

November 19, 2018

Dear Reader,

Thank you. You've likely been provided with a copy of this document because you are a donor to Augsburg University or you are considering a special gift. We appreciate your generosity and interest in partnering with us.

The mission of Augsburg University is to educate students to be informed citizens, thoughtful stewards, critical thinkers, and responsible leaders. The Augsburg experience is supported by an engaged community that is committed to intentional diversity in its life and work. An Augsburg education is defined by excellence in the liberal arts and professional studies, guided by the faith and values of the Lutheran church, and shaped by its urban and global settings.

We are a nonprofit organization. Our legal name is Augsburg University. Our Federal Tax ID number is #41-0694721. Our mailing address is 2211 Riverside Avenue, Minneapolis, MN 55454.

Augsburg was founded in 1869 and has evolved over the course of 150 years from what was primarily a seminary to a comprehensive university with campuses in Minneapolis and Rochester, Minnesota. We are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, the National Council for Accreditation of Teacher Education, and the Accreditation Review Commission on Education for the Physician Assistant. We are also approved by the American Chemical Society, the Council on Social Work Education, the National Association for Music Therapy, Inc., the National Association of Schools of Music, and the National League for Nursing. We enroll nearly 3,500 students, including traditional undergraduates, adult undergraduate students, and students in nine graduate programs.

Augsburg is also home to a number of programs serving our community and the church. Whether we are a fiscal sponsor, the program home, or a partner in a shared grant, all philanthropy follows a set of documented Gift Acceptance Policies and Established Practice.

Enclosed with this letter is documentation titled Philanthropic Gift Acceptance Policies and Established Practice. We make this available as an education tool to inform our donors about the legal, practical, and institutional guidelines we use. This document was created to be comprehensive. Before accepting a major or planned gift commitment, we ask all donors to acknowledge receiving and reviewing this material. Please let us know if you have any specific questions. We are happy to discuss gift planning with you and to help you find particular information on policies and practices related to your interests and gift planning.

This document is an updated version of policies that have been in effect at Augsburg for many years. Our policies are based on law and best practices in philanthropy, including best practices identified by the Council of Advancement and Support of Education, the Association of Lutheran Development Executives, the Association of Fundraising Professionals, and the Minnesota Planned Giving Council. Augsburg as an institution and individual members of the advancement staff are longtime members of these professional organizations and take seriously our adherence to best practices.

Augsburg encourages all donors to consult with their own tax, financial, and legal advisors while considering special outright and planned gifts. At your request, we are happy to work with your advisors.

Thank you again for your interest. We are deeply grateful for your support.

Sincerely,



Amy Alkire  
Vice President of Advancement  
612-330-1188  
alkirea@augsborg.edu

## Table of Contents

What is a Gift?.....	4
Ways to Give .....	5
• Gift Requiring Special Review and Approval	
• Not Acceptable Ways to Give	
Ways to Direct and Restrict Gifts .....	12
• Commonly Accepted Gift Restrictions	
• Not Acceptable Gift Restrictions	
• Use of Funds when Restriction is no longer viable	
Naming Opportunities and Minimum Gift Levels.....	14
Administration and Investment of Endowed Funds.....	15
Recommendation to Donors.....	16
Fees and Commissions .....	17
Policy Amendment and Review .....	18
• Endowed Funds to Support Faculty and Program Directors	
• Endowed Funds to Support Student Financial Aid	
• Endowed Funds for Other Purposes	

## What is a Gift?

Under IRS guidelines, a gift is defined as a voluntary transfer of assets from a person, organization, foundation, or corporation to the institution where no goods or services are expected, implied, or forthcoming to the donor. Gifts can be given in the form of cash, securities, real property, or personal property.

