

GIFT FEE POLICY

Policy Owner:	Finance and Administration
Category:	Finance and Administration
Applies to:	All staff
Approved by:	Board of Directors (Committee: Finance)
Effective Date:	Approved October 24, 2025; retroactively effective July 1, 2025
Contact:	Senior Vice President of Finance and Administration
Official Website:	www.foundation.uconn.edu/policies
Revision History:	Approved October 28, 2022; to be effective November 1, 2022 Approved October 20, 2017; retroactively effective July 1, 2017 October 7, 2016 October 16, 2015 June 19, 2015 February 4, 2009

I. Purpose of Policy

This is the Gift Fee Policy (“Policy”) of The University of Connecticut Foundation, Inc. (“Foundation”). The purpose of this Policy is to establish the gift acceptance fees (“Gift Fee”) 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 University has delegated primary responsibility for all University fundraising to the Foundation. 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 Connecticut 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.

Twenty-five percent (25%) of any Gift Fee collected on a gift to a Non-endowed Fund will be transferred to unrestricted Foundation operating accounts supporting the school, college or unit responsible for the fund to which the gift was originally designated. If the school or college waives the twenty-five percent (25%) that portion of the gift fee will remain in the original gift account.

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, life insurance policies, and trusts where the Foundation is a remainder beneficiary, the Gift Fee will be calculated on proceeds from the liquidation.

IV. Exemptions from the Gift Fee

The Gift Fee will not be assessed on:

- a) Payments made to University accounts;
- b) Payments made on documented pledges executed prior to February 1, 2009;
- c) Payments to support athletics for football seat donations only;
- d) Real estate or in-kind gifts if they are to be retained (not liquidated) for use by the Foundation;
- e) Grants from Large Grant-Making Organizations (as defined below), where either (i) the governing board of which prohibits the assessment of such fee as an established organizational policy which can be documented in writing, or (ii) the terms of the specific grant program prohibit the assessment of such fee. This exclusion does not apply to donor advised fund transactions or other gifts besides Grants from Large Grant-Making Organizations.

- f) Non-deductible portion of a transaction (other than the priority seating portion of Athletic gifts);
- g) 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 Underwater Endowments;
- h) Gift made to support Foundation operations;
- i) Unrestricted gifts that the Foundation has determined will be used to make life insurance premium payments;
- j) 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;
- k) Gifts subject to terms of a gift agreement or budget proposal that require fees to be split between the Foundation and any University school, college, or unit which results in the Foundation not realizing 100% of the Gift Fee;
- l) 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

"Grant" means a philanthropic donation given by a foundation or corporation with specific conditions, often tied to a project or program. Grants normally require formal agreements and are typically restricted to a specific project or purpose, may include detailed budgets and timelines, and are often competitive. In many cases they come with a high level of oversight by the donor (grantor) than other philanthropic donations, may be performance-based with accountability measures, and may require reporting at regular intervals on outcomes, expenditures, and progress.

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

"Large Grant-Making Organization" means a well-established private philanthropic

organization, including but not limited to a well-established philanthropic arm of a large corporate entity (including a public corporation) that provides philanthropic Grants. These organizations are typically characterized by large staffs, a corporate management structure, large asset base, 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.

IX. Effective Date

This Policy is effective retroactive to July 1, 2025 and replaces and supersedes any preceding policy concerning this subject matter. This Policy shall be reviewed by the Finance Committee of the Board, which shall make any necessary recommendations with respect to amendments to this Policy to the Board of Directors.