



Endowment Information

WHAT AN ENDOWMENT?

An endowed scholarship program is a tax-deductible contribution to Cobalt Mortgage Dollars for Scholars® for the purpose of using only the earnings from the principal of the contribution for the distribution of scholarship awards.

CAN THE DONOR DEFINE THE USE OF THESE CONTRIBUTED FUNDS?

We accept restricted contributions for any purpose fitting within our mission. Special provisions are included within the endowment agreement that allow a donor to work with Cobalt Mortgage Dollars for Scholars® to establish a scholarship program and necessary future program changes.

CAN ENDOWED SCHOLARSHIP PROGRAMS BE ESTABLISHED THROUGH A WILL?

There are many methods used for establishing endowed scholarship programs; a will is only one form. We have the flexibility to work with the financial needs of all donors to establish an endowed scholarship program on a current or deferred basis.

CAN DONORS EVER RECEIVE THEIR CONTRIBUTION BACK?

By law, any endowed contribution to a Dollars for Scholars® chapter is irrevocable. This law allows all contributions to be tax deductible.

WHAT HAPPENS IF THE PURPOSE OF THE ENDOWED CONTRIBUTION CEASES TO EXIST?

All of our endowed scholarship agreements contain a special provision called a “sunset clause.” This clause details what will happen if the purpose of the scholarship ceases to exist or if the our chapter ceases to exist.

CAN ADDITIONAL CONTRIBUTIONS TO THE ENDOWMENT BE MADE?

Any future contributions to the endowment will be tax-deductible by the donor and the earnings legally restricted according to the terms of the endowment agreement.

DO EARNINGS FROM THE ENDOWMENT NEED TO BE SPENT IMMEDIATELY?

It is permissible to build the principal of the endowment to a specified level prior to distributing earnings for a scholarship.

HOW DOES COBALT MORTGAGE DOLLARS FOR SCHOLARS® INVEST ENDOWMENT FUNDS?

All investments are controlled by the board of directors of the local Dollars for Scholars® chapter. All endowed scholarship funds are invested in conservative, interest-bearing securities such as U.S. Treasury Securities. The investment policy is available.

ARE THE FUNDS PROTECTED FROM A CHAPTER’S CREDITORS?

By establishing an endowment with a Dollars for Scholars® chapter, all funds are protected from creditors.

HOW DOES THE PROCESS OF ESTABLISHING AN ENDOWED SCHOLARSHIP PROGRAM BEGIN?

A potential donor should contact their Cobalt Mortgage Dollars for Scholars® chapter representative. We have all forms necessary to complete the establishment of the endowed program.