The following criteria generally identify a charitable gift:

- a. A gift is motivated by charitable intent.
- b. Gifts are irrevocable transfers of assets.
- c. The institution is not obliged to return unexpended funds.
- d. Gifts cannot be subject to an exchange of consideration or other contractual duties between the institution and the donor, except in the case of certain deferred gifts as set forth in these guidelines.
- e. A period of performance is not specified.
- f. Formal financial accounting to the donor is not required as it would be, for example, with a research grant.

## Ways to Give

The following are all ways that donors to Augsburg make philanthropic gifts to support our work. Donors are encouraged to notify the Office of Institutional Advancement of all gift intentions to ensure that gifts fit within Augsburg's acceptance policy and the donor's intent is carried out. If you have questions about any of these ways to give, please do not hesitate to contact our office.

**Cash** donations are accepted but not encouraged.

**Checks** are the most popular way donors make gifts to Augsburg. Checks for all funds and all programs associated with Augsburg should be mailed to:

Augsburg University  
Attn: Institutional Advancement  
Campus Box 142  
2211 Riverside Avenue  
Minneapolis, MN 55454

**Check cards and credit cards** are also popular ways to give. We encourage donors to give online at [augsborg.edu/giving](http://augsborg.edu/giving) or by phone at 612-330-1557. Each year more donors set up Thoughtful Giving plans by making arrangements for automatic monthly gifts through their checking accounts or credit cards.

**Online crowd funding** is growing in popularity. Donors who support our mission through one of the many crowd funding platforms will receive an acknowledgement from Augsburg when we learn of the gift and the funds are transferred to Augsburg accounts. For example, Augsburg has a history of high donor participation in Give to the Max Day at [givemn.org](http://givemn.org). Gifts made this way flow through the Minnesota Community Foundation to Augsburg after nominal fees have been subtracted from each gift. There is a maximum 30-day delay between when gifts are made and when they are transferred to Augsburg.

**Employee payroll deduction** is popular with faculty and staff who have their gifts withdrawn from their paychecks.

**Matching gifts** are secured by donors to Augsburg who have the benefit of a matching gift program through their employer or another entity like a foundation where they serve on the board.

**Publicly traded stocks and mutual fund shares**—are highly appreciated, popular stocks because they are easy to do. If a donor has held an appreciated stock or mutual fund for more than one year, they can donate those securities to a charity and receive a tax deduction for the fair market value of the securities and eliminate any capital gains assessments on the future sale of the securities.

To make a gift of stocks or mutual fund shares, contact your bank or broker and authorize them to transfer the securities to Augsburg through the university's account at UBS in Bloomington.

Account Registration: Augsburg University, 2211 Riverside Avenue

Account Number: 7N 29278

DTC# 0221

Address of Account Holder: 2211 Riverside Avenue, Minneapolis, MN 55454

Contact Name and Number:

UBS Financial Services in Bloomington

8500 Normandale Lake Blvd., Ste. 210

Bloomington, MN 55437-3815

Geri Paquette

952-921-7932

geri.a.paquette@ubs.com

Contact Ilse Rolf at [rolfi@augsborg.edu](mailto:rolfi@augsborg.edu) or 612-330-1512 and provide your name and address, the specific name of the securities to be transferred, the number of shares to be transferred, any special restrictions on the securities to be transferred, the designation of the gift (The Augsburg Fund, Hagfors Center, endowed scholarship, special project, etc.), and the name, address, and telephone number of your broker.

Soon after the stock gift is transferred to Augsburg's account at UBS, the university will sell it and designate the proceeds to the appropriate purpose.

### **Charitable Distribution Directly from an IRA**

In understanding the opportunity available to donors with this type of gift, it is helpful to review the basics of a required minimum distributions: People age 70½ or older generally must withdraw a minimum amount each year from traditional IRAs (Roth IRAs are excluded) and employer-sponsored retirement plans. The money people are required to withdraw gets added to their taxable income. Failure to take a required minimum distribution by year-end could result in a stiff IRS penalty—50% of the amount withdrawn.

