

GPS-17 Advancement Investment Fee

The Advancement Investment Fee (“AIF”) provides a sustainable revenue stream to help to ensure the growth of the University’s fundraising efforts by directing a percentage of donations to the central University Advancement operations account to be used for central and college/unit activities.

The AIF represents an internal allocation of money and does not affect the tax deductibility of the transaction for the donor. The AIF is applied to cash and cash-equivalent gifts and pledge payments at the time they are posted in the Advancement system. For non-cash gifts, the AIF will be applied at the time proceeds are received as a result of the asset being liquidated or otherwise monetized.

Procedure

17.1. Terms and Conditions for the AIF

1. Donors will receive full credit for the amount of their gifts and pledge payments. Any applicable fees will have no impact on the donor’s potential tax deduction, recognition in clubs/giving societies, nor giving record in the Advancement system.
2. Donors may elect to counterbalance the AIF by making an additional gift that is equivalent to the fee.
3. Funding levels and minimums set forth in the CSU Gift Policy Attachment F for establishment of new gift funds will be based on the full amount of associated pledges, gifts and pledge payments. The AIF will not impact those determinations.
4. There will be no exceptions except for the following specific circumstances:
 - a. Corporations and foundations that have a pre-existing published policy or guideline prohibiting such a fee will be exempt from the Advancement Investment Fee.
 - b. The “premium” portion of a gift or pledge payment (e.g., the cost of dinner at a ticketed fundraising event.) The “premium” portion is the total fair market value of any goods and services provided to the donor in exchange for their donation;
 - c. Gifts and pledge payments which are associated with the establishment or continuance of a deferred gift such as a charitable gift annuity, life insurance policy, etc. This includes gifts and pledge payments to be utilized as premium payments on life insurance policies owned by the CSU Foundation.
 - d. Non-cash gifts (aka gifts-in-kind) which are to be retained and become inventoried assets of the University.
 - e. Payments on pledges for which both the signed pledge document and initial payment were received before July 1, 2016. Please note: ongoing payments such as payroll deductions or automated credit card billing are not considered exempt pledges.
 - f. To ensure equitable treatment of all gifts the Vice-President for University Advancement may grant an exception at his/her discretion.
 - g. Any facility plan that included a finalized pro-forma financial plan (with a breakdown of costs and repayment structure with gift revenue) that was approved prior to July 1, 2016, will be exempted.

5. The AIF will be applied to non-cash gifts (aka gifts-in-kind) which are not to be retained and become inventoried assets of the University at the time proceeds are received from the asset's sale, liquidation, and/or maturity. (e.g., sale of gifted real estate.)
6. The AIF will be applied to bequests and other deferred gifts at the time of realization of cash or cash-equivalent assets. The existence of a preceding irrevocable or revocable commitment from the deceased will not impact the requirements for the application of the investment fee. (e.g., proceeds from a realized life insurance policy, maturity of a charitable gift annuity, etc.)

17.2 AIF Structure

The Advancement Investment Fee, effective July 1, 2016, is applied to all gifts according to the following tiered structure:

- 5 percent on first \$5 million
- 3 percent on the next \$5 million
- 0 percent on the portion of the gift that exceeds \$10 million

17.3 Disclosure Language and Communicating to Donors

The required general disclosure language is included for gift documents, proposals, pledge forms, fund agreements, receipts, and stewardship reports.

17.4 Gift Reversals and Modifications

1. When a gift is reversed, any fees assessed on that gift will be refunded from the UA account.
2. When a gift is modified, the applicable fees will be adjusted (positive or negative) in accordance with this policy's terms and conditions.