

# THE SCHOLARSHIP ENDOWMENT FUND

## Description:

In 2013, the Club's Board of Directors (Board) decided that funding for scholarships required a strategy different from reliance on event fundraisers. The Club entered into a formal agreement with Michigan State University to establish a Scholarship Endowment Fund Account (#AF010979) that would be administered by Michigan State University's professional investment fund managers. Money in this account is combined and invested with the much larger pool of all Michigan State University endowment monies enabling it to earn a greater income return than the Club could achieve through self-management. **Your donations to this account are tax-deductible under IRS provision 501c(3).**

Here's how it works! On an annual basis, a portion of the interest earned on this account is made available to the Club for scholarships. The remaining amount remains as principal to help grow the fund. When the endowment level reaches our initial goal of \$90,000, scholarship money available from interest would amount to \$4,500, based upon a current payback rate of 5%. This yield is sufficient to sustain three \$1,500 scholarships. In only the first year of the program, cash and pledges received are already over **two thirds** of the initial goal of \$90,000, and the interest earned covered one of the \$1,500 scholarships awarded in 2013.

We thank all those generous benefactors who have already pledged and contributed. A growing endowment fund will enable more scholarships and/or higher scholarship amounts. The recipient students are most appreciative of the financial help you provided and the Board has received glowing reports about their academic achievements and the contributions they are making to the University. Please help our talented and deserving local high school students matriculate at Michigan State and donate to grow our Scholarship Endowment Fund.

(February, 2017)