

**SCHOOL DISTRICT OF
SPRINGFIELD TOWNSHIP
ADMINISTRATIVE RULE**

**702.2 AR CASH MANAGEMENT
AND CONTROL PROCEDURES FOR
OPERATION OF MEMORIAL GIFTS
AND SCHOLARSHIPS**

The following regulations shall govern the cash management and control procedures for Memorial Gift and Scholarship donations received by the District.

Overview

In furtherance of the Memorial Policy set forth in AR 702.1 private memorial cash donations at all levels of giving are encouraged by the District to support scholarships for students. However, in order to manage these funds effectively, giving level thresholds must be established. Additionally, the District must be in a position to exclusively control the use of these funds both to invest and to ensure that the intended purpose of each fund is carried out.

Giving Level Thresholds

Cash gifts or pledges to be collected within six (6) months with a combined total of \$1,000 or more will qualify for designation as a separate scholarship fund. Donations below this threshold amount will be allocated to the District's general scholarship fund and acknowledged by the District in accordance with policies and procedures in place at any particular time.

Investment Procedure/Income Allocation

For investment purposes, all scholarship funds will be combined and invested by the District in its sole discretion to insure the maximum income return while at the same time avoiding risk to principal. At the conclusion of a twelve (12) month investment cycle ("Investment Cycle"), income will be allocated and added to the account balances of each individual scholarship fund and the general scholarship fund based upon a percentage attributed to each fund derived by a fraction the numerator of which is each fund's account balance immediately prior to the beginning of an Investment Cycle and the denominator of which is the total of all fund account balances immediately prior to the beginning of an Investment Cycle. The percentage attributed to each fund derived from this fractional formula will then be multiplied by the income earned during the Investment Cycle for all funds to determine each fund's proportionate share of scholarship income to be credited to that fund's account balance immediately prior to the beginning of an Investment Cycle to arrive at an Adjusted Account Balance for each scholarship fund as of the end of each Investment Cycle.

Scholarship Award Grant Amount

Each year based upon facts and circumstances peculiar to each scholarship fund, the District will determine the specific dollar amount of each scholarship to be awarded (“Scholarship Award Grant Amount”) by each separate scholarship fund. The Scholarship Award Grant Amount shall be funded by a direct cash balance reduction of the Adjusted Account Balance of each scholarship fund. It is recognized that in some instances payment of the Scholarship Award Grant Amount will result in a reduction of the scholarship fund Adjusted Account Balance in excess of the amount of income earned by the fund for that particular year leading to a diminution in scholarship fund principal. When a scholarship fund’s Adjusted Account Balance drops below a specific de minimis amount as determined by the District (i.e. \$100), the family or other interested party(ties) are to be contacted to see if they wish to contribute additional funds to continue that particular fund’s existence. Otherwise, in conformity with AR 702.1, all scholarship funds will be maintained until they are exhausted.

Fund Control Issues

District approval for any change in the initial purpose of a scholarship fund, or control of a fund to include, but not limited to, investment strategies or outright relinquishment of fund principal, suggested by a family member or other interested party(ties) must be referred back to the originating body that approved the fund in the first instance. In the event the originating body cannot be ascertained, the Superintendent must either (1) approve any change in fund purpose or any other control issue change or (2) suggest the appropriate administrative body to make a final determination with regard to this change in fund purpose or any other control issue change.

Adopted: _____