

SWE Endowed Scholarship FAQ

SWE-EFI Board of Trustees (BOT) – Scholarship Account

[SWE-EFI is the Society of Women Engineers - Endowment Fund Inc]

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GENERAL QUESTIONS

1. What is an endowment?

An endowment is when you donate a certain amount of money to a permanent account. The income from the investment of the donation funds the scholarship stipend and any administrative fees. In an endowment fund, the principal (also called "corpus") is not allowed to be spent.

2. What is required to endow a SWE scholarship?

A minimum donation of \$25,000 is required to endow a \$1000 annual scholarship stipend. Each additional multiple of \$25,000 will each increase the stipend by a \$1000. Smaller additions are welcome and will, over time, grow the stipend. Donors may choose to add an additional amount to cover SWE's cost for administering the scholarships. The suggested additional amount is a flat fee of \$2500.

3. Who manages the money?

Endowed scholarships are managed by the Board of Trustees (BOT) composed of eight SWE members elected by SWE members. All scholarship funds are pooled to minimize overhead costs and to maximize investment diversification.

4. How did SWE determine the \$1000 stipend for a \$25,000 endowment?

The \$1000 stipend/\$25,000 endowment is a 4% return. There are expenses with managing the Scholarship Account. Although they are very low, costs are prorated across all the scholarships. We manage the funds to take inflation into account. This return is similar to that currently being used by many university endowments. The Board of Trustees (BOT) evaluates the performance annually and determines if it can increase scholarships in number or increase the stipends. The return on investment varies depending on the investment climate. The BOT looks for growth along with income. We continue to look for ways to increase the total scholarship payout, while maintaining a suitably conservative approach to investing.

5. How does a SWE endowed scholarship get named?

The entity providing the endowment has the right to name the scholarship with acceptance by the BOT to ensure consistency and avoid conflicts.

6. Can I endow a scholarship over time?

Yes. Our pledge form which specifies the minimum number of payments and the time frame. You may make an initial donation, sign and commit to complete payments over 3 years. If the endowment is not completed in time, the BOT reserves the right to use the money for the general scholarship endowment. This would only happen after dialogue with the donor. If you are interested, please contact the BOT Scholarship Program Manager, endowedscholarships@swe.org.

7. Will the BOT accept part of the endowment money from a SWE Section and invest it while we continue to raise money?

No. We recommend you keep the funds in a bank account, short term CD's or a money market account until you have raised the full \$25,000. We do not accept gifts of less than \$25,000 except for individual donors who sign a pledge. Many individual donors want to endow over time for tax considerations or want to spread the donations out over future income. This concern does not apply to SWE Sections.

8. Who can endow a scholarship?

An individual, an individual's estate, a family, a company or a SWE Section (professional or collegiate) can endow a scholarship.

9. What if I want to establish a one-time, unendowed scholarship?

Please review the SWE website <https://swe.org/partner/pg-scholarships/> and contact SWE HQ, hq@swe.org.

10. Can we get our money back?

No. Gifts to any endowment are irrevocable. This not just a SWE rule but a standard for endowment funds. It is very important that you understand the terms and conditions of the endowed scholarship program before you make a gift. Please contact the BOT prior to making a gift and make sure everything is clear. The BOT will be happy to work with you to resolve any questions.

11. What is the benefit to a SWE section to endow a scholarship?

By turning the funds over to the BOT in the form of an endowment, the section can rest assured that they will have a permanent scholarship program, regardless of their ability to manage the funds locally. By pooling your funds with other scholarship funds, the BOT can help you achieve improved diversification and reduced investment cost.

12. I have read about people encouraging large endowments (e.g. Harvard, etc.) to “give away their endowment” and not be so stingy. What does the Board of Trustees feel about this?

