

**Minnesota State University Moorhead
Alumni Foundation**

Fee Schedule

With a new emphasis on development activities at Minnesota State University Moorhead, the MSUM Alumni Foundation's role will be increased greatly. Not only will the Alumni Foundation continue to manage and invest the gift assets of the university, but also the Alumni Foundation will continue to take the major leadership role in the actual raising of funds. A major capital campaign is imminent, and, with it, all development activities will be enhanced and increased.

Unrestricted contributions to benefit Minnesota State University Moorhead, received as gifts to the MSUM Alumni Foundation, continue to be used for those purposes deemed most important for the university, including support of Minnesota State University Moorhead's fund raising and development programs and the management of the MSUM Alumni Foundation. However, as we move forward toward more aggressive development activities and a major capital campaign, a variety of fees must be implemented to fund partially the increased costs for the operation of these programs.

Restricted Gifts Service Charge

The restricted gifts service charge would apply to all restricted charitable contributions – whether restricted to a college, department, program, or other purpose – received by the Minnesota State University Moorhead Alumni Foundation. The charge, 8.0 percent of the gift's value, would be assessed as follows:

- ◆ For charitable gifts of cash or cash equivalents, the service charge would be assessed on the value of the gift.
- ◆ For charitable gifts of real or personal property assets (including gifts of equipment), the service charge would be assessed only upon conversion of such assets to cash or cash equivalents, and then would only be assessed on the net proceeds of the conversion.
- ◆ For restricted endowment gifts, the service charge would be assessed on the value of the gift, but might (at the account holder's discretion) be paid out of initial earnings of the endowment as they are realized.
- ◆ **Exception:** The annual phonathon has historically been operated with often quite severe costs returned to the units. This policy will set the fee for phonathon gifts at 20.0 percent on all gifts received via the phonathon, giving the phonathon an approximate "break-even" management fee. This fee, therefore, will be charged on phonathon gifts, not the 8.0 percent.

It is important to note that while the gifts received would determine the fees, they would not necessarily be the source for payment of the fees. Payment might be from any source available to the benefiting program.

Non-Endowment Investment Income

All income from invested non-endowment funds would be for use in meeting associated operating expenses and for support of Minnesota State University Moorhead's fund raising and development programs and the operation of the MSUM Alumni Foundation.

Endowment Management Fee

The endowment funds should have an annual objective to achieve a minimum annual average total return, as found in the Investment Policy as determined by the Minnesota State University Moorhead Alumni Foundation's Investments and Finance Committee. Two percent (2.0%) (Annualized) would be retained quarterly by the Alumni Foundation as a management fee, and the balance then would be reinvested to benefit the endowment accounts. The investment objective of the endowment is one of growth and hedging against inflation. The Investments and Finance Committee may review the payout rate annually in the winter. Any changes could then be announced at the Spring Alumni Foundation Meeting of the Board of Directors, also allowing account holders to plan for the next fiscal year.

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