



CMDI Advancement

CASE | 200 UCB

Boulder, CO 80309

Establishing a Named Scholarship

Thank you for your interest in creating a scholarship at the College of Communication, Media, Design and Information (CMDI). As state funding has decreased, tuition costs have risen and financial inequity has increased, it has become more important than ever that CU Boulder provides impactful financial support to make higher education accessible. Donor-funded scholarships help ensure that deserving students can pursue an education, regardless of their backgrounds.

ENDOWMENTS

Endowments are permanent funds held by the University of Colorado Foundation (CU Foundation) that are invested to provide a perpetual funding stream to a donor-specified area. Donors who establish scholarship endowments have an ongoing impact at CMDI while also creating a personal or family legacy.

An endowment is a pot of money that can never be spent; instead, it is invested along with other funds by the CU Foundation and used to generate funds. The minimum gift required to establish an endowment at CU Boulder is \$50,000, which can be given over up to five years. Once an endowment is established, donors can give additional annual gifts or estate gifts to grow the endowment principal and/or to increase the annual award.

Endowments are held by the CU Foundation and are invested as part of CU's long-term investment pool. Under the Foundation's current spending policy, 4% of the endowment principal is given to CMDI each year to fund the endowment purpose in the following academic year.¹ A \$50,000 endowment supports a \$2,000 annual scholarship award.

CURRENT GIFTS

Scholarships can also be established through current gifts, which are funds that can be spent immediately. The minimum gift required to create a current scholarship is \$25,000, which can be given over a span of up to five years. Donors who give through a current scholarship fund pledge a minimum of \$25,000 total and then make a gift of \$5,000 or more each year; that money is awarded each year to a student. After the initial \$25,000 pledge is fulfilled, donors may continue to fund current scholarships with annual gifts of at least \$5,000. Current scholarships cease to exist when there is not enough funding available for a \$5,000 award for more than 24 months.

¹ The total amount charged annually to each endowment is 5.5%, which is a 4% distribution for the fund's purpose plus a 1.5% annual assessment that is used to fund CU Advancement operations. Historically, endowments have grown over time even without additional donations because average investment growth has exceeded 5.5%.

SCHOLARSHIP CREATION

Donors establishing scholarships, either through an endowment or a current fund, choose a name for their scholarship and set the criteria used to award it. Criteria may include many things, including major, financial need and 1st generation status. At CMDI, we encourage donors to consider making the criteria very broad to allow maximum flexibility and ensure a large pool of eligible students each year. An example of broad criteria would be to make a scholarship available to “undergraduate or graduate students at the College of Communication, Media, Design and Information on the basis of need and/or merit.”

Donors have the option of making scholarships based on need, merit or both. For scholarships, “merit” refers to academic performance and is based on a holistic review of the student’s application. “Need” refers to specific criteria determined from a student’s Free Application for Financial Student Aid (FAFSA) form. Currently around 30% of CMDI students qualify for need-based awards. Some donors choose not to make scholarships need-based because that can exclude students from middle-income families that struggle with the cost of higher education.

Once a scholarship is established and awarded, donors receive information about their student recipients annually and often have an opportunity to meet their students in person or via Zoom.

Conclusion

Thank you for your interest in supporting CMDI students. Please reach out to cmdigiving@colorado.edu for more information or to establish a scholarship.

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