

Gift Fee Policy

I. PURPOSE OF POLICY

This is the Gift Fee Policy (“Policy”) of The University of South Carolina Upstate Foundation, Inc. (“Foundation”). The purpose of this Policy is to establish the gift acceptance fees (“Contribution Fees”) that the Foundation will assess on charitable contributions received. The Gift Fees assessed by the Foundation will be used to support the Foundation’s mission including, without limitation, its administrative and fundraising costs.

II. POLICY

The Foundation is committed to administering Non-endowed Funds (as defined herein) in compliance with all relevant Foundation by-laws, organizational concerns, industry standards, and federal and state laws and regulations including, without limitation, the South Carolina Uniform Prudent Management of Institutional Funds Act (the “Act”). No policy will supersede any provision of federal or state law or regulation.

In determining the Gift Fee charged on Non-endowed Funds, the Foundation will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, as applicable and as required under the Act, the following factors:

- a. The purposes of the Foundation and the Non-endowed Funds;
- b. General economic conditions;
- c. The possible effect of inflation or deflation;
- d. The expected total return from income and the appreciation of investments;
- e. Other resources of the Foundation; and
- f. The investment policy of the Foundation.

The Foundation will in good faith make information concerning the Gift Fee available to donors and potential donors.

III. FEE CALCULATION METHOD

The Foundation has considered the prudence of assessing a Gift Fee on new gifts received by the Foundation, and has determined that Gift Fees will be assessed as follows:

- a. Five percent (5%) on gifts to Non-endowed Funds.

Any Gift Fee will be calculated as of the date of receipt by the Foundation and will be transferred to the Foundation’s appropriate operating funds as soon as practical. For assets requiring liquidation, including without limitation gifts of real estate, the Gift Fee will be calculated on the date of receipt and transferred to operating funds as soon as practical following liquidation.

IV. EXEMPTIONS FROM THE GIFT FEE

The Gift Fee will not be assessed on:

- a. Payments made pursuant to a Gift Instrument that by its terms does not permit the assessment of such fee;
- b. Payments made to University accounts;

- c. Real estate or in-kind gifts if they are to be retained (not liquidated) for use by the Foundation;
- d. Gifts from large Private Foundations (as defined below) the governing board of which prohibits the assessment of such fee as an established organizational policy which can be documented in writing. This exclusion does not apply to donor advised fund transactions.
- e. Gifts made directly to the spendable account of an endowment that is, at the time of the gift, underwater by an amount greater than or equal to the amount required to suspend expenditures under the Foundation's Policy on Expenditures From Endowed Funds;
- f. Gift made to support Foundation operations
- g. Gifts made by a donor that are specifically designated to be applied as payment of any Gift Fee owing on any gift to the Foundation;
- h. Gifts made pursuant to an exception to the Policy granted as described below.

V. EXCEPTIONS

All exceptions to this Policy must be approved by the Finance Committee of the board of directors of the Foundation (the "Board") upon the recommendation of the Foundation President 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. Exceptions to this Policy should be granted in only the rarest of circumstances.

VI. APPLICABILITY

Except as otherwise provided, this Policy applies to all gifts received, by the Foundation.

VII. DEFINITIONS

"Gift Instrument" means a record or records, including a solicitation, under which property is granted to, transferred to or held by the Foundation or University.

"Non-endowed Fund" means a fund that is wholly expendable by the Foundation on a current basis under the terms of a gift instrument.

"Private Foundation" means a private philanthropic organization characterized by large staffs, a corporate management structure, large asset base, multiple branch offices, elaborate funding guidelines, the issuance of "requests for proposals," broad-based philanthropic giving, and issue-focused philanthropic giving.

VIII. ENFORCEMENT AND INTERPRETATION

It is the responsibility of all employees to uphold this Policy. Any violation of this Policy may result in disciplinary action up to, and including, termination of employment. Questions regarding interpretation of this Policy should be directed to the Foundation's Senior Vice President for Finance and Administration.

Approved by Foundation Board of Directors, August 25, 2022

RESPONSIBLE COMMITTEE: Finance