ESA Foundation Endowment-Scholarship Chairman.

 [Signature of ESA Endowment Scholarship Chairman.

Authorized Change accepted by the Endowment Scholarship Chairman: (Date) _____