

# UC Davis Policy and Procedure Manual

## Chapter 260, Gifts and Endowments

### Section 50, Gift Fee: Assessment and Distribution

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Supersedes: New

Responsible Department: University Relations

Source Document: Letter from the Chancellor and Provost, Advancement Finance Plan Including Gift Fee, August 31, 2004.

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#### I. Purpose

The purpose of this section is to provide the gift fee policy, specify broad responsibilities for implementation and ongoing management, and provide links to procedures.

#### II. Definitions

See Section 260-15 for definitions of terms used in this policy.

#### III. Policy

- A. The campus will assess a 6 percent gift fee on all gifts pledged to UC Davis (both Regents and Foundation) after September 30, 2004. The gift fee will be assessed and collected at the time the gift or pledge payment is received in cash or converted to cash, and will be the gift fee in effect at the time the cash payment is received.
- B. Cash payments on pledges made before September 30, 2004 are not subject to a gift fee.
- C. Solicitation and pledge materials must include notification to donors that a gift fee will be assessed.
- D. Two-thirds of the gift fee revenue on each gift will be distributed directly to the dean, vice provost or vice chancellor who receives the gift. One-third of the gift fee revenue on each gift will be distributed to a central campus pool for strategic allocation to deans, vice provosts and vice chancellors and University Relations.
- E. The gift fee revenue is to be expended only to help support the costs of fundraising and related advancement activities.
- F. Deans, vice provosts and vice chancellors may not assess a unit-specific gift fee on gifts pledged after September 30, 2004.
- G. Unless otherwise stated in this policy, gifts for any and all purposes and gifts from any and all sources are subject to the gift fee (see IV.D, E, below).

#### IV. Payment, Deferral, and Exemptions

- A. For each gift, the dean, vice provost or vice chancellor who receives the gift, based on consultation with donors as appropriate, will designate one of the following gift fee payment options:
  1. Deduct the fee from the gift principal.
  2. Deduct the fee from funds provided by the donor specifically for purposes of paying the fee.
  3. Deduct the fee from the DaFIS account designated for this purpose by the dean, vice provost or vice chancellor who receives the gift. Each dean, vice provost or vice chancellor has notified the UC Davis accounting office of the account to be used for this purpose.
  4. Deposit and hold the complete gift in an interest earning account until sufficient earnings have accrued to pay the fee. This option is available only for gifts of \$100,000 or more and

requires that the dean, vice provost or vice chancellor who receives the gift submit a written request to the Vice Chancellor--University Relations explaining special circumstances that warrant holding the gift.

- B. The gift fee will be assessed on a gift-in-kind only if the gift is converted to cash. The fee will be assessed when the cash is received and will be assessed on the cash at conversion, not the value assigned when the gift-in-kind was received.
- C. The gift fee will be assessed on a planned giving (deferred) gift when the gift matures and is received as cash. The fee will be assessed on the cash received, not on the value assigned when pledged.
- D. University Relations may grant a gift fee exemption for a gift from a corporation or foundation if provided verification that gift fee payments are prohibited by donor restrictions set by foundation or corporation statute, published guideline or policy.
- E. The Chancellor in consultation with University Relations may on rare occasions grant a partial or full gift fee exemption based on written justification provided by the dean, vice provost, or vice chancellor who receives the gift.

## **V. Responsibilities**

- A. University Relations shall:
  - 1. Provide guidance to unit development staff regarding gift fee notification to donors and assure that donors are notified of the gift fee in solicitation and pledge materials.
  - 2. Ensure that gift processing forms provide efficient notification to Accounting and Financial Services of the gift fee payment method for each gift.
  - 3. Approve or deny requests for corporate or foundation gift fee exemptions (see III.D, above).
  - 4. Approve or deny requests that a gift be held in an interest earning account until sufficient earnings have accrued to pay the fee (see IV.A.4, above).
  - 5. Ensure that gift fee revenue distributed to University Relations is used for fundraising and related advancement activities.
  - 6. Provide gift fee sources and uses reports when requested by the Provost or designee.
- B. Accounting and Financial Services shall:
  - 1. Ensure that the gift fee payment is assessed in accord with the payment option designated by the dean, vice provost or vice chancellor who receives the gift (see IV.A, above).
  - 2. Ensure that the gift fee revenue is distributed to deans, vice provosts and vice chancellors and the central campus as specified in this policy.
- C. The Office of Administrative and Resource Management shall monitor and report on total gift fee revenue, distribution of revenue and uses of revenue.
- D. Deans, vice provosts and vice chancellors shall:
  - 1. Ensure that unit development staff notifies donors of the gift fee in solicitation and pledge materials in accord with guidance from University Relations.
  - 2. Ensure that unit development staff designates the gift fee payment option chosen for each gift.
  - 3. Ensure that gift fee revenue is used for fundraising and related advancement activities.

4. Provide gift fee sources and uses reports when requested by the Provost or designee.
- E. The Chancellor's Office shall:
1. Approve or deny gift fee exemption requests submitted by deans, vice provosts or vice chancellors (see IV.E, above).
  2. Determine strategic allocation to deans, vice provosts and vice chancellors of the gift fee revenue in the campus pool.

**VI. Further Information**

- A. To ensure gift fee payments are assessed accordingly, select Box 9a on UDEV100-3, Regents Gift Form, or Box 13 on UC Davis Foundation Gift Form. Forms are available at <http://as.ur.ucdavis.edu/giftadmin.aspx>.

**VII. References and Related Policies**

- A. Letter from the Chancellor and Provost, Advancement Finance Plan Including Gift Fee, August 31, 2004.
- B. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
1. Section 260-15, Solicitation and Acceptance of Gifts.
  2. Section 260-25, Gift Reporting Procedures.