



Endowed Scholarships Policy

Office of the President

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Policy Purpose: The purpose of this policy is to establish clear guidelines for the creation, funding, management, and awarding of endowed scholarships at New Mexico Tech.

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POLICY STATEMENT

New Mexico Tech (NMT) provides various forms of financial assistance to students, including endowed scholarships funded by private donors, foundations, or corporations. To meet both donor and university needs, general guidelines must be followed when establishing a new endowed scholarship. This document sets forth the NMT endowed scholarship policy and applies to all endowed scholarships established on or after the effective date of this policy. This policy may also apply to existing endowed scholarships as part of the university's periodic review of endowed funds and assets.

This policy outlines the guidelines for endowed scholarships at New Mexico Tech, including funding minimums, scholarship criteria, and scholarship awarding procedures.

GENERAL POLICY

All endowed scholarships and their criteria are formalized through a scholarship agreement between the donor and New Mexico Tech. Scholarship criteria should provide the university with maximum flexibility in selecting recipients while ensuring a straightforward and efficient application process for students.

Endowed Scholarship Funding Minimum

Endowed scholarships require a minimum corpus of \$25,000 for donors outside the university, while current faculty and staff may establish an endowed scholarship with a reduced minimum of \$15,000. This amount must be reached within five years of signing the scholarship agreement. If the fund balance remains below the required threshold (\$25,000 for external donors or \$15,000 for faculty and staff) after five years, the President may, at their discretion, reallocate the funds to a general scholarship fund or other designated financial aid purposes aligned with university goals and, to the extent possible, the original intent of the endowment.

Once the minimum corpus is attained and one full fiscal year's earnings have accrued, the scholarship will be eligible for its first award via a distribution of funds to the scholarship's spending account.

The President of NMT assesses the minimum funding requirement annually and may adjust it as necessary.

Scholarship Distribution Rate

NMT's Investment Policy governs scholarship distribution rates, currently set at 4.5%.

Scholarship Naming

All endowed scholarships may be named in accordance with NMT's [OP-06-Institutional Naming Policy](#).

Fees

New Mexico Tech has set a fee of .75% of the distribution rate (i.e., .75% of 4.5%) on each distribution to partially cover the cost of managing the scholarship.¹

Scholarship Criteria

Scholarship criteria are determined through negotiations between the donor and the Office for Advancement, in coordination with the Financial Aid Office and/or relevant academic units. Criteria must be broad enough to ensure a sufficient pool of eligible applicants and should not impose overly restrictive conditions that hinder the awarding process.

Criteria may include, but are not limited to, GPA requirements, standardized test scores, financial need, field of study, and enrollment status (e.g., full-time). Donors may also choose to make the scholarship renewable and specify renewal conditions. However, donors should be aware that additional criteria may limit the pool of eligible students.

Outside of general selection criteria, donors may not:

1. Designate specific recipients.
2. Set maximum distribution or fee amounts.
3. Alter university scholarship awarding processes (including timing or method of distribution).
4. Impose directives that conflict with university policies, state, or federal laws.

DEFINITIONS

- **Corpus:** The principal amount initially invested to create the endowment. The corpus is preserved to generate earnings, ensuring long-term scholarship funding.
- **Distribution:** The allocation of a portion of the income generated from the corpus to fund scholarship awards. Distributions are calculated annually as a percentage of investment returns and are governed by NMT policy.
- **Endowed Scholarship:** A financial resource created from a principal amount that is invested to generate earnings. These earnings are awarded as scholarships based on a predetermined distribution rate and scholarship agreement.
- **Funding Minimum:** The minimum amount required to establish and maintain an endowed scholarship. This threshold ensures sufficient earnings to support awards while sustaining the endowment's long-term viability.

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¹ See August 17, 2023, resolution by the Board of Regents