Under the Qualified Charitable Distribution rule, beginning at age 70½, people can have all or part of their distribution made directly from an IRA to a qualified charity (up to \$100,000 per taxpayer, per year). Unlike conventional RMDs, QCDs aren't subject to ordinary federal income taxes.

### **Beneficiary Designation**

Donors may make Augsburg the beneficiary (or an alternate beneficiary) of all, a percentage, or a specified amount from a life insurance policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401(k) plan, a defined contribution (profit sharing), a charitable remainder trust, a lead trust, or another financial planning instrument.

### **Life Insurance Policies**

Augsburg accept gifts of life insurance policies, including whole life, variable, and universal life policies, which meet the guidelines specified below.

If the policy is paid-up:

- The institution is designated as the owner and the beneficiary of the policy.
- If intended for endowment purposes, the face value of the policy must meet the minimum funding requirements for the endowment(s) stated purpose(s) which have been established by the institution at the time of the gift of the policy.

If the policy is not paid-up:

- The institution is designated as the owner and the beneficiary of the policy.
- If intended for endowment purposes, the face value of the policy must meet the minimum funding requirements for the endowment(s) stated purpose(s) which have been established by the institution at the time of the gift of the policy.
- The donor agrees to send the regularly scheduled premium payments to the institution and these payments must cover in full the premium payments due at the end of each billing cycle. In the event the donor(s) stop making premium payments or payments do not cover the full amount of the premiums due, the institution retains the right to sell the policy for its cash surrender value.
- Dividends will not be used to cover premium payments unless approved by the president.

### **Bequests**

A bequest to Augsburg can be made through a donor's will or revocable trust. The donor can designate a specific amount, a percentage, or the remainder of an estate. Frequently donors add Augsburg to their existing wills or revocable trusts with a simple codicil.

## **Gifts Requiring Special Review and Approval**

These gifts require special review and approval by the president and members of the President's Leadership Team, including the vice president for institutional advancement and the vice president for finance and administration and chief financial officer.

### **Charitable Gift Annuities**

A charitable gift annuity is a contract between Augsburg and the donor. Augsburg agrees to pay the donor (or other person named by the donor) a lifetime annuity in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse. The annual payment is a fixed sum, the amount of which is based on the size of the gift and the number and ages of the beneficiaries. Rates of return under a charitable gift annuity are lower than the rates offered by commercial insurance companies so that a significant residual amount will remain for the institution.

The minimum contribution amount for a gift annuity is \$10,000. The rates of return payable to annuitants shall not exceed those recommended by the American Council on Gift Annuities as of the date of contribution. Annuity agreements shall be limited to two lives. Generally, the minimum age for the annuitants shall be 60 years of age for immediate annuities and 45 years of age for deferred annuities. Gift annuities shall be managed by the institution, and the institution may employ agents and advisors to assist with the administration and investment of gift annuity assets.

### **Charitable Remainder Trusts and Charitable Lead Trusts Where Augsburg Serves as the Trustee**

Augsburg may agree to serve as the trustee of charitable trusts that support the mission and the goals of the donor. The initial contribution to the charitable remainder trust shall be at least \$100,000. If the income interest is for life, the beneficiary(ies) must be at least 45 years of age for a NIMCRUT, NICRUT, or FLIPCRUT, and 60 years of age for a standard or straight charitable remainder trust, unless the GRC approves a younger age limit. In situations where payments are to be made for the lives of multiple beneficiaries, there may be no more than two beneficiaries listed. The institution will not serve as trustee of a charitable remainder trust interest unless the trust is designed so that its net present value at the time of future distribution to the institution is not less than 50 percent of the initial gift. Calculation of net present value will consider a reasonable return over time, growth of trust assets, allowance for management expenses, and discount (inflation) factor in accordance with practices of similar charitable organizations.

Exceptions may be recommended by on the basis of the assets involved, size of the gift, and the potential for additional gifts or additions to the unitrust.



Where the trust is testamentary, that is, one that arises upon the death of the donor, the institution reserves the right to disclaim any interest that would be in violation of gift acceptance guidelines.

