



Policy No: 400.3
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COLLEGE HEIGHTS FOUNDATION

SECTION: Treasury

SUBJECT: Administrative Fee Policy

PURPOSE

The purpose of this policy is to define the administrative fee policy for the funds of the College Heights Foundation. As such, this will serve as the baseline policy for the administrative fee assessed for the services rendered and the expenditures required for the effective operations of the Foundation. The Foundation recognizes that as a perpetual entity, the framework of its fee decisions should be created in response to:

- the anticipated financial needs of the organization
- the organization's investment policy and anticipated market returns; and
- the need to adequately plan operations for the current year and strategically plan for the future of the Foundation.

The fee is to be assessed for the administrative services provided by the Foundation including the salaries and benefits of the Foundation staff, gift receipting and donor acknowledgement, accounting and treasury services, investment oversight, scholarship processing and guideline administration, endowment fund reporting, postage and printing, as well as other administrative expenses required for the annual operations of the Foundation. The administrative fee should be no more than 2% or less than 1% of the moving average market value of the endowment. The administrative fee policy rate will be reviewed by the Executive Committee on an annual basis.

ADMINISTRATIVE FEE POLICY

The annual administrative fee on endowed funds shall be calculated on the calendar year end balance of each individual endowed fund. The administrative fee shall be 1.5% for all endowed funds with a total fund balance less than \$2 million and 1% for all endowed funds with a balance that exceeds \$2 million.

The administrative fee will be assessed on the fund total and posted to the CHF operating account from the calendar year end interest income and market appreciation net return. The remaining growth or loss will be posted to the earnings account of each individual fund accordingly.