

SCSU FOUNDATION, INC.
FEE POLICY
Revised May 22, 2019

I. Purpose of Policy

This is the Fee Policy (“Policy”) of Southern Connecticut State University Foundation, Inc. (“Foundation”). The purpose of this policy is to establish the fees which the Foundation will assess and use to support its mission to raise and administer gifts on behalf of Southern Connecticut State University (“University”).

II. Policy

The Foundation is committed to administering endowed and non-endowed funds in compliance with all relevant Foundation by-laws, organizational concerns, and federal and state laws and regulations including, without limitation the Connecticut Uniform Prudent Management of Institutional Funds Act. No policy will supersede any provision of federal or state law or regulation.

In assessing fees on endowed and non-endowed funds the Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, if relevant, the following factors:

- a. The duration and preservation of endowment funds;
- b. The purposes of the Foundation and the endowed or non-endowed funds;
General economic conditions;
- c. The possible effect of inflation or deflation;
- d. The expected total return from income and the appreciation of investments;
- e. Other resources of the Foundation; and
- f. The investment policy of the Foundation.

III. Fee Calculation Method

1. Gift Fees – Subject to the intent of a donor expressed in a Gift Instrument, a fee (“Gift Fee”) will be assessed on new gifts received by the Foundation as follows:
 - a. No fee from gifts to Endowment Funds.
 - b. Five percent (5%) from gifts to non-endowed funds.
 - c. The Gift Fee will be calculated as of the date of receipt by the Foundation (regardless of when liquidation by the Foundation of a gifted asset occurs) and immediately transferred to the Foundation’s operating funds.
 - d. The Gift Fee will be used to fund the Foundation’s support services

2. Endowment Fees - In addition, an Endowment Advancement Fee will continue to be assessed on all Endowment Funds held by the Foundation as follows:
 - a. One percent (1.50%) calculated on the endowed market value balance held by the fund each December 31st (“Calculation Date”).
 - b. The Endowment Advancement Fee will be used to support the Foundation’s operating budget beginning July 1st of the next fiscal year after the Calculation Date.

IV. Exemptions from Fees

1. The Gift Fee will not be assessed on:
 - a. Payments made on documented pledges executed prior to January 1, 2009;
 - b. Payments made pursuant to an agreement that by its terms does not permit the assessment of such fee;
 - c. Real estate, in-kind gifts or program receipts;
 - d. Gifts from large Private Foundations (not an individual, corporation or family foundation) the governing board of which prohibits the assessment of such fee as an established organizational policy which can be documented in writing; and
 - e. Such other gifts as the Chairs of the Finance and Development Committees of the Board of Directors of the Foundation shall approve upon the recommendation of the Foundation’s Executive Director. Such exemptions or partial exemptions shall be granted in only the rarest of circumstances and only where there is substantial potential for developing a long term funding relationship with the donor and the gift’s designated use is compatible with the University’s organizational priorities.
2. The Endowment Administrative Fee will not be assessed on:
 - a. Gifts made pursuant to an agreement which by its terms does not permit the assessment of such fee;
 - b. Gifts from large Private Foundations (not an individual, corporation or family foundation) the governing board of which prohibits the assessment of fees as an established organizational policy which can be documented in writing; and
 - c. Such other gifts as the Finance Committee of the Board shall approve upon the recommendation of the Foundation’s Executive Director where there is substantial potential for developing a long term funding relationship with the donor, the gift’s designated use is compatible with the University’s organizational priorities. Exemptions or partial exemptions shall be granted in only the rarest of circumstances.

V. Applicability

Except as otherwise provided, this Policy applies to all gifts and funds received, administered, held, and invested at the Foundation. The Policy does not apply to gifts made to any other University account.

VI. Definitions

“Endowment Fund” means a fund or any part thereof not wholly expendable by the institution on a current basis under the terms of an agreement.

"Agreement" means a record or records, including a solicitation, under which funds/property is granted to, transferred to or held by the Foundation or University.

“Non-endowed Fund” means a fund that is wholly expendable by the Foundation on a current basis under the terms of an agreement.

“Private Foundation” means a private philanthropic organization characterized by large staffs, a corporate management structure, large asset base, multiple branch offices, defined funding guidelines, the issuance of “requests for proposals,” broad-based philanthropic giving, and issue-focused philanthropic giving.

“Market Value” means fair value of the investment assets as provided by investment managers within the long-term pooled investment portfolio (“pool”). The value of the total pooled fund includes receipts, disbursements, interest, dividends, realized gains or losses, and unrealized gains or losses.

“Program Receipts” are funds received that are not donations as determined by the I.R.S. since the donor generally receives a benefit or privilege from his/her payment. Such payments include, but are not limited to, event tickets, auctions, and athletic travel.

VII. Exceptions to the Policy

In general, exceptions to the Policy are prohibited. In the rare case that an exception is requested, such request will be reviewed and approved by the Finance Committee of the Board of Directors.

VIII. Effective Date

This Policy is effective July 1, 2019 and replaces and supersedes any preceding policy concerning this subject matter. This Policy shall be reviewed by the Finance Committee of the Board of Directors not less than annually.

January 15, 2009 Approved by Finance Committee

February 2, 2009 Approved by SCSU Foundation Board of Directors

March 16, 2009 Section 2d Approved by Finance Committee

May 4, 2011 Revisions approved by Finance Committee. Changes in fee percentages to be effective July 1, 2011.

May 11, 2011 Policy approved by SCSU Foundation Executive Committee

October 13, 2011 Revision in Section 4(1)e approved by the SCSU Foundation Finance Committee

February 27, 2012 Revision in Section IV (1) (e) approved by the SCSU Foundation Finance Committee

January 26, 2017 Revision to Administrative fee change to 1.00% approved by the SCSU Foundation Finance Committee

May 22, 2019, Revision to remove gift fee on endowed gifts and change administrative fee to “advancement fee” and change to 1.50%