The purpose of an endowment is to create a permanent, rising stream of income. It goes against the very nature of an endowment and the contract we have with a donor to “give away” the endowment. In addition, endowments are governed by [UPMIFA](#) (Uniform Prudent Management Of Institutional Funds Act). This is the law in the District of Columbia, where SWE and SWE EFI are incorporated. In summary, UPMIFA states that it is considered imprudent for an organization to payout more than 9% of its corpus in a given year. So, while the BOT could increase the payout above 4%, we are bound to keep the payout below 9%.

How to Establish, Grow and Change an Endowed Scholarship

1. How do I get started?

Contact the Board of Trustees Scholarship Program Manager, endowedships@swe.org to discuss your endowment goals. The Program Manager will review the endowment levels, the criteria you can specify and other details. You will complete and submit a criteria form for review and discuss how and when you will transmit your funds.

2. What is the difference between the Silver Level and the Gold Level?

The Silver Level, created in 2022, is for donations from individuals or companies of \$25,000 up to \$125,000. At this level, you can specify one or more class levels (Freshman, Sophomore, Junior, Senior, Graduate Student). Broad criteria facilitates the ability for several, small scholarships to be awarded to one student, thus increasing the impact for each student. The Gold Level is for donations from individuals or companies of \$125,000 or greater. It is also for SWE Sections endowing at \$25,000 or above. At this level, you can specify additional criteria, such as making the scholarship renewable, specific majors, educational institutions and/or geographic areas. We recommend keeping the criteria of every scholarship as broad as possible, however, to increase the probability of awarding the scholarship.

3. I endowed at the Silver Level (less than \$125k) after 2022. What happens if I add enough funds to get to the Gold Level?

When the corpus of your scholarship reaches \$125k, you can specify additional criteria as noted in question 2 above. Simply contact the BOT Scholarship Program Manager at endowedships@swe.org to discuss your wishes.

4. I endowed prior to 2022 or I endowed at the Gold Level. Can I change my scholarship criteria?

Yes. You can change the criteria at any time. We encourage donors to be as flexible as possible to increase the probability of awarding the scholarship. Changes should be finalized by July 31 of each year. This will allow adequate time to update the system prior to the annual application process. Be aware that if your scholarship is already renewable, you may have to wait until a current recipient has finished their term. Simply contact the Scholarship Program Manager, endowedships@swe.org to discuss your wishes.

5. How is my scholarship publicized? Can I make changes to the posting?

All endowed scholarships are recognized on the SWE.org website with a biography that you will submit to describe either the donor, the scholarship honoree or the endowing company, as appropriate. A rubric will be provided to help you. A photo may also be included. You can modify this posting at any time by contacting the Board of Trustees Scholarship Program manager, endowedships@swe.org. All scholarships administered by SWE are publicized in a multitude of ways and routinely appear on various websites that help students find scholarships. A list of all postings for endowed scholarships can be found here: <https://swe.org/wp-content/uploads/2018/12/SWE-Endowed-Scholarship-Booklet.pdf>

6. Can people donate to an existing named scholarship and is there a minimum amount?

Once a scholarship is endowed, additional donations may be made by anyone, in any amount. Each donation will increase the principal (corpus) of a scholarship and, by extension, the stipend.

7. How can someone donate cash to an existing endowed scholarship?

Donations may be made through SWE HQ website using a credit card via this link: <https://swe.org/donate-to-endowed-scholarships/>. Simply search for the scholarship on the drop down list and contact endowedships@swe.org if you have any questions. If you donate via the website, you will receive a tax receipt via email from SWE HQ. The donor has an option to note that a donation is being made in honor or memory of someone.

Alternatively, you can mail a check to the SWE Endowment Fund Inc, 500 Westover Drive, #15679, Sandford, NC 27330. Please note the name of the scholarship on the check OR note general scholarship fund. Include your contact info if you would like a tax receipt from the Board of Trustees.

You can create a giving campaign on Facebook or other platforms by including a link to a scholarship listed on the [swe.org](https://swe.org/donate-to-endowed-scholarships/) donate page for endowed scholarships. Some of our donors have increased their scholarships by hosting a campaign on their birthday, a day special to them or the anniversary of an honoree's passing.

