



## Supplemental Gift Policies and Procedures July 2020

**Policy:** The CSUDH Philanthropic Foundation adopted a new endowment spending policy at their May 28, 2020 board of directors meeting. The following policy 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.

**Protocol:** Fund management will be conducted by the Foundation auxiliary using appropriate endowment management software.

**Policy:** The minimum donation for an endowment has increased to \$25,000.

**Procedure:** If a donor establishes an endowment through an installment plan, those funds shall not accrue any earnings until the fund meets the \$25,000 minimum for an endowment.

**Policy:** Effective July 1, 2020, the following three fee policies will take effect:

- **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 \$50 (5%) and the remaining balance of \$950 will be deposited as usual.
- **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%.
- **Credit Card Chargeback Fee:** any donations made via credit card will be assessed a fee based on the average rate used by each credit card company, normally 2-3%. This fee is collected to help offset the cost of processing credit card donations.

**Procedure:** Each gift, regardless of amount, will be charged a gift fee of 5%. The donor will receive their full tax credit if there are no goods or services exchanged for their donation. The gift fee will be applied every month during the normal reconciliation process. Additionally, each credit card transaction, regardless of amount, will be assessed a fee equal to the average rate used by Philanthropic Foundation merchant account providers, which can range from 2-3%, depending on the year.