



Hilton Education Foundation  
PO Box 232  
Hilton, New York 14468

Investing in Education

Dear \_\_\_\_\_ :

Thank you for your interest in establishing a scholarship fund to improve the educational opportunities available to Hilton Central School District graduates. Some scholarships are based on financial need, some on academic performance, and some are awarded to students who meet other special criteria. Such scholarships have been created by individuals, families, service organizations, corporations, and foundations and are an important part of the mission of the Hilton Education Foundation because they help change lives, build futures, and provide the gift of education.

While gifts of any amount, given at any time, are greatly appreciated and will be added to the Foundation's existing scholarship funds, the following information serves as a guideline for establishing a named scholarship through the Hilton Education Foundation.

### **Step 1: Determine Type of Scholarship Fund**

The first step is to determine whether you would like to establish an "endowed" scholarship or an "annual" scholarship:

#### **Endowed Scholarships**

Endowed scholarship funds are designed to be permanent, perpetual and can be created with gifts totaling a minimum amount of \$15,000. The principal of the fund is invested to produce income, and an annual award is made to a student/s. The principal remains untouched, so the endowment can last perpetually.

#### **Annual Scholarships**

As of October 30, 2013, annual scholarships can be established with an outright minimal gift of \$750. Unlike an endowed scholarship described above, an annual scholarship is not a permanent fund and is awarded only as long you (or others) choose to contribute to the fund.

## **Step 2: Establish Scholarship Criteria**

As a scholarship donor, you choose the name of the scholarship as well as the criteria. The Hilton Education Foundation is available to help you create the criteria that govern the administration of the scholarship. Donors are encouraged to keep the criteria for awards as broad as possible to assure that the scholarship can be awarded.

Changes or revisions may be made to scholarship criteria at a future date at the discretion of the donor; however, changes will not take effect until after an award cycle has been completed if the scholarship has already been advertised on the Foundation website and via other publications.

*Primary award criteria to be considered:*

- Academic achievement, including grades, rank in class, tests scores
- Community/extracurricular involvement
- Leadership
- Participation in specific programs or activities
- Awards and recognition
- Work history
- Eligible applicants – juniors or seniors
- Award restrictions – Renewable or nonrenewable
- Restricted to certain area of study (e.g., math, science, technology etc.)
- Fiscal considerations – Scholarship value
- Application procedures – Student essay, letters of reference
- Application deadline
- Award announcement – June 1 or Bravo Night

The donor cannot specify an individual recipient by name or make the qualifications so specific as to narrow the applicant pool down to just one or two people. However, a donor may choose to participate in the selection of a recipient as a member of the Selection Committee. Donors will be kept fully informed about recipient selections, and will be provided with biographical information on recipients, thank you letters received and regular updates to their scholarship funds.

## **Step 3: Administration of Scholarship Funds**

Typically, a Selection Committee carefully reviews the scholarship applications submitted by students and selects the most deserving recipient(s) based on the donor-established criteria. As the donor, you will select the members of the Selection Committee. This may include, but not be limited to, school district personnel and members of the Hilton Education Foundation.

## **Tax Benefits of Funding a Scholarship**

An outright gift in the form of cash or appreciated securities will allow you to receive immediate tax benefits in the year you make the gift to the Hilton Education Foundation. In the case of appreciated securities, you may also avoid capital gains taxes.

You can also provide for your scholarship in your estate plans. Estate gifts or planned gifts are an easy way to establish a scholarship without affecting your current income or assets.

IRS rules are designed to make sure that scholarship programs benefit a broad charitable class of beneficiaries and that the process is nondiscriminatory. For example, you cannot set up a scholarship fund to award a family member or restrict your eligibility requirements so that only your favorite neighborhood student qualifies. The penalty for noncompliance could be a hefty excise tax or a loss of tax-exempt status. For more information on IRS tax laws, Web site at [www.irs.gov](http://www.irs.gov).

### **Yearly Reporting**

An Annual Report of how the scholarship funds were distributed and awarded will be sent by The Hilton Education Foundation, Treasurer by the first of July each year.

### **Scholarship Timeline**

- Scholarship Money Due – January 1
- Application period -- March through April 15
- Award announcement June 1 or Bravo Night

### **Promotion and Publicity**

The scholarship committee determines the most effective way to advertise the scholarship program. Brochures, newsletters, E Blast, the Foundation web site, scholarship directory listings or a combination of one or more of these may be used.

Enclosed is a sample scholarship application. Thank you again for considering establishing a scholarship through the Hilton Education Foundation. For more information, please contact \_\_\_\_\_ at \_\_\_\_\_. We are happy to assist you.

Sincerely,

Hilton Education Foundation

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PO Box 232  
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SCHOLARSHIP TITLE:

FOUNDER:

DATE FOUNDED:

BACKGROUND:

ELIGIBILITY: The candidate must be:

- A resident of the Hilton School District
- A graduating senior who has participated in and benefited from the Hilton School District
- Accepted for study in an accredited post high school program
- Recognized by his or her high school counselor and two other high school educators

CRITERIA: The candidate must have demonstrated:

- Evidence of continued academic progress
- Extracurricular involvement
- Volunteer work

TYPE AND AMOUNT OF SCHOLARSHIP:

- Endowed Scholarship - \$15,000
- Annual Scholarship - \$750 a year minimum (effective October 30, 2013)

CANDIDATE SELECTION PROCESS:

- Hilton High School will announce the award each year.
- The candidate will complete an application form available in the counseling offices at Hilton High School.
- The applicant will prepare a typed essay of approximately 250 words, which states why the applicant should receive the award.
- The applicant will submit three letters of recommendation, one from the school counselor and two from other high school educators.
- The applications should be forwarded to the Guidance Department, Hilton High School.
- Selection will be made by June 1