



## WHAT IS A COMMITTEE ADVISED SCHOLARSHIP FUND?

A Committee Advised Scholarship Fund is a scholarship fund where the donor can actively participate in the selection of students. You and CCF set the scholarship criteria. Then, CCF forms an advisory committee with your input. You may be a part of the committee and can also recommend other individuals to the committee, so long as you and people related to you do not constitute a majority of the committee.\*

## WHO SHOULD CONSIDER A COMMITTEE ADVISED SCHOLARSHIP FUND?

Donors who wish to participate in the selection of scholarship recipients. Typically, this type of Scholarship Fund is best for families, nonprofits and alumni groups.

## WHAT ARE THE BENEFITS OF A COMMITTEE ADVISED SCHOLARSHIP FUND?

- You may serve on the advisory committee and recommend other members of the committee
- Choose eligibility criteria based on merit, need, career interests, academic performance, etc., subject to applicable laws

## at a glance

### Committee Advised Scholarship Fund

- Awards scholarships based on merit, need or other criteria you decide to benefit students of any age, background or educational level
- You may be a part of an independent advisory committee that recommends scholarship recipients
- You can recommend other members of the advisory committee, with some limitations

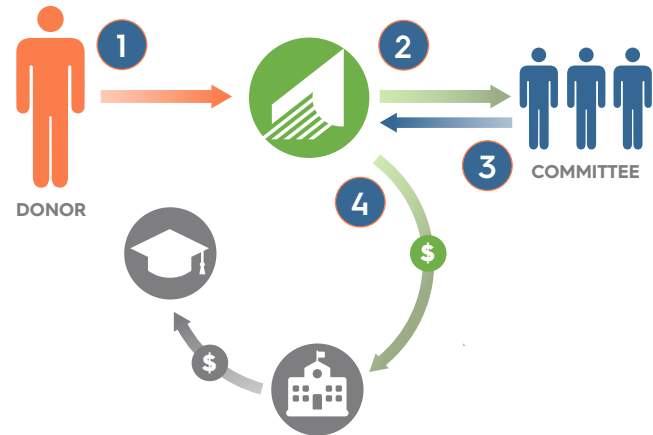
- CCF helps ensure that the fund is in full compliance with federal income tax law
- Give complex or unusual assets at fair value (e.g., real estate, closely-held stock)
- Opportunity to name the fund after you or in honor of a family member, a friend or an organization (e.g., the Kevin Gupta Scholarship Fund)
- Ability to grant anonymously to scholarship recipients
- Involve family in your philanthropy
- You may connect with scholarship recipients if you choose, whether in person, through essays or by other means

	COMMITTEE ADVISED SCHOLARSHIP	RESTRICTED SCHOLARSHIP	DISCRETIONARY SCHOLARSHIP
DONOR INPUT INTO STUDENT ELIGIBILITY REQUIREMENTS	High	High	High
DONOR INPUT INTO SCHOOL SELECTION	High	High	None
DONOR INPUT INTO ANNUAL SELECTION PROCESS	High	None	None
OVERALL DONOR PARTICIPATION	High	Low	Low

\*Parties related to the donor include family members and close business associates. Moreover, any individual recommended by the donor is considered "related to" the donor unless the recommendation is based on objective criteria associated with the expertise of the person recommended.

## HOW DOES A COMMITTEE ADVISED SCHOLARSHIP FUND WORK?

- 1 Establish the Scholarship Fund and recommend criteria for the fund.
- 2 CCF creates the committee that governs the grantmaking with the donor's input.
- 3 Committee reviews scholarship candidates and makes recommendations of recipients to CCF.
- 4 After due diligence, CCF grants to recipients through their schools.\*



## WHAT ARE THE TAX ADVANTAGES OF A COMMITTEE ADVISED SCHOLARSHIP FUND?

- Receive the maximum tax deduction available in the year the contribution is made
- Reduce estate taxes with testamentary gifts
- Avoid costly capital gains taxes while realizing the maximum tax deductibility of your donation with a gift of real estate or other complex assets
- Expenditure responsibility requirements do not apply, unlike with a private foundation

## CONSIDERATIONS

- CCF appoints the committee, with your input.
- The Pension Protection Act requires an annual compliance process for donors and members of the committee, which CCF facilitates.

To establish a **Committee Advised Scholarship Fund**, contact Vice President of Development & Donor Relations Teresa Mosqueda at [tmosqueda@calfund.org](mailto:tmosqueda@calfund.org) or (213) 452-6298.

\*CCF disburses funds directly to the student's school, which then makes funds available for the student. CCF does not disburse funds directly to the student.

## IMPORTANT LEGAL DISCLOSURE

The information provided is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice.

The California Community Foundation does not provide legal or tax advice. You should consult your tax advisor to properly determine the tax consequences of making a charitable gift to the California Community Foundation.

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