

UC SANTA BARBARA POLICY AND PROCEDURE

Gift Administrative Fee

Contact: Office of Budget and Planning

Revision Effective: **July 1, 2012**

Supersedes Gift Administrative Fee, July 1, 2010

Pages: 3

GIFT ADMINISTRATIVE FEE

I. PURPOSE AND SCOPE

The purpose of this policy is to implement a gift fee that will be used to ultimately eliminate the use of core funding (primarily state funds) and unrestricted gifts in covering the costs of fundraising activities and allow the reallocation of such funds to other core programs of the campus. Once all core funding for fundraising activities has been eliminated, any additional fee revenues will be used to enhance and expand the fundraising efforts of the campus.

II. POLICY

- A. Beginning July 1, 2012 an administrative fee of 6% will be assessed upon receipt of new gifts and pledge payments (on pledges made subsequent to July 1, 2012) to the UC Santa Barbara Foundation and The Regents of the University of California for the benefit of the Santa Barbara campus. For gifts and pledges made from July 1, 2010 through June 30, 2012, the administrative fee is 2%. The maximum amount of the administrative fee assessed on a gift or pledge shall not exceed \$180,000.
- B. Allocation of this fee shall be made by the Office of Budget and Planning as a component of the campus' annual budgeting process and will be used to reduce core funding for fundraising activities; including support for the Office of Development and other units within the division of Institutional Advancement. These fee rates may be adjusted in future years as a part of the campus' annual budget process.

III. RESPONSIBILITIES

The Office of Budget and Planning shall notify the Associate Vice Chancellor for Development, the UC Santa Barbara Foundation Chief Financial Officer, and the Campus Controller of the Gift Administrative Fee rate for Fiscal Year 2010-2011 and annually for all subsequent fiscal years.

IV. IMPLEMENTING GUIDELINES

A. Gift Administrative Fee

- 1. The Associate Vice Chancellor for Development shall assure that the Gift Administration unit in Development notifies the UC Santa Barbara Foundation Financial Accounting staff and the Extramural Fund Accounting staff in the Office of Accounting Services and Controls of any payments on pledges that were made prior to July 1, 2010 and are thus not subject to the Gift Administration Fee.
- 2. The Associate Vice Chancellor for Development shall assure that the Gift Administration unit in Development notifies the UC Santa Barbara Foundation Financial Accounting staff and the Extramural Fund Accounting staff in the Office of Accounting Services and Controls of any gifts, pledges, and pledge payments on pledges that were made after July 1, 2010 that are not to be

assessed a fee because there is pre-existing published policies or guidelines from that donor corporation or donor foundation that prohibit it.

3. The UC Santa Barbara Foundation Financial Accounting staff shall assure that the Gift Administrative Fee is set aside in a segregated current use Fund at the Foundation and that distributions from this Fund to campus shall be made at the direction of the Office of Budget and Planning. All such distributions are to be placed in a segregated current use gift general ledger account under the control of the Office of Budget and Planning. All distributions from this campus account shall be made in conformance with the intent and purpose of this policy.
4. The Office of Accounting Services and Controls shall assure that the Gift Administrative Fee collected on all gifts and pledge payments to The Regents on behalf of the Santa Barbara campus is set aside in a segregated current use gift general ledger account under the control of the Office of Budget and Planning.
5. The Office of Budget and Planning shall assure that distributions from this Administrative Gift Fee account shall be in conformance with the intent and purpose of this policy.

B. Terms and Conditions for Gift Fee Assessment

1. Donors will receive full credit for the amount of their gift.
2. Donors may elect to provide for the fee by making an additional gift equivalent to the fee.
3. Gift minimums set forth in Regental and UCSB Naming Policy will be based on the donor's actual gift amount (e.g. \$500,000 gift or pledge minimum for endowed chair even though gross "deposit" to endowment might be \$490,000).
4. The campus beneficiary department/unit may pay the gift assessment on behalf of the donor, from a (non-state) funding source.
5. No waivers or exemptions shall be granted.
6. The assessment applies to all cash and in-kind nongovernmental gifts except as outlined below.
7. Pledges and payments on pledges made before July, 1, 2010 will not be subject to the 2% or the 6% assessments.
8. Gifts for which written proposals were submitted before July 1, 2010 will also be exempted.
9. Illiquid assets and gifts of real, tangible or intangible property will be assessed (based on net proceeds) at the time they are sold/liquidated.
10. Bequests and other deferred gifts will be assessed fees based on gift residue amount when paid out to Foundation or Regents accounts.
11. Non-cash gifts that are to become inventoried useable assets of the University are exempted from fees.
12. Gifts from corporations or foundations (including "matching" gifts) will be subject to the assessments except where there are pre-existing published policies or guidelines from that corporation or foundation that prohibit it.

13. Disclosure of the fee policy is made to donors on all gift receipts, stewardship reports, and donor publications, as set forth below.
14. Payments from foreign governments that are not contract or research grant related are subject to an administrative fee assessment equivalent to the extant gift fee. The fee shall be assessed at the time the payment agreement is entered into or at the time the payment is received, whichever is earlier.
15. Fee information must be included in any proposals or gift documents (i.e. pledge letters, fund terms), and written and/or oral disclosure is required at the time of solicitation, as set forth below.

C. Disclosure Language

1. Required general disclosure for gift documents, pledge letters, fund terms, gift letters, stewardship reports, tax receipts, and donor publications: "It is the policy of the University of California, Santa Barbara and the UC Santa Barbara Foundation that a modest portion of gifts and/or the income from gifts may be used to defray the costs of raising and administering funds."
2. Required specific disclosures for all proposals, all solicitations (written or oral), websites (Development, Foundation, Extramural Funds, and Inventory of Campus Policies): "It is the policy of the University of California, Santa Barbara and the UC Santa Barbara Foundation that a modest portion of gifts and/or the income from gifts may be used to defray the costs of raising and administering funds. As of July 1, 2012, the current assessment is 6% on all new gifts."