**Closely Held Securities**

Augsburg accepts gifts of Closely Held Securities or non-publicly traded securities, sole proprietorships, general or limited partnership interests, S-Corporation securities, interests in real estate investment trusts, and limited liability company interests.

**Restricted Securities**

Restricted securities (also known as unregistered securities, investment-letter stock, control stock, or private placement stock) are infrequently given as gifts because of the difficulty in transferring ownership and determining fair market value. Prior to acceptance, the office of the chief financial officer should be notified of a donor's intent to give a gift of a restricted security so they may perform an evaluation of the purpose and review the extent of the restrictions placed on the stock.

If restricted securities are being considered as a gift to the institution, IRS Publication 561 should be consulted when trying to determine the value of the securities. If the value of the gift is estimated to be \$5,000 or more, the donor must provide an appraisal report prepared by a qualified appraiser.

**Gifts of Real Property or Tangible Personal Property**

All appraisals of real and personal property contributed to the institution will be done in accordance with IRS Publication 561, "Determining the Value of Donated Property."

Prior to accepting, Augsburg may request at the donor's expense one or more of the following related to proposed gifts of property, including real estate, tangible property, bargain sales, or retained life estates:

- a preliminary title report clear of unacceptable encumbrances, performed by a reputable title insurance company
- a MAI appraisal by a qualified appraiser
- a phase one environmental audit indicating that ownership will not expose the institution to environmental liabilities (The GRC may waive the phase one requirement for non-farm residential properties.)
- a market feasibility study for purposes of liquidation
- an on-site evaluation by a qualified representative of the institution
- evidence of compliance with ADA (when applicable)
- a structural engineering report (when applicable)

- a review of leases (for commercial properties)
- a disclosure statement for residential properties (when applicable)
- UCC1 lien search in the state where the asset is located and, if different, the state(s) where the donor resides or conducts business which involves the asset

Special note on gifts with a life interest: Any agreement creating the life interest must provide that the donor and/or life tenant shall remain responsible for the payment of mortgages, taxes, insurance, utilities, maintenance/repairs, and other costs associated with the property, unless other specific provisions are made for the payment of these expenses. Donor(s) shall not violate or allow the violation of any environmental laws/ordinances covering this property.

### **Gift of Property with Restrictions to Augsburg Ownership in Perpetuity**

#### **Gift of Perishable Property**

#### **Property requiring special facilities or security in order for it to be properly safeguarded**

**Other** personal property of any description, including mortgages, notes, copyrights, royalties, partnership interests, closely held business interests, undivided interests in property, future and partial interests, and other non-liquid financial assets

#### **Notes on Deductibility of Noncash Charitable Contributions**

If a donor wishes to claim an income tax deduction of \$500 or more in any year for gifts to charity which are not cash, then the donor must file IRS Form 8283 (Noncash Charitable Contributions) with a federal income tax return.

In addition, if a donor wishes to claim charitable income tax deductions totaling \$5,000 or more in any tax year for gifts that are not cash or publicly traded securities, then the donor needs to obtain qualified appraisals of the property donated. Augsburg University must acknowledge receipt of the property by signing the IRS Form 8283, which the donor then files with federal income taxes. Augsburg will not provide or pay for an appraisal for a donor's tax purposes. Also, the institution will not attempt to provide an estimate or a fair market value of any real or personal property gift.

Form 8283 is processed either through the Advancement Services Office (for all other noncash gifts) or through the Administrative Accounting Office. The form may be signed by the director of advancement services, the chief financial officer and vice president of operations, or the controller

in the Administrative Accounting Office. The individual accepting the gift should make sure that the donor's name and Social Security number and the donor's address are on the form or have been provided by the donor. It is the donor's responsibility to notify the institution that they will require the institution to prepare and sign an IRS Form 8283 for their tax purposes.

