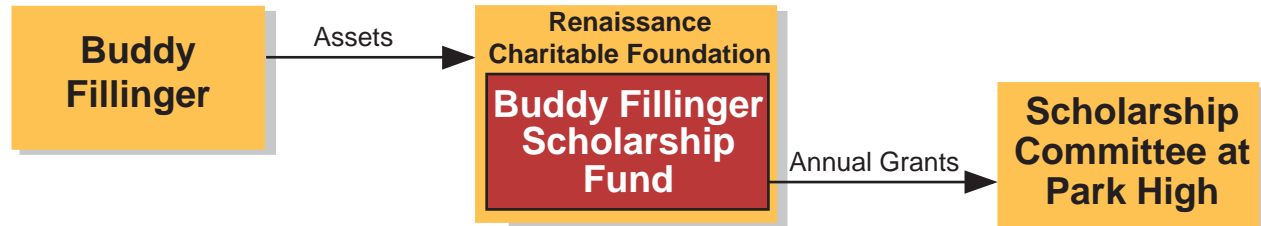


Case Strategy: *Funding a Scholarship Program through a Scholarship Fund*

FILLINGER



Buddy Fillinger recently retired from Park High after a long and distinguished teaching career. As a way of “giving back” to the students of Park High, Mr. Fillinger wants to fund a college scholarship program to assist financially needy Park High graduates. He explored creating a scholarship fund directly through a local state university, but his involvement in the selection process would be minimal and the students chosen would not be able to use this scholarship to attend other colleges. Mr. Fillinger is unhappy with these restrictions.

Mr. Fillinger consults with his financial planner, Dave Reeves, who proposes funding a scholarship in conjunction with the Park High Scholarship Committee. To increase Mr. Fillinger’s involvement, Dave recommends that Mr. Fillinger create a Scholarship Fund that will provide annual funding for the scholarship(s). A Scholarship Fund is an individual, component fund of a public charity from which grants are made to other charities. Based on Dave’s recommendation, Mr. Fillinger takes the following steps:

- He first approaches the Park High Scholarship Committee with his plan to create the “Buddy Fillinger Scholarship.” He defines the primary selection criteria for acceptable recipients, including financial need, graduation from Park High and minimum academic standards. Recipients of the Buddy Fillinger Scholarship can attend any accredited institution.
- He also volunteers to serve on the Committee. The Committee is appointed by Park High’s principal and includes Park High’s principal, guidance counselor, some department heads and members of the community.
- Mr. Fillinger then approaches Renaissance Charitable Foundation, a charity that offers Scholarship Funds and Donor-Advised Funds in all 50 states, to create the Buddy Fillinger Scholarship Fund. He gives the Renaissance Charitable Foundation \$500,000 in stock he purchased several years ago for \$75,000. The Scholarship Fund will make annual scholarship grants equal to 4% of its value.
- Each year, after the Scholarship Committee selects the scholarship recipient(s), Mr. Fillinger recommends that Renaissance Charitable Foundation make a grant to Park High in the amount of the scholarships from the Scholarship Fund he created.

This plan is a flexible solution to meet Mr. Fillinger’s lifelong dream. And, because the scholarship and the Scholarship Fund carry his name, Mr. Fillinger’s legacy as an educator is ensured.



Renaissance
Charitable Foundation

For more details about this strategy or any other charitable or trust case, please call Renaissance Charitable Foundation at 866.803.0389.

This example is hypothetical and for educational use only. The situations, tax rates or return numbers do not represent any actual clients or investments. There is no assurance that the rates depicted can or will be achieved. Actual results will vary. Please consult with legal and tax counsel about the suitability of this plan before proceeding.

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