

ESA FOUNDATION IRREVOCABLE ENDOWMENT AGREEMENT PROGRAM

The ESA Foundation established the Endowment Program as a means to accommodate those people interested in furthering the purpose and goals of the ESA Foundation. An Endowment is an everlasting memorial, honorarium, which earns interest annually based on market rates. The fully funded Endowment is established with a minimum amount of \$5,000 on deposit with the ESA Foundation. The money is placed in a trust account, which earns interest based on market rates. A scholarship amount is determined and awarded from the established spending rate totals after December 31 of the current year.

According to law, the ESA Foundation Board of Directors has the legal responsibility to administer the Endowments.

An Endowment Statement will be sent to the contact person after the close of each financial year – December 31. The Endowment Statement contains information on the endowment as described below.

FULLY ENDOWED

Once a minimum of \$5,000 has been on deposit by December 31 of any given year, a scholarship may be awarded based on the established rolling spending rate set by the ESA Foundation Board of Directors [if that amount is present in the endowments available balance], the history of giving and the total fund balance.

BEGINNING AN ENDOWMENT

You may honor an individual who has made outstanding contributions to the ESA Foundation, ESA International, or the community. This may be a memorial, honorarium, for an individual, your family, your business, or a state endowment.

1. Download the Irrevocable Endowment Agreement Program or request from the ESA Foundation Endowment Chairman, Scholarship Chairman or State Counselor.
2. Complete the Irrevocable Endowment Agreement form.
3. Submit the completed Irrevocable Endowment Agreement along with a minimum of **\$100** (check or credit card payment) to the ESA Foundation Registered Agent, (363 West Drake Road, Ft. Collins, CO 80526). The endowment is fully endowed when the balance in the account reaches \$5,000. All accounts will be maintained with a Restricted Account Principal of \$5,000 and all additional monies will be placed in the available account balance.
4. The Endowment Chairman will return a signed Irrevocable Endowment Agreement to you.
5. Continue contributing donations to the endowment.

SCHOLARSHIPS MAY BE AWARDED UNDER THE FOLLOWING CONDITIONS:

Legal responsibility for management of the Endowments rests with the ESA Foundation Board of Directors. Based on the following giving criteria, the number and amount of scholarships to be given will be determined by:

1. The established three-year rolling spending rate,
2. The amount in available funds
3. Any suggestions received from endowment contact will be considered,

The amount of scholarships given will not exceed 7% of the total funds in the endowment to ensure sustainability.

An endowment is eligible to award a scholarship if the determined amount is present in the endowment's Available Balance as of December 31 of any given year.

ANNUAL ENDOWMENT STATEMENT

An Annual Endowment Statement is sent to the registered contact for the endowment fund with the following information:

Total Account Balance; which includes:

1. The **Restricted Account Principal** (restricted and may never be used for any purpose)
2. The **Available Balance** (unrestricted amount which may be used for scholarships)
3. % of Gain / Loss on investment for current year
4. % of Three-year rolling spending rate (the return on investment rate for past three years averaged)
5. 7% Endowment Cap calculation
6. The number of scholarship[s] to be given
7. The amount of each scholarship[s] to be given