

## CSUS FOUNDATION POLICY

# Assessments on All Gifts & Funds

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## POLICY STATEMENT

The California State University, Stanislaus Foundation is committed to support the University's mission, programs, and purposes by raising and administering private support. In order to recover a portion of the cost of private fund raising efforts, an administrative charge was established in September 2010 for effect on January 1, 2011. This policy modifies and expands the assessment policy.

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## REASON FOR POLICY

Gifts must be solicited, accepted, processed, recorded, invested, and administered in a manner that protects the interests of both the institution and its donors; there are not enough unrestricted sources of funds in the Foundation to accomplish the required administration at an institution of our size, including the investment needed to engage our external constituents in the University, and to raise critically needed private support; as a stand-alone charity gifts must be assessed some type of overhead rate to provide for the operations of the Foundation; gift assessments are acknowledged as an acceptable, industry-wide method of generating unrestricted funds to pay for operating charities similar to the Foundation.

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## WHO SHOULD READ THIS POLICY

- University Advancement Development and Alumni Affairs staff
- College, unit, and department administrators
- College and unit business officers
- Faculty and staff soliciting or accepting gifts
- Senior administrators
- Volunteers

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#### DEFINITIONS

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<b>Charitable Contribution</b>	A gift that meets the requirements of Section 170 of the Internal Revenue Code.
<b>Current Use Fund</b>	A fund established to receive and expend gifts intended by the donor to be used for current purposes or programs; a fund that is not an endowment.
<b>Endowment</b>	A fund established to receive and invest gifts intended by the donor to be used for restricted purposes or programs; and endowed fund protects the gift in perpetuity by responsibly investing the principal and distributing an annual payout realized from a portion of the investment income allowing the fund's real value to increase over time
<b>Gift</b>	The charitable and irrevocable transfer of money or property that is voluntary and motivated by something other than consideration or expectation of financial return or contractual obligation
<b>Gift In-Kind</b>	The charitable and irrevocable transfer of property or service that is voluntary and motivated by something other than consideration or expectation of financial return or contractual obligation
<b>Grant</b>	Generally, a grant can have some or all of the following characteristics; grantor is entitled to receive some consideration; the research is directed to satisfying specific grantor requirements; a specified period of performance is prescribed or termination is at the discretion of the grantor, funds that are unexpended at end of period shall be returned to the grantor, patent or licensing rights are requested by the grantor.
<b>Pledge</b>	The promise of a gift made legally binding by a signed agreement
<b>Principal</b>	the actual amount of the gift; often referred to as "corpus" of an endowment
<b>Real Property</b>	Land and buildings
<b>Tangible Personal Property</b>	Property that has a physical substance (e.g., art, books, equipment, furniture) and can be moved without damaging any real property to which it may otherwise be attached.

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### OVERVIEW

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The Foundation understands that providing support of administrative costs is not what donors seek to achieve with their donations. We appreciate that our donors are typically understanding of the costs of doing business, including fund raising. While the application of an assessment on our gifts is not a perfect solution and one we wish could be eliminated, that is not a realistic probability given the limited amount of unrestricted funds held by the Foundation available for operating costs. We are proud that 100% of every dollar given supports the mission of CSU Stanislaus and strive to give as much of every dollar given to the specific purpose for which it is given.

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As a stand-alone charitable organization, the Foundation incurs costs to operate as a 501(3) c non-profit corporation charged with the administration of gifts intended to benefit the California State University, Stanislaus. The administrative assessment charged to certain gifts generates much needed unrestricted revenues the Foundation can use to purchase auditing, accounting, and legal services as well as pay for insurance, solicitation supplies and materials, office space and supporting information technology systems. Assessments not used for administrative operating costs may be used as seed money for future capital campaigns, donor relations and business exigencies that may arise.

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Although the assessment is taken the donor of charitable gifts will receive credit for the full amount of their gift.

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### APPLICATION OF ASSESSMENT & RATES

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Effective January 1, 2011, a charge based on a predefined assessment charge schedule was to be assessed on all outright gifts, proceeds from the sale of real property gifts, non-governmental grants and pledge payments except as identified by exemption noted in Exemption from Assessments section of this policy. Effective July 1, 2011, the following assessments will be levied upon the product of fund raising efforts, gifts, donations and bequests as specified below:

1. 5% Assessment on revenues arising from the net proceeds realized from the sale of real property gifts, tangible property, fund raising events; receipts, donations/gifts to each Fund except the Scholarship Fund.
2. An annual 1% Management Assessment applied quarterly to the beginning balance for legal, audit or investment management, funds controls or funds handling for Designated Funds, Campus Program Funds or Endowment Funds.
3. Unless otherwise agreed, the Foundation will retain as an assessment the investment income or interest income generated by funds held in the Scholarship Fund.

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#### EXEMPTIONS

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The assessment is generally charged on all gifts; however, the Foundation recognizes there are certain types of assets given that do not lend themselves to the collection of an assessment. In addition, gifts agreements and pledges made prior to the effective date of this policy should not be assessed the charge since they were not previously discussed with the donor.

Gifts Made Prior to Policy Effective Date

1. Gifts received prior to the effective date of this policy;
2. Gifts agreements, including documented pledges, executed prior to the effective date of this policy;
3. Payments received for pledges documented before the effective date of this policy;
4. Distributions from split interest trusts if the trust was created prior to the effective date of this policy.

Assessment Exclusions:

1. Capital gifts for the construction of facilities.
2. Tangible non-cash gifts (gifts-in-kind) made to the Foundation that are to become inventoried useable assets of the University or which are not saleable by the Foundation;
3. Government grants or sub-grants where the prime source of funds is governmental or any contracts administered by the Office of Sponsored Programs.
4. Membership Fees
5. Cost Sharing

Special Exemptions:

1. Any gift determined at the discretion of the Foundation Chairman to be exempt.
2. Grants received from non-governmental sponsors, such as corporation and foundations that specifically prohibit such assessments.

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#### DISCLOSURE TO DONORS

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Disclosure of the assessment policy is made to donors on all donation receipts. Additionally, written or oral disclosure of the assessment charge to donors is encouraged at the time of solicitation. Assessment information should be included in any proposals, gift documents issued to prospective donors, and fund raising published literature. Appropriate disclosure language for fund raising literature or letters of gift purposes is as follows:

“For the purposes of strengthening the development program and partially defraying related administrative costs, a portion of all donations will be used to further advancement efforts on behalf of CSU Stanislaus.”

Requests to use modified language must be directed to the University Advancement Office for approval.


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#### EXCEPTION TO THE POLICY

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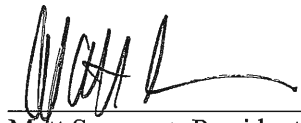
In general, exceptions to the Assessment policy are prohibited. In the rare case that an exception is requested, such a request will be reviewed and approved by the Treasurer and Executive Director on behalf of the Finance & Investment Committee who delegate this authority to these individuals.

I hereby certify that the Foundation Assessment on All Gifts & Funds Policy was approved at the May 4, 2011 Finance and Investment Committee Meeting.

  
Dorothy Bizzini, Chair  
Finance and Investment Committee  
California State University Stanislaus Foundation

June 8, 2011  
Date

I hereby certify that the Foundation Assessment on All Gifts & Funds Policy was approved at the June 8, 2011 Board of Directors Meeting.

  
Matt Swanson, President of the Board  
California State University Stanislaus Foundation

June 8, 2011  
Date

  
Hamid Shirvani, President  
California State University Stanislaus  
Chairman of the Board, California State University Stanislaus Foundation

June 8, 2011  
Date