

MEMO

DATE: July 15, 2020
TO: Campus Community
FROM: Michael Losquadro, CSPG, Interim Vice President for University Advancement
SUBJECT: New Gift Fee, Endowment Minimums, and Philanthropic Foundation Endowment Policies

The CSUDH Philanthropic Foundation recently adopted some policies that bring CSUDH's fee policies in line with best practices among the CSU. These changes will reduce the burden on the university endowment, and spread the support for funding the foundation to non-endowed gifts for the first time. These changes will also enable the university to strengthen its fundraising efforts which should lead to more support for faculty and students.

The following takes effect immediately:

The CSUDH Philanthropic Foundation shall distribute to the spending accounts an amount equal to 4% of each endowment fund based on a 36-month moving average market value, determined as of December 31 of each year for the following fiscal year's allocation.

No distribution will be made from an individual endowment if its corpus value is equal to or less than 90% of its historical gift value. Partial distributions will be made as long as the distribution shall not cause the market value to drop below 90% of the historical gift value.

Additionally, as of July 1, 2020, the minimum donation for an endowment has increased to \$25,000. Also, effective July 1, 2020, the following three fee policies have been implemented:

- **Gift Fee:** 5% charged on all gifts at the time of receipt. This fee will be charged on each payment as the funds are received. For example, a donation of \$1,000 will be assessed a gift fee of \$50 (5%) and the remaining balance of \$950 will be deposited as usual.
- **Credit Card Chargeback Fee:** any donations made via credit card will be assessed a cost recovery fee of 2-3% which is based on the average rate used by each credit card merchant. This fee is collected to help offset the cost of processing credit card donations.
- **Endowment Management Fee:** all endowments shall be charged an annual fee equal to 1% of the account's market value. The fee shall be .25% charged quarterly. This rate is a reduction from the current annual rate of 1.25%.