

SECTION: POLICY STATEMENT - GENERAL AND ADMINISTRATIVE

SUBJECT: GIFT REINVESTMENT FEE POLICY

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PURPOSE: To provide management with the criteria and framework by which donations may be assessed a Gift Reinvestment Fee.

EFFECTIVE DATE: March 6, 2009

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## GIFT REINVESTMENT FEE POLICY

### I. BACKGROUND AND PURPOSE

In early 2008, a Campus Campaign Task Force was appointed to analyze and present recommendations for funding Cal Poly's next comprehensive fundraising campaign. The Task Force looked at several funding sources including a gift reinvestment fee. Their recommendations were summarized and presented in a report dated August 5, 2008. Subsequently on November 8, 2008, the Cal Poly Foundation Board of Directors adopted a policy recommendation to adopt a 5% gift reinvestment fee. The University has requested the Corporation Board of Directors adopt a 5% gift reinvestment fee so that there is consistent practice in the treatment of gifts amongst the campus auxiliaries.

### II. POLICY

#### A. General

1. At the University's request and as is customary with other auxiliaries on campus, effective retroactively to January 1, 2009 (the "effective date"), a one-time gift reinvestment fee will be applied to gifts (see II.B. for exemptions) made to the Cal Poly Corporation for the purpose of providing essential financial support necessary for Cal Poly Corporation's overall operations.

2. The Gift Reinvestment Fee is currently set at 5%. The fee applies to outright gifts received after the effective date and to payments on pledges documented on or after the effective date. The fee percentage may be reviewed and revised periodically by the Corporation's Board of Directors.

#### B. Exemptions

The gift reinvestment fee will not be assessed on:

- a. Gifts received prior to the effective date.
- b. Payments received on pledges documented before the effective date.
- c. Non-cash gifts (gifts-in-kind) made to the Corporation that are not sold and are used to support the University's educational mission and programs.
- d. Contributions to the Grant & Annuity Society at the time of creation; however, remainder interests designated for the benefit of the University and distributed after the effective date will be assessed the Gift Reinvestment Fee at the time of distribution.
- e. Gifts made through Cal Poly's Annual Fund.
- f. Grants received from private foundations and administered by the Office of Sponsored Programs.
- g. Any gift determined in the sole discretion of the University President to be exempt from the Gift Reinvestment Fee.

C. Alternative Methods of Payment

At the request of the donor, and with the approval of the Executive Director in consultation with the Advancement Vice President, or his or her designee, alternative methods for paying the Gift Reinvestment Fee may be arranged, including but not limited to these circumstances:

- a. If the terms of a gift specifically disallow fees or cost recovery, the University unit benefiting from the gift may pay the fee from another discretionary departmental funding source held by the Corporation or Cal Poly Foundation, rather than the fee being deducted from the gift principal.
- b. At the request of the donor or the benefiting unit, the gift may be held and invested by the Corporation until sufficient earnings have accrued to pay the fee.
- c. Other donors may pay the fee on behalf of a donor who elects not to make a gift solely due to the Gift Reinvestment Fee.

D. Disclosure to Donors

Disclosure of the Gift Reinvestment Fee policy will be made to donors on all donation receipts. However, written or oral disclosure of the fee to donors is encouraged at the time of solicitation. Fee information should be included in any printed fund raising literature issued to prospective donors. University Advancement shall develop and approve appropriate disclosure language for fund raising literature.

III. REPORTS TO THE BOARD

Summary information about all fees collected shall be reported at least annually to the Board.

IV. IMPLEMENTING GUIDELINES

The Chief Financial Officer is authorized to establish management guidelines consistent with this policy statement to effect its implementation.