Scholarship Giving at Chico State

Chico State is committed to making a college education accessible to anyone who wishes it, and scholarships are the key to meeting this goal. When you establish a scholarship you are investing in an individual and our future. A scholarship provides much needed financial assistance to deserving students, but perhaps more importantly it inspires, encourages, and conveys the power of giving. You can make a difference through scholarship giving.

More than 70 percent of Chico State students receive financial aid, and they rely on the availability of scholarships to make their education possible. Most students need to craft a plan that includes financial aid, a family contribution, income from a part-time or work study job, and student loans to pursue a college degree. Many who graduate are burdened with loan debt as they enter the workforce. Your support is absolutely critical to our ability to recruit and retain these students who enrich our campus and community.

Scholarships can be endowed or annual funds, they can help bring top-performing students to Chico State, or help those who are here to complete their degrees. Scholarships honor, acknowledge, or memorialize important people and their contributions. Scholarships are a way to give back and express gratitude. They are a way to have real impact on our future.

Types of Scholarships

Scholarships can be either endowed or annual funds. Both types of funds can support recruitment, retention and athletic scholarships. Recruitment scholarships are for first-time students, both freshman and transfers. Retention scholarships are for currently enrolled students. University-wide scholarships are not restricted to a specific major or college and there are college and department scholarships for students pursuing those specific degrees in those areas.
Endowed Scholarships

Endowed scholarships are permanent, restricted funds that are established with a minimum contribution of $25,000*. This amount can be either contributed in full at one time or with an initial commitment and incremental payments over a 5-year period until the endowment level is achieved.

The entire amount of endowment gifts are invested, with only a portion of the investment earned income being used to provide a scholarship, professorship or other specific University purpose as directed by the donor. Currently, 4 percent of the average of three years’ ending balances is the calculation used to determine the amount available for a scholarship. Endowments are assessed a quarterly administrative fee of 1.75%. Because only the income is used to support scholarships, while the principal continually grows, endowed scholarships create a permanent legacy for Chico State students.

A donor may wish to provide a “current-use” gift, while their endowment is building. For example, a donor paying a $25,000 pledge over five years may contribute an additional amount to an annual scholarship fund linked to their endowment. The minimum scholarship amount per student is $500. A donor’s current-use gift would immediately begin supporting an annual scholarship.

Annual Scholarships

Annual scholarships can be established with an outright gift of $1,000. An annual commitment of $1,000 per year is recommended. Unlike an endowed scholarship described above, an annual scholarship is not a permanent fund and is awarded as long as the donor chooses to contribute to the fund. There is no administrative fee and the fund is not invested.

Establish Scholarship Criteria

Donors choose the name of the scholarship and develop the criteria to be used in selecting the recipient. University Advancement staff will provide assistance in developing scholarship criteria. Endowed and annual scholarships at Chico State are awarded to deserving students based upon their area of study, geographical origin, volunteerism, community service, leadership potential, merit, financial need, academic achievement and other criteria.
Administration of Scholarship Funds

A University selection committee carefully reviews the scholarship applications submitted by students and selects the most deserving recipient(s) based on the donor-established criteria. Scholarship donors receive an annual report that states the balance of your fund, the income it has generated and, most importantly, the scholarships it has provided. Many colleges hold annual events to honor both scholarship recipients and donors, providing an opportunity to meet and celebrate student success.

The Foundation’s investment policies are intended to preserve and increase the principal value of its endowment while providing a dependable stream of income for the University. The University Foundation does not engage in high-risk or speculative activities. Portfolio management always follows written guidelines agreed to by the University Foundation Board of Governors. The Foundation portfolio is diversified so as to keep volatility within acceptable limits for the portfolio as a whole. The strategy of the Foundation Board is designed to ensure that future generations derive as much benefit from the endowment as do current students.

Tax Benefits of Funding a Scholarship

An outright gift in the form of cash or appreciated securities allows donors to receive immediate tax benefits in the year the gift is given to CSU, Chico University Foundation. In the case of gifts of appreciated securities, donors may also avoid capital gains taxes. Scholarships can also be funded through a donor’s estate plan. Estate gifts are an easy way to establish a scholarship without affecting current income or assets.

Frequently Asked Questions

Will I receive information about my fund and the student recipient(s)?

You will be informed of the name of the recipient, as well as the amount of the award and status of the fund. Annual fund reports are mailed to donors in the fall for the prior fiscal year July 1 – June 30. Current scholarship recipients write thank you letters that are sent to donors in the fall as well. The Colleges and Athletics have annual scholarship donor and recipient recognition events on campus where donors and scholarship recipients can meet.
How are scholarships named and how are the selection criteria established?

The major donor of a scholarship chooses the scholarship name. Scholarships are often named in memory of or as a tribute to an individual or an organization. The donor also chooses the selection criteria such as a required grade point average, class level, financial need and area of enrollment. For example, criteria for the Bob Smith English Scholarship might be: recipients must be English majors, have a 2.5 or greater grade point average, be a junior, sophomore or senior and have financial need. University Advancement staff will draft criteria according to donor specifications in a “scholarship guideline” that is provided to the donor for approval. Once the guideline is established, a fund number is created and the donor provides their gift to be credited to the new fund.

How are CSU, Chico scholarships awarded?

Students apply for scholarships via an online application on the CSU, Chico website that is open January 2 – February 15. The Office of Financial Aid collects and sorts the applications, and provides scholarship criteria and student applications to selection committees. Selection committees carefully review each application and select the most deserving recipient(s) based on the donor-established criteria. Students are informed at the end of the spring semester of their scholarships and financial aid for the next academic year. They typically receive half the scholarship amount in the beginning of the fall semester and half at the beginning of the spring semester.

Can I choose the scholarship recipient?

The IRS prohibits donors from solely selecting the recipients for their scholarship fund. Recipients are selected by campus committees as described above.

To discuss the many possibilities for establishing a scholarship or an award at Chico State please contact:

Shari Anderson  
Advancement Scholarship Coordinator  
530-898-4796  
slanderson@csuchico.edu

Revised May 2015