



COMMUNITY FOUNDATION
OF LOUISVILLE

JCPS EMPLOYEE SPONSORED STUDENT SCHOLARSHIP FUND

COMPETITIVE SCHOLARSHIP FUND

This Agreement is made as of this 26th day of June, 2018, between the **Jefferson County Board of Education**, a political subdivision of the Commonwealth of Kentucky doing business as the **Jefferson County Public Schools (JCPS)** (hereinafter "Creator"), of Louisville, KY, and the Community Foundation of Louisville, Inc. (hereinafter "Foundation"), a tax-exempt corporation registered in Kentucky with its principal place of business in Louisville, Kentucky.

I. Purpose

The Foundation agrees to establish a Scholarship Fund to be known as the **JCPS Employee Sponsored Student Scholarship Fund** (hereinafter "Fund"), which is to be an endowment fund of the Foundation to initiate, promote, organize, sponsor, contribute to and generally further educational undertakings and institutions as contained in this Agreement.

Specifically, this Fund is designed to provide scholarship assistance in the form of grants to help defray expenses of disadvantaged students graduating from any public high school in Jefferson County that is managed, controlled and governed by the Jefferson County Board of Education and attending a college, university or post-secondary educational institution. Scholarship recipients shall be selected based on the following criteria: (1) a cumulative GPA of 2.5 or higher; and (2) demonstrated financial need.

Scholarship assistance from the Fund shall be used to help defray the full cost or any portion of the cost of any or all of the following: (1) tuition; (2) books; (3) academic fees; (4) room and board

expenses for on-campus housing made available through the post-secondary educational institution; and (5) any equipment purchased through the post-secondary institution.

Scholarships from this Fund are not renewable.

II. Fund Assets

Creator hereby irrevocably transfers all right, title and interest in and to the assets transferred to the Foundation to establish this Fund, to all future income and appreciation of the Fund, and to all future donations to the Fund. Creator reserves no rights to such Fund except as provided herein.

III. Management Terms and Conditions

Creator understands and acknowledges that the Fund will be administered by the Foundation subject to its Articles of Incorporation and Bylaws and on the following terms and conditions:

- A. The Fund will be administered by the Foundation as a Scholarship Fund and nothing contained in this Agreement shall be construed as imposing any material restriction or condition that prevents the Foundation from freely and effectively employing the Fund's assets in furtherance of the Foundation's charitable purposes and those purposes of this Fund.
- B. The Fund is intended to be and shall be administered as a component part of the Foundation under Treasury Regulation Section 1.170A-9(e)(11), and is specifically subject to the powers of the Directors as the governing body of a community foundation as required therein and as set forth in the Articles of Incorporation and Bylaws of the Foundation. Such powers include the power to unilaterally modify any restriction or condition of the Fund in the event such restriction or condition becomes in effect, unnecessary, obsolete, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served, with any modification being as consistent as reasonably possible with the charitable intent of the Creator.
- C. The Fund's Selection Committee (described in Article IV below) may recommend distributions, in the form of grants to educational institutions qualified as 501(c)(3) public charities, of any portion of the Fund balance to be used for the benefit of scholarship award recipients. Grant distributions from this Fund will be made directly to the academic institution to which the scholarship award recipient accepts admission. The Fund's Selection Committee shall recommend scholarship award recipient(s), monitor this Fund, and/or shall recommend accredited educational institutions attended by scholarship award recipients to receive the grant(s) from the Fund. The Foundation's Board of Directors shall retain final authority for all grant distributions.

- D. Scholarship grants shall be no less than \$1000.00 and shall be paid once per year per recipient.
- E. The Foundation shall have the authority to modify this Agreement from time to time as may be necessary in order to comply with applicable laws or regulations (or any changes to applicable laws or regulations) that govern such funds.
- F. Unless otherwise instructed in writing by Creator, all grants made from the Fund will be made in the name of the Fund.
- G. The Board of Directors of the Foundation shall have full authority to invest the assets of the Fund in keeping with the Foundation's Articles and Bylaws and its fiduciary responsibility.

Creator may select any available investment option offered by the Foundation when the Fund is established. The investment option selected is the Signature Fund.

- H. Creator understands that payments for room and board expenses, and expenses for any non-required equipment, may be taxable income to the student, and the student is responsible for fulfilling any reporting requirements to the Internal Revenue Service.
- I. The Foundation shall keep accurate financial and other records related to the administration of the Fund and shall provide Creator quarterly written reports on the activity of the Fund.
- J. The Foundation will assess an annual fee to satisfy the administrative costs of the Fund in accordance with the fee schedule approved by the Foundation from time to time for scholarship endowment funds. At the time this Agreement was signed, the following fee structure applies:

Fee	Account Balance
1.00%	on the first \$1,500,000 of fund balance, plus
0.50%	on the next \$1,500,000 of fund balance, plus
0.20%	on the fund balance exceeding \$3,000,000

The administrative fee will be charged based upon the average daily balance of the Fund and withdrawn from the Fund monthly. The Foundation reserves the right to change this fee as long as such change is made consistently for all such funds within the Foundation. Investment advisor and investment custodial fees shall be charged directly to the Fund on a monthly basis. A supplemental fee of 5% of the value of scholarship grants awarded will be assessed each year.

- K. The name of the Fund will be included in the Foundation's marketing material in a manner consistent with the reporting of other similar funds with the Foundation.

IV. Selection Process

The Selection Committee shall be responsible for reviewing applications in an independent, objective manner based upon criteria established by Creator and detailed in Section I; making recommendations for grants from the Fund; and generally monitoring this Fund. The Selection Committee shall initially consist of a representative of the Foundation and members recommended by Creator. The Foundation shall have final authority to appoint Selection Committee members. The Foundation representative shall review applications of scholarship recipients to ensure compliance with scholarship regulations.

The Selection Committee will only include members who are not related by blood or marriage to any of the applicants. If, in any year, a member of the Committee does not meet that criterion, he or she will abstain from participation on the Committee for that year. Replacement members of the Committee can be named, by the Foundation, in any year where a regular member abstains.

V. Gifts to the Fund

Creator and any other person or organization may at any time make additional gifts to the Fund, including without limitation employees of Creator who may make such additional gifts through Creator's payroll deduction system, which is administered by Creator and not the Foundation. All gifts are subject to the Foundation's Gift Acceptance Policy.

VI. Acceptance

By execution of the Agreement, the Foundation and Creator signify their acceptance of the terms and conditions as set forth herein.

Jefferson County Board of Education

Community Foundation of Louisville, Inc.

Diane Porter, Board Chair

Susan A. Barry
President and Chief Executive Officer

Marty Pollio, Superintendent