



## University of Alaska Foundation Fee Policy

*Adopted by the UA Foundation Board of Trustees May 8, 2006, and amended by the UA Foundation Board of Directors December 7, 2017.*

### **I. Policy and Purpose**

The Board of Directors of the University of Alaska Foundation (Foundation) will establish reasonable fees, including fees applied to the gifts upon receipt and fees applied to certain funds held by the Foundation. The fee structure will be set initially by motion of the Board of Directors and reviewed annually by the Finance & Audit Committee, in coordination with the Development and Investment Committees.

The purpose of the fees is to offset the operating cost of the Foundation, including costs of gift receipt, processing, management, and disbursement, investment oversight, accounting and tax reporting, and systems and data management support, donor relations and development efforts to increase the level of private support for both the Foundation and the University of Alaska.

### **II. Administrative Fee**

An Administrative Fee, as a percentage of the amount received, will be applied to all gifts received by the Foundation commencing on the effective date of this policy. Gifts received by the University after the effective date will be assessed the Administrative Fee at the time of transfer to the Foundation.

The minimum gift and fund levels as defined in the University's Gift Acceptance Policy and Regulations will not be affected by the Administrative Fee, except that for endowments established through a single gift the limitation will be applied before deduction of the Administrative Fee. For endowments established through multiple gifts, the limitation will be applied after deduction of the Administrative Fee.

### **III. Endowment Fee**

#### **A. Pooled Endowment Fund**

An Endowment Fee, expressed as a percentage of the market value of each endowment valued as of each December 31 will be levied on the endowments managed by the Foundation in the Pooled Endowment Fund. Fee deductions will commence the following July and be transferred on a monthly basis.

The Endowment Fee will be deducted from the accumulated earnings portion of the endowments and will be assessed before spending distributions are made. In cases where there are insufficient accumulated earnings in an account to pay the Endowment Fee, the Endowment Fee will be carried as a deficit in the accumulated earnings portion of the endowment.

#### **B. Land Grant Trust Funds**

An Endowment Fee, expressed as a percentage of the market value of the funds as of December 31 shall be charged to the Land Grant Endowment Funds. The Endowment Fee will be charged commencing on July 1 based upon the market value of the Fund on December 31 and funds will be transferred on a monthly basis.

#### **IV. Grant Administration Fee**

A Grant Administration Fee of 10% of the grant amount received will be levied on all grants administered by the Foundation. The Fee shall be deducted from the grant amount(s) at the time the granted funds are deposited into the Foundation accounts.

#### **V. Exceptions**

##### ***A. Regular Exceptions***

The Administrative Fee will not be levied on:

1. Non-cash gifts, such as auction and inventory items, except gifts of securities and other assets (such as gold) that are expected to be sold upon receipt (and which will be assessed an Administrative Fee on the net cash sale amount).
2. Gifts of real estate (the Administrative Fee will be levied at the point the gift is sold and the proceeds are transferred to the Foundation).
3. Non-gift portions of Quid Pro Quo Gifts.
4. Pledges (Administrative Fee will be applied to all payments on pledges regardless of when the pledge was made).

##### ***B. Case-by-Case Exceptions***

The University President and Chancellors may decide, on a case by case basis, to waive (or adjust) the Administrative Fee on specific gifts, on the Endowment Fee for specific funds, or on the Grant Administration Fee for specific grants but all such exceptions must be identified to the Foundation accounting department prior to processing. An amount equal to the waived Administrative Fee or Endowment Fee portion will be charged to the appropriate President's or Chancellor's Undesignated Account or such other account as may be identified by the President or Chancellor.

##### ***C. Implementation Exceptions***

If any of the fees outlined in this policy are changed by the Board of Directors, the President of the Foundation is authorized to provide limited exceptions to the fee percentage or to the manner in which it is applied, as the fee change is implemented. Such exceptions will be provided on a uniform basis, by category of gift or fund. The implementation period of a fee change shall not exceed seven years without approval of the Board. The President shall report to the Board of Directors on any implementation exception procedure that is established under this provision.

#### **VI. Notification**

Donors and prospective donors will be notified of the Foundation's Fee Structure through appropriate statements in each Gift Agreement, and on the Foundation website. A brief statement on each gift receipt notifies the donor that a small portion of their gift supports administrative expenses. Formal notification of the UA gift fee policy is provided to the University Development Offices for further dissemination to all offices at the University engaged in solicitation of gifts.