

Tiered Recognition Program for AAME Member Scholarship Donations

The Arkansas Academy of Mechanical Engineering (AAME) has instituted a tiered program to recognize donations by AAME members to the AAME scholarship program. The program is modeled after the program of the Arkansas Academy of Industrial Engineering (AAIE) scholarship donation recognition program structure, since that program has been extremely successful and has generated significantly increased levels of giving. The AAME Board has voted that \$100,000 be moved from the AAME Unrestricted Endowment into a new AAME Scholarship Endowment Unrestricted Fund, to which subsequent Scholarship Endowment Fund contributions will be added. All donations to the fund itself will remain in the fund and continue to accumulate. The earnings from this fund will be used to generate future AAME scholarships and will be deposited into a separate cash earnings account. The following are the guidelines under which the program has been established.

AAME Tiered Scholarship Recognition Program

Whereupon scholarship contributions to the AAME Scholarship Endowment Fund by individual AAME members reach a cumulative total of \$1000, the AAME member will be recognized as an AAME Fellow and presented a certificate of recognition at the AAME Annual Meeting following the achievement of the \$1000 cumulative total. (Note that the annual AAME Recommended Contribution of \$300 is not included in the running total for any of the tiers of the scholarship recognition program.)

1. Whereupon scholarship contributions to the AAME Scholarship Endowment Fund by individual AAME members reach a cumulative total of \$5000, the AAME member will be recognized by the award of a one-time named scholarship on behalf of the donor (scholarship amount – approximately \$250). The scholarship name will be at the discretion of the donor and must be approved by the AAME Board of Directors. (The one-time named scholarship is just for the achievement of the \$5000 level and will not be repeated at subsequent levels of giving until the \$10,000 level is reached, whereupon item 2 will take effect.)
2. Whereupon scholarship contributions to the AAME Scholarship Endowment Fund by individual AAME members reach a cumulative total of \$10,000, the AAME member will be recognized by the establishment of a permanent named scholarship on behalf of the donor (scholarship amount – approximately \$500). The scholarship name will be at the discretion of the donor, and must be approved by the AAME Board of Directors. The permanent scholarship will continue until either the AAME Scholarship Endowment or AAME ceases to exist. However, this permanent scholarship is not an endowed scholarship.
3. Whereupon scholarship contributions to the AAME Scholarship Endowment Fund by individual members reach a cumulative total of \$20,000, the existing permanent named scholarship on behalf of the donor will be increased in value from approximately \$500 to approximately \$1000. Further donor donation increments of \$5,000 will result in additional commensurate increases in value of the named scholarship.
4. This program will commence with scholarship endowment donations made in or after April 2019; tallying of donations will start at that time; donations for the purposes of AAME scholarships prior to April 2019 will not be included. Corporate or company matching donations will not be included in member donation cumulative calculations, however, if the member so

directs, corporate matching funds will be deposited into the scholarship endowment. Planned giving / charitable remainder gift contributions designated for the AAME Scholarship Endowment Fund (as opposed to planned gifts/charitable remainder contributions made directly to the College of Engineering) will receive either one-time or permanent named scholarships if the gift is at the \$5000 or \$10,000 level; those scholarships will be established at the time of the reception of the funds. However, a certificate of recognition for the donor as an AAME Fellow will be presented at the Annual Meeting following the notification of the planned gift.

The above program was voted to commence unanimously by the AAME Board (one Board member not present) on 11 July 2019. A roll-call vote was conducted and is contained in the meeting minutes.

Treasurer Jeff Hayes has transferred \$100,000 of the current endowment funds into a new unrestricted endowment account with the University of Arkansas Foundation. Earnings from the \$100,000 will be used to match scholarship amounts from member contributions until matching amounts have reached \$100,000. Additional funds may be transferred from the regular AAME endowment account to the AAME Scholarship Endowment Account as voted upon by the AAME Board of Directors (per the AAME Bylaws, the Board of Directors has the responsibility to manage the AAME funds.) Scholarships that have been matched will have a value approximately double the initial value (i.e. \$10,000 donation assuming 5% return results in a ~\$500 scholarship – with \$10,000 matching funds from the \$100,000, the scholarship value would be ~\$1,000.) These matching funds, as with corporate matching funds, will not count toward the personal lifetime giving total of the donor. A donor's personal giving still must reach \$5,000 to generate a one-time named scholarship, and a donor's personal giving still must reach \$10,000 to generate a permanent named scholarship. Matching funds will be tracked by the AAME Treasurer and the AAME Tiered Scholarship Recognition Program Chairperson.

Program Timeline and Cutoff Dates:

Dec. 31st - Cut-off date for donations to the scholarship fund to be included in the determination of certificates and named scholarships for the coming year.

Jan 31st - List of Named Scholarships to be provided by AAME to M.E. Dept. scholarship committee so they can include in their Feb. student scholarship planning.

Feb 28th – AAME to provide list of members to be recognized at the banquet with a certificate (\$1k lifetime giving) or Named Scholarship Certificate (min. \$5k lifetime giving).

Feb / Mar - M.E. Dept. identifies students for the named scholarships to be awarded in fall/winter Semester; will be recognized at the following year's banquet. (If the "Named Scholarship" contributor is present at that year's banquet, they will have the opportunity to meet the recipient of the scholarship their donation provided.