Idaho State University Foundation

Policy V F Gift Assessment

This communication is meant to clarify and explain issues relating to the gift assessment policy adopted by Idaho State University and its Foundation. The policy is intended to augment private and corporate support for the entire university and to begin preparations for the University’s next major capital campaign.

1. **Background**

   Idaho State University is in the midst of an aggressive effort to enable the University to attain new levels of achievement and excellence. Our success will depend on the efforts and cooperation of every member of the university community, and will be achieved only if we are able to allocate sufficient resources necessary to raise the new private and corporate support dollars so critical to this goal.

   Knowing that the increased funding and staffing of development efforts at Idaho State University has been a longtime concern, and that most public and private universities in the United States have implemented gift fees to help fund development efforts, the Idaho State University Foundation Board of Directors recommended in the spring of 2007 the imposition of a gift assessment fee on all new gifts. Importantly, this fee does not in any way cover the full cost of fund raising. The Foundation office has determined that it costs Idaho State University an average of 20 cents to raise a dollar. Nevertheless, this gift fee will be one essential component in gathering the resources that the University, and all of us, can use to “invest” in our future. The ISU Foundation Board instructed the Development Office to put the fee into effect on March 26, 2007.

2. **Benefits**

   Obviously, the Foundation would not require this funding if it did not plan to provide greatly expanded services – and ultimately garner significant additional financial support – to all units of the University. Among current plans this fee will support:

   a. Additional unit-based principal and major gift fundraisers, who will identify, cultivate and bring new prospects to the various departments. These individuals will work to identify alumni whose giving interests extend (or can be stimulated to extend) to and beyond the academic area in which they studied. They also will work to systematically and significantly increase our pool of non-alumni donors. As this important expansion occurs, a series of faculty presentations to Foundation staff will be arranged so that development officers will become ever more familiar with the needs and opportunities of various units.

   b. An investment in automated year-round telemarketing equipment and human capital to enable the Annual Fund to significantly increase dollars raised for individual units. Over the past several years, resources secured through the
Annual Fund have increased marginally. Supporting an automated telefund will enable us to enhance giving by dramatically increasing the percentage of the donor base that ultimately gets contacted and asked for a gift. Rather than conducting the efforts solely for several weeks, automated telefunds function year-round. In addition to contacting many more potential donors, yields per donor have also been demonstrated to increase.

c. A restructuring and expansion of the Corporate and Foundation Relations operation will provide units an informed, expert and efficient point of contact to deal with corporate support for programs and student services. Corporate gifts are the most sought-after, but least supportive of all major support options to a university. Dealing with corporations and foundations requires a special skill set and involves immense resource investment. Most importantly, successful corporate support requires a close and continuing relationship, in general, with the business community and specifically with the target corporations and foundations.

d. An expanded Gift Planning program, which includes a strong marketing component. In addition, more estate planning and planned gift seminars are to be presented, most of which will be presented in the units for their prospects.

e. A reorganized Donor Relations operation, which will help the units provide stewardship to their donors and will also provide improved tracking of gifts, better reports for the units, and more accurate and complete gift recording and acknowledgement.

f. These and other activities will make the Foundation a more active and effective guardian of all fundraising activities across the University.

3. Policy

The assessment fee will be applied according to the following guidelines:

a. Effective February 1, 2008, a 5% assessment will be levied on all gifts received by Idaho State University or the Idaho State University Foundation. Gifts above $25,000 will be subject to a 3% fee. This assessment applies to all cash gifts without exception. It will not apply to grants from state and federal governments or to contracts (See Definitions below).

b. Non-cash gifts (gifts in kind) will not be subject to the fee.

c. Donors will receive credit for the full amount of their gifts.

d. Charitable trusts and bequests (all planned gifts) will be assessed at the time they are realized.
e. In cases where the donor (individual, corporate or foundation) refuses to contribute to indirect costs, the unit receiving the gift will have the option of paying the appropriate fee from other departmental sources.

f. Outside scholarship gifts following specific students and sent directly to the scholarship office will not be assessed.

g. This policy will be reviewed periodically.

4. Definitions

- **Gift**: Funding given to the University or the Foundation that does not involve any quid pro quo, such as detailed technical reports, licensing of intellectual property rights, or other goods and services.

- **Non-cash gifts (gifts in kind)**: Gifts made to the University that are to become inventoried usable assets of the University.

- **Unrestricted grants**: Funds that are received by the University that are not formally recognized as gifts to the Foundation, but, for instance, support the research of a particular faculty member, department or center. Although a proposal may have led to the grant, there are no deliverables (except perhaps a report accounting for the expenditure of funds) and no other conditions.

- **Grants**: Funds provided by government and nonprofit foundations to support specific research projects. These are often in response to solicitations, include general statements of work, and the deliverables include detailed reports. These will be charged Indirect Costs or a gift assessment fee, depending on the foundation regulations.

- **Managed Fund Scholarships**: Any scholarship which is funded by a financial corpus which is controlled by a non-university entity and specifically directed to a named individual and issued by an organization not a part of the Idaho State University system. These scholarships are brought into the university by the named recipient and have a finite life span which ends at the termination of the named student’s academic association with Idaho State University.

5. Responsibilities of units and of the Idaho State University Foundation

a. **Units will be responsible for:**

   i. Submitting each gift to the Idaho State University Foundation for processing in accordance with University policies and procedures.

b. **The Idaho State University Foundation and University will be responsible for:**
i. Using the revenues generated by the fee to provide better services and additional fundraising resources for the entire University community.

ii. Providing stewardship reports including investment information to all donors

iii. Disclosure of Foundation policy.

Date of Board Approval: March 28, 2008

Person responsible for the periodic review of policy and submitting proposed revisions to the Board for approval: Board President

Date of Last Review: July 24, 2008