

Endowed Scholarship Helpful Hints

I. “The decision to distribute earnings or not...”

Hello Club Leaders!

At the beginning of each calendar year, Seminole Clubs with endowed scholarships are asked to make a determination as to whether or not they would like any investment earnings to be distributed for the coming year. We’d like to help educate our outstanding volunteers and simplify the decision making process. Here are the basics:

- a. The Florida State University Foundation oversees and manages the investment of each club endowed scholarship funds.
- b. Each scholarship fund has its principal amount and a sub account for spendable funds. We call this the “spendable bucket”; funds that clubs can draw from when choosing to award scholarships.
- c. At the end of each fiscal quarter, approximately 1% of the net earnings that your fund accrues can be “distributed” or “not distributed”. The choice is made by each club board and reported to the Alumni Association to be recorded and sent to the Foundation.
- d. The fiscal year for Florida State University runs from July 1st through June 30th.
- e. Clubs must report their choice to the Clubs Team at the Alumni Association by June 1st, 2018, and will be effective for the first quarterly distribution of the new fiscal year.

II. If you choose to DISTRIBUTE:

Approximately 1% of the net earnings each quarter will be deposited into the “spendable bucket” that clubs can use to fund their scholarship awards.

- a. Pros: In years where the market is poor, clubs will have a good source of funds, allowing the possibility of more student winners.
- b. Cons: The principal amount of the fund does not grow because the earnings were moved to the spendable bucket.

III. If you choose to NOT DISTRIBUTE:

Any net earnings each quarter will be added to the current principal for reinvestment and no funds are added to the “spendable bucket”.

- a. Pros: In years where the market is strong, clubs can see their principal increase, building for stronger future award opportunities.
- b. Cons: In the years where a club chooses “do not distribute”, clubs will only be able to award scholarships from current spendable bucket funds or their own clubs discretionary account funds.

IV. Reminders:

- Normal market risk applies. There is no guarantee of earnings.
- Clubs **DO** have the option to contribute to their spendable bucket at any time with a check. If you have any questions, or would like to discuss your club’s situation, please call Director of Seminole Clubs Keith Cottrell at 850.644.2298 or email at kcottrell@fsu.edu.