

## **MSUM Foundation Fee Policy**

### **Policy and Purpose**

The Board of Directors of the Minnesota State University Moorhead Foundation (the “Foundation”) will establish reasonable fees, including fees applied to the gifts upon receipt and fees applied to certain funds held by the Foundation. The fee structure will be set initially by motion of the Board of Directors and reviewed annually, typically at the fall board meeting, by the Finance & Investment Committee, in coordination with the Development Committee.

The MSUM Foundation works closely with university leaders, but is an independent non-profit foundation that is legally separate from the University. The Foundation is the primary fundraising organization that raises private money for the University, and ensures that gifts are used according to donor’s wishes and that funds are managed wisely so future generations will benefit from them. The Foundation exists solely for the benefit of MSUM.

### **MSUM Foundation sources of operating revenue**

The Foundation’s operating budget comes from five primary sources:

- An administrative allocation base on the market value of each individual endowment fund.
- A one-time gift fee on all incoming gifts.
- A contracted amount paid by the University to the Foundation for fundraising and management services.
- Investment income from short term investments
- Unrestricted contributions

### **MSUM Foundation Fee Types**

**A Gift Fee**, expressed as a percentage of the amount received, will be applied to all gifts received by the Foundation.

**An endowment administrative allocation** will be levied on the endowments managed by the foundation, valued as of the last calendar day of each month. The allocation will be levied from the accumulated earnings portion of the endowment.

### **Exceptions**

Exceptions to this Policy should be granted in only the rarest of circumstances. All exceptions to this Policy must be approved by the Executive Committee of the board of directors of the Foundation (the “Board”) upon the recommendation of the Foundation Executive where there is substantial potential for developing a long-term funding relationship with the donor and the gift’s designated use is compatible with the University’s organizational priorities.

Approved by the Board of Directors – September 2020