

Scholarship Funds

What are they?

Scholarship funds at The Rhode Island Foundation help students – our leaders of tomorrow – with the costs of education. They are a wonderful way to honor someone important to you. The gift of education that a scholarship fund creates is a permanent tribute to the person or organization for which it is named.

With a designated scholarship fund, grants are paid each May to the school, college or non-profit organization that you designate. It is that institution's responsibility to determine who will receive the scholarship(s). Our role in managing a designated scholarship fund is to invest the fund's assets, to provide semi-annual statements to the donor on its financial status, and to ensure that the grant is used for the intended purpose.

What are the benefits?

MAXIMUM TAX DEDUCTION

By partnering with the Foundation, you will enjoy the most favorable treatment from the IRS – whether your gift is in cash, real estate, securities, a bequest or other planned giving vehicle.

FLEXIBILITY

The Foundation manages a wide variety of scholarship funds, as diverse as our donors' interests – including scholarships in honor or in memory of loved ones and scholarships benefiting students who wish to study specific subject areas.

RECOGNITION

Recognition of your legacy is always assured. Each fund is listed in the Foundation's annual reports, and all grant checks to the institution and recipient bear the name of the specific scholarship fund.

PERMANENCE

Unlike a one-time gift or memorial, a scholarship fund at The Rhode Island Foundation will benefit students and their community forever. In addition, future donors to the fund can count on the Foundation to ensure that the integrity of their gifts and purpose of the fund will be carried on forever.

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Scholarship Funds, continued

PROFESSIONAL INVESTMENT EXPERTISE

Because of our asset size, the Foundation is able to work with leading investment managers, at far less cost than a fund operating alone would experience. Foundation assets are broadly diversified among many different asset classes, and are monitored by Prime Buchholz, a nationally recognized investment consultant.

How to establish

You determine the name of the fund. You also specify its purpose, which may simply be to benefit college-bound students from a particular high school, or may be more specifically based on your interests and goals. Gifts to your fund can be made in cash, securities, real estate, a bequest or other planned giving vehicle. All gifts are acknowledged directly by the Foundation.

SPENDING RULE

To ensure that the funds' value has every opportunity to combat inflation while maintaining a steady income, the Foundation maintains a spending rule of 4.5% of the fund's average market value for scholarship grants, plus fees of approximately 1%. As the fund's market value increases, any earnings over the spending rule will be reinvested into the fund, providing the potential for increased scholarship grants over time.

Minimum contribution

\$10,000. Subsequent gifts can be in any amount.