### **Not Acceptable Ways to Give**

Augsburg will not accept any gift that:

- violates federal, state, or local statute or ordinance
- exposes the institution to litigation or other liabilities
- requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made
- generates unrelated business income tax
- appears to be financially unsound

Augsburg will not accept any gifts requiring special review and approval until review is completed and approval from the president is secured.

## Ways to Direct and Restrict Gifts

### Commonly Accepted Gift Restrictions

Unrestricted giving offers Augsburg the greatest amount of flexibility in the short and long term. Unrestricted giving is also, by far, the most popular choice among donors.

Restricted giving to underwrite a particular current purpose or program is also common. Each year, Augsburg donors support programs like athletics, StepUP®, the Center for Learning and Accessible Student Services, particular academic departments, programs like the Minnesota Urban Debate League, Campus Kitchen, or one of the centers of commitment.

Restricted gifts to scholarships that support students with need or students who are particularly high achieving can be made as current gifts or made to endowed funds that exist in perpetuity.

Restricted gifts to capital projects and debt reduction are welcome and essential to meeting the needs of today's students and faculty.

Endowments are funds that are given to Augsburg to be set aside in an investment pool, creating a stream of funds in perpetuity. Donors may give to the general endowment, to an existing endowed fund, or give to create a new endowed fund for a specific purpose. The Augsburg Board of Regents sets endowed fund investment policy and sets minimum amounts needed to create new endowed funds.

### Not Acceptable Gift Restrictions

Augsburg will not accept a gift that:

- creates a fund to provide for scholarships, fellowships, professorships, or lecture series with restrictive clauses that could cause embarrassment to the institution, or that reserve to the donor the right to designate the recipient
- limits, beyond a general description of the subject area, the research or work of a faculty member or student
- contains a condition that requires any action on the part of the institution that is in violation of institutional policy
- commits the institution to name a building, facility, institute, center, or an endowment fund where the gift is potentially revocable in any way
- inhibits the institution from seeking gifts from other donors, be they similar or different, foreign or domestic

- requires the institution and its administration to employ a specified person at a future date
- contains unreasonable conditions (i.e., a lien or other encumbrance) on gifts of partial interests and property
- requires tuition payments for a family member of the donor or directs the tuition payment to any designated person

### **Use of Funds When Restriction Is No Longer Possible**

Any restriction(s) placed on the use of the funds by the donor may be deemed unreasonable or unable to be fulfilled due to specific circumstances including, but not limited to:

- a capital project or facility can no longer be used
- the termination of a program
- a surplus of funds available from other sources to fulfill the designated purpose
- the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds
- the designated purpose is no longer consistent with the mission of the institution and its individual programs
- the designated purpose does not comply with local, state, or federal laws
- inability to identify a student recipient within a reasonable time period

## Naming Opportunities and Minimum Gift Levels

In appreciation of donor generosity, Augsburg often offers to name a fund, a program, a room, a building, or some other special opportunity.

Naming opportunities—including the appropriate gift size, the funding plan, and the manner in which the gift will be utilized—is always at the institution’s discretion and must fall within parameters established by the Board of Regents.

Irrevocable deferred gifts—including gift annuities, pooled income funds, and charitable remainder trusts—may be used to fully or partially fund a named opportunity as long as the present value of the gift meets the agreed gift level.

The Augsburg Board of Regents has established minimum levels for the creation of named endowed funds for gift agreements—for both outright and planned gifts—completed between June 1, 2016 and May 31, 2020. If the minimum level for creating a named fund is not reached within the expected time frame of the gift agreement, the corpus of this fund may be added to another endowed fund with a similar purpose or it may be added to the general endowment.

Naming recognition on capital projects or on something like a work of art is expected to persist for as long as the facility, artwork, tree, bench, or other named thing exists. It is typical for Augsburg to remove historical donor recognition, for example, when a building is torn down or significantly remodeled. If an object with donor sponsorship or naming is destroyed, lost, stolen, or otherwise completes its use on campus, that will typically complete the donor recognition associated with that gift.