8. Can I donate securities or my IRA Required Minimum Distribution to endow or add to a scholarship?

In most cases, yes. The securities must be traded on a major exchange. In general, a donation of highly appreciated securities can be very attractive, as the donor may eliminate or reduce the need to pay capital gains taxes on the appreciation. It may be possible to donate all or part of your Individual Retirement Account (IRA) Required Minimum Distribution (RMD). A member should always consult a tax or financial advisor regarding their own situation, as the BOT does not give individual tax advice. Please contact the BOT treasurer, treasurer.trustees@swe.org for more information.

9. Can company matching funds be used to create or add to my scholarship?
Yes. Check with your employer for more details. Request a Matching Gift from your company. Complete and submit the form to BOT Treasurer (treasurer.trustees@swe.org) along with your gift. The treasurer will verify the form and return it to your company. The company will issue a matching gift donation to SWE EFI. Be sure to use the Employee Identification Number (EIN) for the SWE Endowment Fund Inc (EFI): 20-2761991 when sending funds. EFI has a different EIN from SWE. Contact the BOT treasurer, treasurer.trustees@swe.org for more information.
10. How much will the scholarship grow when funds are added?
The scholarship stipend will increase proportional to the donation, dependent on market conditions. Each \$25k donated increases the scholarship by \$1000 after the donation has been invested for a full fiscal year, (July 1 – June 30). We typically increase scholarship stipends in increments of \$250, so there may be a time lag due to market conditions, etc. until your scholarship increase by \$250.
11. Will the scholarship stipend grow even if additional funds are not added?
The BOT uses unrestricted scholarship donations and investment growth to sustainably increase stipends as appropriate. We cannot predict when this might happen, but all endowed scholarships will be treated in the same manner. The number and amount of increases are at the sole discretion of the BOT, and will be based on both donation history and investment performance. As an example, due to general donations and good market conditions, one of our scholarships was endowed 30 years at \$25,000. Although it has received no significant additional donations, it has grown from \$1000 to \$2750.
12. Can a donor find out the value of their scholarship account or how much has been donated?
We can tell you the current value of the principal (corpus) but we do not maintain separate investment accounts for each named scholarship. The funds are pooled for investment. Each endowment is held as a permanently restricted asset. The BOT reports on the status of the Scholarship Account as a whole, to SWE Membership on an annual basis. The BOT is establishing an annual communication process to inform endowers of significant donations to their scholarship. Endowers can request this information for their scholarship at any time by contacting endowedships@swe.org.
13. Can I designate one or more scholarships in my estate plan?
Please visit the “Donate and other ways to give” section of swe.org and click on the link for Planned Gifts (<https://swe.org/support-swe/donate-and-other-ways-to-give/>). There you will find suggested language to include in your estate plans and other information. We strongly encourage donors to contact their tax advisor for advice prior to making a commitment. If you want to specify the criteria for a scholarship that you would like to include in your estate or have any questions, contact endowedships@swe.org for more information.
14. Whom can I contact if I have other questions on endowed scholarships?
Contact the Board of Trustees Scholarship Program Manager, endowedships@swe.org. The trustees work closely with SWE HQ and the scholarship committee on all endowed scholarship donor issues. Your feedback on the process is always welcome.

