



## Scholarship Endowment Giving to PA College

### FREQUENTLY ASKED QUESTIONS

#### Q: What is an endowed scholarship fund?

A: An endowed scholarship fund is a permanent, self-sustaining source of funding for financial aid to students. Endowment assets are invested. Each year, a portion of the value of the fund is paid out to support the fund's purpose, and any earnings in excess of this distribution are used to build the fund's market value. In this way, an endowment fund can grow and provide support for students in perpetuity. When you create an endowed scholarship, you create a permanent legacy of support for PA College and our students.

#### Q: How much money does it take to start an endowed scholarship fund?

A: The PA College Trustees have set a minimum funding level of \$25,000 to establish a new endowed scholarship fund. A pledge to create an endowed fund can be paid out over as many as five years.

#### Q: What else does it take?

A: An endowment agreement. This agreement between the donor and PA College permanently defines the purpose of the fund. The agreement also outlines PA College's standard procedures for managing endowment funds and captures information about you, the donor, and why you've made this gift.

#### Q: Why is scholarship support so important for students at PA College?

Scholarship aid is an increasingly essential part of our ability to recruit and retain talented and compassionate students committed to careers in health care. More than half of our students represent the first generation of their families to attend college, and more than 85% require some form of assistance to pay for their education. To ensure that a health care career remains accessible and affordable to students from all backgrounds, we must increase the amount of need-based scholarship aid we can provide.

#### Q: Whose name is on an endowed scholarship fund?

A: You can name an endowed fund for yourself, your family, your friend, your favorite former professor, your company – the choice is yours. Your endowment will be recorded as "The [Name of Your Choice] Endowed Scholarship Fund."

#### Q: Can I create an endowed scholarship fund with a gift through my estate plan?

A: Yes! In fact, many alumni and friends have established endowed scholarship funds through their estate and retirement plans, sometimes with helpful tax benefits for themselves or their families. For example:

- You can include a bequest to PA College in your Will.
- You can make PA College a beneficiary of your IRA or life insurance policy.
- You can allocate some or all of your annual Required Minimum Distribution from your IRA as a Charitable Distribution to PA College.



**Q: May I specify how the endowed scholarship will be awarded?**

A: Donors may set general restrictions in terms of the academic program in which the student who benefits will be enrolled. Some donors include more specific preferences (i.e., resident of Lancaster County, prior military service), which our Financial Aid staff try to honor whenever possible. All scholarship recipients must have a demonstrated need for financial assistance; be enrolled at PA College; and be in good academic standing. Sex, race, creed or ethnicity may not be factors in making award decisions.

**Q: How do I find out about my endowed fund after I have made a gift?**

A: Once an endowed fund reaches the minimum funding level and starts generating spendable income, PA College will provide you with information about the value of the fund, the impact of your philanthropy, and the student(s) who have been awarded your scholarship. We will also share a fund profile about your scholarship with the student recipients, to educate them about your reasons for giving and to tell them about the fund honoree, if applicable.

**Q: Can I meet the students who benefit from my scholarship?**

A: In most cases, yes. Each year in April, PA College hosts a scholarship celebration to bring together scholarship donors, recipients and honorees. If you do not have an opportunity to meet your student at a campus event, our Office of Donor Relations can arrange a visit for you at another time.

**Q: Who manages PA College's endowment assets?**

A: In August 2018, PA College pooled the investment of its endowed funds with the University of Pennsylvania, following the lead of the Lancaster General Health Foundation, which had already made this change. We have been pleased to see the growth in the value of our endowment over the past year – in fiscal year 2019, Penn's endowment returned 6.54%.

**Q: Do I need to sign an endowment agreement or meet a minimum gift level if I want to give to an existing endowment?**

A: No. You can make a gift of any size to an existing endowed scholarship fund without signing an endowment agreement. There may be an existing endowed scholarship that reflects your interests and to which you can add your support. Also, many donors who have established endowed scholarship funds in the past continue making gifts to them over time. The larger a fund is, the more scholarship support it can provide to students each year.

**We are happy to answer any other questions you might have. Thank you!**

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