Augsburg is committed to honoring the purpose established by named endowed funds and restricting expenditures to fulfill the purpose as described in the Gift Agreement. The benefits of donor-established funds will not be redirected to any other purpose except in the unusual circumstance where the original purpose cannot be achieved. In the event of such a change in circumstances, Augsburg is obligated by law to find another purpose as close to the original intent as possible. As a matter of policy, whenever practical, Augsburg will consult with the primary donor(s), if still living, in the rare event a change from the original intent is necessary.

## Administration and Investment of Endowed Funds

Augsburg may commingle the assets of donor-established endowed funds with other endowment assets for purposes of investment, but it shall keep separate records and books of accounts with respect to the fund.

Augsburg shall place the assets of endowed funds under the management and direction of one or more of the investment advisors which it uses from time to time in managing its endowment assets. Endowed funds shall be managed according to the prevailing investment policies of Augsburg with regard to its endowment assets.

Augsburg manages and administers endowment assets within the guidelines of the Uniform Prudent Management of Institutional Funds Act. Market conditions may cause periods when the market value of this endowment is less than the value of the original gift(s).

The fund shall not constitute a trust, and its assets shall be held by Augsburg as the beneficial owner and not as a trustee.

## Recommendation to Donors

### **Donor's Use of Professional Advisors**

All prospective donors will be urged to seek their own counsel in matters of estate planning, taxes, and planned gifts. It is not appropriate for the institution to give legal advice or provide counsel to the donor since it is the donor and the donor's counsel alone who must bear responsibility for all decisions made by the donor. Prior to accepting any gift, the institution shall advise the prospective donor to seek professional advice from an attorney and/or accountant/tax advisor. This will be of particular importance if the prospective donor intends to make a deferred gift through use of a will, trust, annuity contract, or other instrument. If the prospective donor has not yet established a relationship with a qualified professional advisor, representatives of the institution may refer the prospective donor to qualified professionals, however, referrals should be made only to professionals who are listed on the institution's qualified referral list in Exhibit C, and a copy of the entire list should accompany the referral. The professional receiving the referral will be made aware of being retained by the prospective donor to represent only the prospective donor's interests and not the interests of the institution.



## Fees and Commissions

### **Finder's Fees or Commissions**

Consistent with the codes of ethics of the Association of Fundraising Professionals and the National Committee on Planned Giving, no finder's fee or commission of any type will be paid by the institution to any party in connection with the completion of a gift to the institution without prior institution approval.

### **Professional Fees**

Reasonable costs of gift acquisition, such as transaction costs and professional fees, will typically be borne by the donor. However, there may be occasions when a prospective donor requests that the institution pay such costs. The institution will verify the reasonableness of the costs and that the cost reimbursement complies with state and federal requirements, including but not limited to tax laws and professional ethics guidelines. If appropriate, the institution may agree to pay gift acquisition costs by using funds from its operating budget.

## Policy Amendment and Review

The president and the President's Leadership Team, including the vice president for institutional advancement, are responsible for reviewing and recommending amendments to Augsburg's Gift Acceptance Policies and Practices. These guidelines shall be reviewed at least annually to ensure they are consistent with IRS regulations or other applicable state or federal laws.

### Endowed Funds to Support Faculty and Program Directors

#### Naming and Recognition

One of the ways Augsburg recognizes the generosity of donors who create endowed funds to support faculty is to name a position or program in honor of the donor or a person or institution designated by the donor.

Named Funds	Minimum Endowment Gift
University professorship or director (new position)	\$2,500,000
University professorship or director (existing position)	\$1,000,000
Signature academic program support (new)	\$500,000
Academic department or center of commitment fund (existing)	\$100,000

#### Appointment Decisions

Current faculty and staff may be eligible for appointment to a named position. The university may also seek to recruit to fill endowed positions. The Augsburg University administrator responsible for ensuring endowed funds are expended will determine the appointment and length of term for each position based on the memorandum of agreement with the donor.

