



Policy 132

Gift Reinvestment Fee Policy

Section: 100 – General Administration
Responsible Executive: Associate Executive Director,
Finance and Business Operations
Responsible Department: CPC Business Office
Issued: April 29, 2011
Updated: March 6, 2009
First Effective Date: March 6, 2009
Next Scheduled Review: June 15, 2012

1.0 PURPOSE

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

2.0 BACKGROUND

- 2.1. In early 2008, the University appointed a Campus Campaign Task Force to analyze and present recommendations for funding California Polytechnic State University's ("University") next comprehensive fundraising campaign. The Task Force looked at several funding sources, including a gift reinvestment fee. Its 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 to adopt a 5% Gift Reinvestment Fee. All accepted gifts are to be managed consistent with the policies and agreement of California State University, University and Cal Poly Corporation ("CPC").

3.0 POLICY

- 3.1. Gift Reinvestment Fee. Effective January 1, 2009 ("Effective Date"), a one-time Gift Reinvestment Fee is applied to any gift made to CPC for benefit of University or CPC overall operations. The fee applies to outright gifts received after the Effective Date and to payments on pledges documented on or after the Effective Date and to payments on pledges documented on or after the Effective Date.
- 3.2. Fee amount. The Gift Reinvestment Fee is currently 5%. This amount will change only upon the request of University and a change in University policies regarding this fee.
- 3.3. Exemptions from the Gift Reinvestment Fee. These types of gifts will be exempted from any assessment of a Gift Reinvestment Fee:
 - 3.3.1. Gifts received prior to the effective date;
 - 3.3.2. Payments received on pledges documented before the Effective Date;
 - 3.3.3. Non-cash (gifts-in-kind) made to CPC that are not sold and are used to support the University's educational mission and programs;
 - 3.3.4. 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;.
 - 3.3.5. Gifts made through the University's Annual Fund;
 - 3.3.6. Grants received from private foundations and administered by the Office of Sponsored Programs; or
 - 3.3.7. Any gift determined to be exempt from the Gift Reinvestment Fee by the sole discretion of the University President.

- 3.4. Payment at the Time of the Gift. The Gift Reinvestment Fee is to be paid at the time of the receipt of the gift, except for planned gifts, stock gifts, and gifts in kind, whereby the fee is collected on the net proceeds amount at time of maturity or disposition.
- 3.5. Alternative Timing and Methods of Payment. At the request of the donor, and with the approval of the Executive Director in consultation with the Vice President, University Advancement, or a designee, alternative methods for paying the Gift Reinvestment Fee may be arranged, including but not limited to these circumstances:
 - 3.5.1. 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 CPC or Cal Poly Foundation, rather than the fee being deducted from the gift principal;
 - 3.5.2. At the request of the donor or the benefiting unit, the gift may be held and invested by CPC until sufficient earnings have accrued to pay the fee; or
 - 3.5.3. 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.
- 3.6. 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.
- 3.7. Reporting. Summary information about all fees collected shall be reported at least annually to the Board of Directors by the Associate Executive Director of Finance and Business Operations or a designee.

4.0 DEFINITIONS

- 4.1. None.

5.0 PROCEDURES, GUIDELINES AND FORMS

- 5.1. The Associate Executive Director, Finance and Business Operations, may establish written Guidelines and forms for practical operations to implement this policy. Guidelines may include philosophy and procedures, as needed.

6.0 COMPLIANCE

- 6.1. All auxiliary units, departments and personnel and any authorized personnel with funds held by CPC must comply with this policy.

7.0 REFERENCES AND RELATED POLICY

- 7.1. CSU and University gift management policies and procedures