

***Water Environment Association of Texas Scholarship Fund
Policy regarding establishment of endowments***

Article I. Creation of Endowments

Section 1. Separate Endowments may be formed within the Fund with the approval of the Board of Directors.

Section 2. A group wishing to form an Endowment shall complete and submit an application to the Fund Secretary. The Secretary will evaluate the information provided and advise the Endowment Representative as to the administrative completeness of the application.

Section 3. If the application is complete and contains no element that is ruled inconsistent with the Bylaws, the Endowment may be approved by the Board of Directors immediately. If elements are present that are deemed inconsistent with the Bylaws, the Endowment Representative will be notified and an item will be placed on the agenda for the next Board meeting for consideration. The Endowment Representative will be invited to the Board meeting. Interested persons may attend the meeting to speak for or against formation of the Endowment.

Section 4. The sponsoring group may specify selection criteria for the Endowment. The Endowment selection criteria will be in addition to the criteria established by the Fund and may not supersede or contradict the criteria established by the Fund.

Article II. Endowment Funding

Section 1. An initial contribution of \$500 must accompany the application for creation of an Endowment.

Section 2. Subsequent contributions to the Endowment shall be added to the principal until the Endowment reaches a minimum level of \$5,000. When the minimum principal level has been reached, scholarships may be awarded the following year in the Endowment's name. Funds awarded may not deplete the principal balance below the minimum level for awarding scholarships.

Section 3. After the minimum principal level is achieved, the Endowment Representative must designate the application of additional contributions as either principal enrichment or for immediate use.

Section 4. When the Endowment's principal balance reaches a minimum of \$25,000, the Endowment will be designated as a permanent Legacy Endowment, requiring no further principal enrichment to retain the Endowment's name.

Section 5. If an Endowment has not reached the Legacy Endowment minimum balance, and has had no additional financial contributions in the previous three years, the accumulated funds of the endowment will revert to the General Endowment Fund for awarding of scholarships.

Section 6. Upon voluntary termination of an Endowment by the sponsoring group, all remaining assets after payment of debts will transfer to the General Endowment Fund.

Section 7. The principal balance of all Endowments will be invested by the Directors in the same manner specified for the General Endowment Fund.

Section 8. Minor considerations will be made from the General Fund to address administrative expenses for the Fund.

Article III. Endowment Representative

Section 1. The sponsoring organization of the Endowment has the option to appoint an Endowment Representative to the Board of Directors. Representatives serve at the behest of the Endowment's sponsoring group and may be replaced with written notification from the leadership of the sponsoring group.

Section 2. The Endowment Representative shall be a non-voting ex-officio member of the Board of Directors. Representatives are invited to attend and participate at Board meetings but may not vote on matters under consideration by the Board.

Section 3. The Endowment Representative has the authority to act on behalf of the Endowment in the selection and awarding of funds to candidates making formal application to the fund and determined to be eligible to receive funds based on the rules of the Endowment and in accordance with the selection criteria established by the Fund.

Section 4. Should the Endowment choose not to appoint a Representative, the Board of Directors will be authorized to select recipients for the Endowment until such time as a Representative is designated.