Recipient Selection and Payments – Society Selected

1. Who manages the recipient selection process?
The SWE Scholarship Committee manages the recipient selection process for society selected scholarships while SWE Headquarters staff provides significant administrative support for the Committee. The SWE BOT provides all specified stipend funds to SWE HQ and they distribute the stipends based on selections provided by the Scholarship Committee.
2. Can a SWE Section (professional or collegiate) manage the selection process?
Yes. A SWE Section can endow a scholarship and manage the selection process. However, they are responsible for the entire process – advertising the scholarship, creating and maintaining the application form and judging the applications. See the FAQ in the “Section Selected” list below for more information.
3. When can students apply?
Students can apply for your scholarship in the winter following the close of the SWE fiscal year (June 30) during which it was fully endowed. For example, if your scholarship was endowed by June 30, 2023, students can typically apply on the swe.org website during the following winter / early Spring. Students submit one application for all of the endowed and annual scholarships that are administered by SWE HQ.
4. When will my scholarship be awarded?
SWE will begin to notify Upperclass scholarship recipients typically in late Spring and Freshman recipients in early summer. This process may not be completed until late summer and all applications will be updated once all recipients have been selected. Note that some of the SWE scholarships are not restricted by class level. Thus, SWE must process freshmen applications before identifying recipients. All applicants will be notified by September whether they are or are not selected for a scholarship.
5. How does the student recipient get paid?
The SWE process stipulates that the check is mailed to the specified school in the name of the student. The money can be used for any school-related expenses including but not limited to tuition. The stipend check will be sent after verification of enrollment by the school. The time frame is generally the beginning of September for sending checks.
6. When will I be notified who has received my scholarship?
Donors, including SWE Sections, are typically notified by SWE HQ in September when the process of notifying all applicants has been completed. The scholarship recipients are publicized in the Annual SWE Conference Magazine in late October / early November. If you wish, you can opt out of the notification process at any time by contacting the board of trustees at endowedships@swe.org
7. What happens if the scholarship is renewable?
The recipient completes a short renewal application sent by SWE HQ in mid-December. As long as the recipient continues to meet the criteria, the scholarship will be renewed. All donors, regardless of the renewal status of the recipient, will be notified in approximately mid-September.
8. Will the recipient contact me?
The recipient will not receive your contact information. The recipient will receive a link to the SWE website scholarship section where they can find more information on the particular scholarship they have received. They will be able to search for the bio posted about your scholarship. If your name appears in the bio and you have a social media presence, they may attempt to contact you.

9. Can I mentor the student?

Yes. We encourage donors who are inclined to mentor and encourage their recipients.

10. Can a section invite the recipient to a local event to present the check?

We encourage sections to make contact with their recipients. If you choose to invite them to a celebration, it is recommended that you present a certificate or a fancy large cardboard check to the student with an explanation that the funds are paid to the recipient in care of the school. All stipends will be paid at the beginning of September.

11. Why does SWE pay the school after verification rather than just presenting the check to the student?

There have been instances where students change their minds and do not complete the enrollment into engineering or don't even go to school for various reasons. If that is the case, then we have the opportunity to give the funds to another qualified student. Many other organizations follow the same process of paying via the school.

12. What happens if our section is disbanded?

If your section is disbanded and the recipient is being selected by the scholarship committee, the only thing that will change is that there will be no section to be informed of the recipient.

13. What happens if no recipient can be found for a scholarship that is managed by scholarship committee?

On those occasions, we will attempt to award two scholarships the following year. If the scholarship is not awarded because the criteria are restrictive and no applications were received, the donor will be contacted by the Trustees about revising the criteria to improve the chances of awarding it. If the donor or their successors cannot be contacted, then the Trustees will exercise their judgment in expanding the criteria to meet the donor's original intentions.

On rare occasions, a recipient is found but then does not enroll / re-enroll in school in the Fall and no replacement candidate can be found. In this case, we will also attempt to award two scholarships the following year.

Recipient Selection and Payments – Section Selected

1. What is the process if our Section wants to select the recipient?

A local section can select the recipient. Please be aware that the section is responsible for advertising the scholarship, creating an application form, collecting and judging applications and notifying SWE HQ of the selected recipient by May 31 each year. Many sections choose to do this for scholarships given to High School Seniors as they often have established a network with local schools. The SWE process stipulates that the check is mailed to the specified school in the name of the student. The stipend check will be sent after verification of enrollment by the school in the beginning of September.

It is recommended that a section will follow the minimum criteria set by SWE for scholarships such as ABET Accredited programs and grade point average. The section can add locally based criteria, such as geographical requirements (example: within the zip code boundaries for the section, of having attended high school in a particular state or city, etc.). The section can split the stipend in whatever manner it wishes, although we encourage them to a small number of large stipends as opposed to a large number of small stipends. The Board of Trustees can put you in touch with other sections to mentor you.

