



DATE

Jane Hetland Stevenson, President
St. Croix Valley Foundation
516 Second Street, Suite 214
Hudson, WI 54016

Dear Ms. Stevenson:

It is our intention to contribute **\$AMOUNT** as a gift to the St. Croix Valley Foundation (the "Foundation"). This gift, together with any additional gifts that may be made by us or other donors to the fund hereafter described, shall be used to establish and maintain a component fund (the "Fund") of the Foundation to be held and administered as follows:

1. The Fund shall be known as the **NAME OF FUND** and shall be identified as such by the Foundation in the course of the administration and distribution thereof. The purpose of the Fund is to award annually a scholarship to **PURPOSE OF FUND**.
2. The income of the Fund as described in Paragraph 4, after deducting for the expenses of investing and administering the Fund, shall be distributed annually to the education institution for the use of the scholarship recipient for qualified purposes as defined by the Internal revenue Service.
3. The committee to select the recipient shall be appointed by the Foundation. The selection committee, its composition and its actions shall at all times comply fully with the scholarship selection committee procedures as defined by the Foundation.
4. Distributions as provided in Paragraph 2 shall be made annually and the fund is not an endowment.
5. The Board of Directors of the Foundation shall have sole discretion as to the investment and reinvestment of the assets of the Fund, including the selection of investment managers and as to the selection of custodians of the assets of the Fund.
6. The Fund shall be administered in accordance with the Minnesota Uniform Prudent Management of Institutional Funds Acts.

7. Notwithstanding anything herein contained to the contrary, the Fund shall at all times be held and administered in accordance with the provisions of the Articles and Bylaws of the Foundation, all of which are hereby accepted and agreed to by the undersigned, including those provisions relating to amendment, termination and variance from donors' directions. The undersigned acknowledges that under the provisions of the Articles and Bylaws and applicable tax regulations, the Board of Directors of the Foundation has the power and the duty to modify any restriction or condition of the distribution of the funds for any specified charitable purpose if, in the sole judgment of the Foundation's Board (without the approval of any participating trustee, custodian or agent), such restrictions or conditions become, in effect unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the region served by the Foundation.
8. Consistent with its practice adopted from time to time with respect to other funds of the Foundation, the Foundation shall from time to time make a charge to the Fund in an amount reasonably calculated to reimburse the Foundation's direct and indirect costs incurred in the administration of the Fund.
9. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation, provided that the separate identity of the Fund and the distributions from the Fund are at all times maintained.

If the foregoing is acceptable to the Foundation, kindly so indicate by dating and signing the enclosed copy of this letter in the space provided below and return it to us. Upon such acceptance, this letter will constitute our agreement with respect to the Fund and all prior discussions and agreements concerning the Fund are merged herein and are made a part hereof.

Very truly yours,

Accepted this _____ day of _____, _____.
(date) (month) (year)

St. Croix Valley Foundation

By: _____
President

St. Croix Valley Foundation **RULES FOR SCHOLARSHIP SELECTION COMMITTEES**

Because a scholarship benefits an individual and not an organization, we refer to the awarding of scholarships as "grant-making to individuals". The Internal Revenue Service strictly regulates awards to individuals. The following summary of IRS rules applies to your role as an advisor recommending scholarship recipients to the Foundation:

- 1) All awards must be given for charitable or educational purposes.
- 2) Selection of recipients must be made on an objective, nondiscriminatory basis.
- 3) All members of the selection (or Advisory) committee are appointed by the SCVCF.
 - a) There must be no benefit to those who serve on the advisory committee.
 - b) Neither the donor nor parties related to the donor can control the selection committee.
 - c) The donor's advice is given solely as a member of the selection committee.
 - d) Any member of the advisory committee must disclose any familial or other close relationship with an applicant and must refrain from voting on this particular applicant.
- 4) There must be broad dissemination of eligibility requirements and deadlines for awards.
- 5) Applicants must be ranked against written selection criteria. The selection criteria must meet IRS standard guidelines and be submitted to the Foundation.
- 6) It is recommended, but not required, that the financial need of applicants should be part of the selection process.
- 7) Recommendations for award recipients must be submitted to the Foundation in writing.
- 8) All award recommendations must be ratified by the St. Croix Valley Community Foundation's Board of Directors.

It is also the policy of the St. Croix Valley Community Foundation that award checks normally are made payable to the award recipient's educational institution.

Please consult the SCVCF document *Procedures for Awarding Scholarships, Fellowships and Other Grants to Individuals* which contains a full description of the procedures pertaining to scholarships held at the SCVCF.