



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

SUBJECT: Gift Fee Policy and Procedures

DATE: May 24, 2023

1. PURPOSE

The purpose of this policy is to provide partial recovery of operational expenses in securing gifts for the university's fundraising efforts and to augment University Advancement's ability to attract philanthropic support. On July 15, 2020, a 5% gift fee took effect at California State University Dominguez Hills (CSUDH); this document serves to clarify the fee's purpose and to outline related procedures.

2. POLICY

The gift fee is a one-time upfront fee assessed at the time of transaction on tax-deductible gifts to CSUDH Philanthropic Foundation based upon the value of the gift. The value of the gift is defined as the fair market value at the time the gift is received by the CSUDH Philanthropic Foundation.

The gift fee enables CSUDH Philanthropic Foundation and university donors to contribute toward the cost of the University Advancement program, thereby enabling CSUDH to maximize the amount of state funds that support the University's educational mission. The CSUDH Philanthropic Foundation will in good faith make information concerning the gift fee available to donors and potential donors.

All cash gifts and pledge payments, including the liquidated proceeds of marketable securities, real estate, partnerships, and estates, are subject to the gift fee, with two exclusions:

- In-kind gifts which will not be sold but will be used in kind (e.g., computers, software, vehicles).
- Grants from entities whose grant-making policies specifically disallow contributions to be allocated for administrative fees and/or overhead.

3. EXCEPTIONS TO THE POLICY

Exceptions to this Policy should be granted in only the rarest of circumstances. When a donor objects to the gift fee, a member of the University Advancement staff can submit in writing a request for a waiver, reduction, or modification of the gift fee. The request should be submitted to the Executive Director of the CSUDH Philanthropic Foundation, explaining the extraordinary circumstances which give rise to the request. The Executive Director shall, in consultation with the CSUDH President and other advisors of the Executive Director's choosing, have the authority to grant exceptions.

4. PROCEDURES

The following administrative procedures apply to the policy:

- As gifts and pledge payments are processed by Advancement Services, 95% of the cash received is placed into the Philanthropic Foundation account for the specific purpose for which the gift

was designated by the donor. The remaining 5% is placed into the Philanthropic Foundation Administrative Account.

- As a practical matter, this policy may require 105% of a specific need to be funded through fundraising. For example, if \$100,000 is needed from philanthropy for a campus department to purchase new equipment, then \$105,000 must be obtained from donors.
- The Executive Director of the CSUDH Philanthropic Foundation has authority to draw upon the Philanthropic Foundation Administrative Account to help underwrite the University Advancement department's budget and/or support initiatives undertaken to advance the university's fundraising efforts.
- Some funding agencies allow for indirect costs higher than 5%. In such cases, awarded indirect cost funds in excess of 5% shall be allocated to the program/unit, unless otherwise determined by the Executive Director of the CSUDH Philanthropic Foundation in consultation with the Chair of the Board of the CSUDH Philanthropic Foundation.
- The percentage amount of the gift fee is set by the CSUDH Philanthropic Foundation's Board of Directors and is subject to change over time. In determining the gift fee, the CSUDH Philanthropic Foundation will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, as applicable, the following factors:
 - the mission of the CSUDH Philanthropic Foundation and the purpose of the funds
 - general economic conditions
 - the possible effect of inflation or deflation
 - the expected total return from income and the appreciation of investments
 - other resources of the CSUDH Philanthropic Foundation; and
 - the investment policy of the CSUDH Philanthropic Foundation

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