#### Appointment Timing (new position)

Augsburg University will recruit and appoint faculty and directors to named positions when the fund reaches a minimum of \$1,000,000 and the donor has completed a pledge agreement to reach \$2,500,000 within five years. As the fund grows over time, more resources will be available to support the work of the scholar and/or the department.

#### Appointment Timing (existing position)

Augsburg University may appoint faculty and directors to named positions when the fund reaches a minimum of \$250,000. As the fund grows over time, more resources will be available to support the work of the scholar and/or the department.

**Use of Endowed Funds for Faculty Positions**

The annual draw from an endowed fund for a university professorship or director may be used for recruitment and search related costs, salary, supplemental compensation, program startup costs, student research, supplies, travel, support staff, publishing expenses, and other items necessary to support the work and increased effectiveness of the scholar and academic department.

**Use of Endowed Funds for Academic Departments**

The annual draw from an endowed fund for an academic department may be used for recruitment and search related costs, salary or supplemental compensation, support staff, program startup costs, student research, supplies, travel, publishing expenses, and other items necessary to support the work and increased effectiveness of academic department.

**Endowed Funds to Support Student Financial Aid**

**Naming and Recognition**

One of the ways Augsburg recognizes the generosity of donors who create endowed scholarships is to name funds in honor of the donor or a person or institution designated by the donor.

<b>Named Scholarships</b>	<b>Minimum Endowment Gift</b>
Presidential Scholarship	\$1,000,000
Scholarship for merit/achievement	\$250,000
Scholarship with award preferences	\$100,000
Scholarship with no restrictions	\$50,000

The Augsburg University administrator responsible for ensuring endowed scholarships are expended will determine the award based on the memorandum of agreement with the donor. In situations where sufficient funding is available, more than one student may be supported with the annual draw from the endowment as long as the original intent of the gift is maintained.

**Award Decisions for Presidential Scholarships**

The highly competitive process for awarding Presidential Scholarships involves an application and interview with faculty and staff to find the most promising applicants with exceptional academic ability and strong evidence of leadership potential.

**Award Decision for scholarships for Merit/Achievement**

Donors may restrict endowed scholarship awards to students who are recognized for a particular type of academic merit or achievement. These awards are not necessarily tied to financial need.

**Award Decision for Scholarships with Restrictions**

Donors may indicate a preference that an endowed scholarship is awarded to students who meet certain criteria. Possible restrictions include religion, ethnicity, geographical origin, field of study, and vocational interest. These awards are most often given to returning students. They may or may not be tied to financial need based on the memorandum of understanding with the donor.

**Award Decisions for Scholarships with No Restrictions**

Scholarships with no restrictions will most often be awarded to incoming first-year students with demonstrated financial need who will often retain the award through graduation.

**Use of Endowed Scholarships Funds**

The annual draw from an endowed scholarship is credited to student accounts to offset tuition charges.

**Endowed Funds for Other Purposes**

**Naming and Recognition**

One of the ways Augsburg recognizes the generosity of donors who create endowed funds is to name programs or initiatives in honor of the donor or a person or institution designated by the donor.

Other Named Funds	Minimum Endowment Gift
Convocation/lecture	\$250,000
Student research	\$100,000

**Use of Endowed Funds for Convocations or Lectures**

The annual draw from an endowed fund for a convocation or lecture may be used for speaker fees, travel, advertising, event costs, and other expenses necessary to support student engagement with this special learning opportunity.

**Use of Endowed Funds for Student Research**

The annual draw from an endowed fund for student research will most often be used for wages or a stipend for students conducting research in partnership with a faculty member. Funds may be used for grant-seeking expenses, travel, equipment, and other expenses necessary to support student engagement with this special learning opportunity.

*Approved by the Augsburg University Board of Regents January 29, 2016 and made effective July 31, 2016.*