2. **Is our scholarship posted on the SWE website?**

Yes. The bio you create is posted on the scholarship section of the website in the “SWE scholarships by Section” area. A list of all postings for endowed scholarships can be found here: <https://swe.org/wp-content/uploads/2018/12/SWE-Endowed-Scholarship-Booklet.pdf>
This website location includes all SWE sections who award local scholarships, both endowed and unendowed. When you create the bio, we will ask you for a link to your section website and information on how to apply. Your section is responsible for periodically checking that the links are working. We strongly encourage you to keep the information on the swe.org page to a minimum to ease maintenance. If there are any issues, contact SWE HQ (scholarships@swe.org). While we realize that most students will likely learn about your scholarship through your advertising, getting the word out via swe.org website can be useful.
3. **When and how do we find out what the annual stipend is for our scholarship?**

SWE HQ will notify sections who select their own recipients of their stipend amount in early March. BOT sends out increase notification letters to all applicable endowed scholarship sponsors each year in April.
4. **When can students apply for our locally selected scholarship?**

Students can apply for your scholarship in the winter following the close of the fiscal year during which it was fully endowed. For example, if your scholarship was endowed before June 30, 2023, students can apply any time beginning Fall 2023. Your section sets the timeline but you should make a decision by the end of May 2024. Please be aware that you will be informed by the BOT of the initial stipend when you endow. Increases, if any, in your stipend in following years will typically be communicated in about February.
5. **What happens after we have selected our recipient?**

SWE HQ will request recipient information from all sections at the end of May of each year. Part of the requested information is bursar address at the institution so they can mail checks. SWE HQ will confirm the student is enrolled in an institution accredited by the Accreditation Board for Engineering and Technology (ABET) and issue the check to the student’s institution at the beginning of September.
6. **Can a section invite the recipient to a local event to present the check?**

We encourage sections to make contact with their recipients. If you choose to invite them to a celebration, it is recommended that you present a certificate or a fancy large cardboard check to the student with an explanation that the funds are paid to the recipient in care of the school. All stipends will be paid at the beginning of September.
7. **Can we award a renewable scholarship?**

Yes. It is the section’s responsibility to confirm that the student is still enrolled and meets the section’s scholarship criteria. When SWE HQ requests recipient information at the end of May each year, provide that information to them.
8. **What happens if the section cannot find a qualified recipient?**

The notification deadline will be strictly enforced. The section can broaden their criteria to include additional majors, geographic areas, etc. If they are still unable to award their scholarship in a given year, they may allow the SWE scholarship committee to select a recipient. The key is to communicate promptly with the BOT, SWE HQ and the scholarship committee. With the approval of the BOT, funds may be retained in the fund on an exception basis, but this is expected to be a rare occurrence. The IRS expects endowments to pay out the income as planned. If the criteria is revised, this should be communicated to the BOT Program Scholarship Manager. If the situation persists over time, the section should consider having the scholarship be selected by the Scholarship Committee. SWE receives and reviews thousands of scholarship applications each

year using a common application. Several sections have successfully transitioned to this solution. Contact endowedships@swe.org for more information.

9. What happens if the section decides it would like the SWE Scholarship committee to select its recipients in the future?

The section should contact the BOT. BOT will review the criteria to ensure it is broad enough to be managed nationally. Changes may be required (for example the scholarship is restricted to a single, small institution or a small geographical home location) so that it is feasible to manage.

10. Can we change the criteria for our section selected endowed scholarship?

Yes. You can change the criteria at any time. Because the section awards the scholarship, you are free to change the criteria in any way that aligns with the original options on the criteria form. We strongly encourage sections to keep the criteria as broad as possible to facilitate awarding the scholarship. Contact endowedships@swe.org to request a copy of the current criteria form. Complete and return the revised form to this address for our files. Should the section ever become inactive or should the section choose to have the scholarship administered by SWE HQ, it will be useful to have the most current section intent on file.