

WESTERN KENTUCKY UNIVERSITY FOUNDATION

POLICY AND PROCEDURES MANUAL

SECTION: Treasury

SUBJECT: Schedule of Fee Charges

PURPOSE: To state the policy of the Foundation with respect to investment and administrative fees charged against Foundation assets for services rendered.

PROCEDURE: The Western Kentucky University Foundation charges a fee to all applicable user accounts for services rendered by outside investment firms and by the Foundation. Listed below are explanations of these fees.

1. Administrative Fee - The Foundation charges a fee for finance and administrative services provided to user accounts. This fee includes the cost of preparing receipts and acknowledgments of gifts, cost of processing requests for disbursements, cost of accounting and treasury services, and cost of miscellaneous administrative services. This fee is currently set at an annual rate of 1.5% of the value of each endowed account and 25% of interest income and market growth of each non-endowed account, allocated on a quarterly basis.
2. Real Estate and Minerals Property Management Fee - These services include maintenance of notes/accounts receivable, collection of income and/or rent, payment of some taxes, listing of property with realtors, negotiation of sale prices, negotiation of leases and agreements, some insurance costs and inspection of property. An annual fee of 1% of market value for real estate and 1% of annual income on mineral property is charged for these services and is assessed quarterly. To ensure an equitable allocation of costs, a minimum fee of \$50 and a maximum fee of \$5,000 will be charged per property per year.

3. Custodian and Investment Management Fees - The Western Kentucky University Foundation currently employs PNC Bank - Louisville as their custodian and investment manager. Attached is a current fee structure for these services.

This policy is reviewed by management and revised periodically as appropriate. In the event cash assets are not available for the payment of above fees mentioned in Items 1 and 2, a liability is booked to each user account to record the fee payments due, but not yet paid. When cash becomes available in the accounts, the above-mentioned liability is normally paid before any funds are made available to account beneficiaries.