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Section: Treasury

Policy No: 3.5

Administrative Fee Policy

PURPOSE:

The purpose of this policy is to define the administrative fee policy for the funds of the College Heights Foundation. As such, this will serve as the baseline policy for the administrative fee assessed for the services rendered and the expenditures required for the effective operations of the Foundation. The Foundation recognizes that as a perpetual entity, the framework of its fee decisions should be created in response to:

- the anticipated financial needs of the organization
- the organization’s investment policy and anticipated market returns;
- and
- the need to adequately plan operations for the current year and strategically plan for the future of the Foundation.

The fee is to be assessed for the administrative services provided by the Foundation including the facility maintenance and operational costs of the Foundation office space, salaries and benefits of the Foundation staff, gift receipting and donor acknowledgement, accounting and treasury services, investment oversight, scholarship processing and guideline administration, endowment fund reporting, postage and printing, as well as other administrative expenses required for the annual operations of the Foundation. The administrative fee should be no more than 2% or less than 1% of the moving average market value of the endowment. The administrative fee policy rate will be reviewed by the Executive Committee as needed.

POLICY:

The annual administrative fee on endowed funds shall be calculated using the average value of each individual endowed fund for the full calendar year. The administrative fee shall be 1.5% for all endowed funds with a total fund balance less than \$10 million and 1% for all endowed funds with a balance that equals or exceeds \$10 million.

The Foundation President has the discretion to approve the lower 1% administrative fee when an individual donor or collective family has multiple funds with principal gifts or balances totaling in excess of \$10 million.

The annual assessed administrative fee will be posted as incoming support to the Foundation’s operating account.