

UNIVERSITY OF CENTRAL MISSOURI ALUMNI FOUNDATION	
Policy Name: Development Fee Policy	Date Approved: July 1, 2019
Policy Category: Financial Operations	Date Effective: July 1, 2019
Approval Authority: Executive Director, Alumni Foundation	Date Last Revised: July 1, 2019
Responsible Department: UCM Alumni Foundation	Review Cycle: Annually beginning [date of approval]

I. PURPOSE

The University of Central Missouri (“University”) has made a commitment to the comprehensive development efforts of the University of Central Missouri Alumni Foundation (“Foundation”) in order to meet increasing demands for private support. In order to recover a portion of the increasing costs of the fundraising efforts certain fees (“fee”) will be assessed on gifts to the University and/or Foundation. Fundraising costs include not only the direct costs of soliciting contributions by professional development staff members and other campus representatives, but also includes processing and accounting of gift funds, as well as the maintenance of all records including agreements and donor information.

II. POLICY

Effective January 1, 2019, an Administrative fee of 1.5% will be assessed on all Alumni Foundation funds functioning as endowments. The purpose of the fee is to allow for future expansion in both staff and programing, and support fundraising efforts

Effective July 1, 2019, a one-time Reinvestment fee of up to 3% will be assessed on all new Alumni Foundation funds functioning as endowments. The purpose of the fee is to strengthen the alumni programming, donor stewardship, and the professional development and enhancement of staff.

New gifts received on or after July 1, 2019, are subject to the Reinvestment fee and outlined below. Foundation staff do not have the authority to waive any fees.

The Reinvestment Fee will be taken from the first investment returns on the original gift amount in the following manner:

- a. The Foundation receives the entire gift and invests it as an endowment within the pool of investments made by the Foundation.
- b. The Reinvestment Fee will be the income generated within the first year of investment, up to a maximum of 3%. In no event will the funds be held for more than one year or the time required to earn 3%, whichever is lesser.
- c. During the year that the Reinvestment Fee is generated and collected, the 1.5%

Administrative Fee will not also be collected. In all years following the initial collection of the Reinvestment Fee, only the 1.5% Administrative Fee will be collected.

III. EXEMPTIONS

- A. The President of the University may agree to lower the reinvestment fee amount below 3% or waive the fee entirely. The Vice President of Advancement may make such recommendations to the President on a case-by-case basis.
- B. Gifts from private foundations (not an individual, corporation or family foundation) which prohibit the assessment of such fee as an established organizational policy which can be documented in writing may also be waived at donor's notice.

IV. DEFINITIONS

- A. Endowed fund: a fund established to receive and invest gifts intended by the donor to be used for restricted purposes or programs; an endowed fund protects the gift in perpetuity by responsibly investing the principal and distributing an annual payout realized from a portion of the investment income allowing the fund's real value to increase over time.
- B. Expendable fund: a fund established to receive and expend gifts intended by the donor to be used for current purposes or programs; a fund that is not an endowment.
- C. Gift: the charitable and irrevocable transfer of money or property that is voluntary and motivated by something other than consideration or expectation of financial return or contractual obligation.
- D. Gift-in-kind: the charitable and irrevocable transfer of property or service that is voluntary and motivated by something other than consideration or expectation of financial return or contractual obligation.
- E. Pledge: the promise of a gift made binding by a signed agreement.
- F. Principal: the actual amount of the gift; often referred to as "corpus" of an endowment.

V. DISCLOSURES TO DONORS

Disclosure of the fee policy is made to donors on all gift receipts. Additionally, written or oral disclosure of the fees to donors is encouraged at the time of solicitation. Fee information should be included in any proposals or gift documents issued to prospective donors. Appropriate disclosure language for fund raising literature or letters of gift purposes is as follows: "A portion of all donations will be used to further advancement efforts on behalf of the University of Central Missouri." Donors will receive credit for the full amount of their gifts. Gift receipts will inform the donor that a portion of the income earned from the gift received has been allocated to cover the cost of fundraising.