

## FOUNDATION FEE POLICY

### PURPOSE:

The Boise State University Foundation Board has revised and approved this policy to expand the ongoing fundraising efforts of the Foundation and University Advancement. The intent of this fee structure, which is consistent with best practices of Boise State University Foundation peers and aspirational peers, is to build a comprehensive University Advancement operation. The structure is as follows:

### POLICY:

- a. **Gift Fee:** The Foundation will assess a 4% gift fee on all charitable or tax-deductible gifts, both endowed and non-endowed, given to the Foundation and/or University-affiliated organizations. Included in this are gifts of cash, securities, and other liquid assets. Gifts-in-kind, sponsorships, non-gift payments, membership dues/per seat contributions and deferred gifts (such as gift annuities) are excluded from the gift fee. The gift fee is assessed in the month the gift is received.
- b. **Annual Administrative Endowment Fee:** The Foundation will assess an annual 1.5% administrative fee calculated monthly at .125% of the ending monthly market balance of each individual endowed fund where the market value is greater than historical gift value or which meets the criteria below.

When allowed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by the state of Idaho in July 2007, the Foundation will assess the Administrative Endowment Fee on “underwater” funds. An underwater fund is defined as one in which the market balance is below the sum of the gifts contributed to the fund (“historical gift value”). Funds are reviewed annually to determine whether they are underwater.

- c. **Segregation of Committed Endowment Funds:** As soon as committed endowment amounts are calculated (e.g., scholarship projections), they are segregated and accounted for separately to assure that all committed amounts retain full value. The Foundation will receive any earnings and absorb any losses from these committed amounts.

The Foundation defines committed amounts as amounts calculated and made available annually by the Foundation's Investment Policy to be used for the purpose of each individual endowed fund.

- d. **Sweep Restricted Fund Earnings:** The Foundation will continue to invest restricted gifts based on Foundation investment policies, and will receive the earnings and absorb the losses from these investments.
- e. **Payment of Fees:** Fees can be paid in different ways, depending on the donor's preference and the University's need. Options include the following:
  - The fee may be applied directly to and taken from the gift principal or market balance. This is the default procedure.
  - For the Gift Fee, donors may choose to contribute an additional amount to cover the charge. If the donor wants a specific net amount for the gift purpose, here is the formula to calculate the gross amount needed:  $\text{Net Gift Amount} \div .96 = \text{Gross Gift Amount}$ .
  - A University Dean, Vice President, or President may elect to pay the fee from discretionary funds.

Because the fees are used to support University fundraising and donor relations resources, no exceptions will be granted.

The Board will review this Policy at least every three years to determine whether the fees will be adjusted in order to better support the achievement of fundraising goals.