

# Administrative Service Fee Policy

1. **PURPOSE:** The purpose of the Administrative Service Fee Policy is to document the schedule of fees for funds established with Cottage Grove Community Foundation (CGCF) and for pass-through gifts. The policy also established minimum gift amounts and the criteria for each type of fund.

Administrative fees help support the work of CGCF. Fees vary based upon the type of funds and services performed.

- A. NAMED FUNDS:** Many of our donors establish “named funds”. A named fund is a fund established in the name of the donor or in memory of specific individual(s) as specified by the donor(s). All grants (including scholarship awards) made from named funds are awarded to the entity or individual including recognition of the named fund. A minimum contribution of \$10,000 is required to establish a named fund.
- B. ENDOWED DONOR ADVISED FUNDS:** A donor advised fund allows the donor to name specific organizations to which grants will be made. No set-up fee is charged to the donor to establish a donor advised fund. The administrative fee for a designated or advised fund is .75% per annum based on its value as of June 30<sup>th</sup> of each year. This fee is billed to and paid by the fund.
- C. EXPENDABLE FUNDS:** expendable funds may be established for under \$10,000 which will be locally held. No set-up fee will be charged to the donor; however, any interest accrued on the funds held locally will be retained by CGCF.
- D. ENDOWED SCHOLARSHIP FUNDS:** Our endowed scholarship funds support those who want to further their education, e.g., high school graduates pursuing a college degree, or students who need vocational training through a community college to enter or return to the work force. No set-up fee is charged to the donor to establish a scholarship fund. The administrative fee for a scholarship fund is .75% per annum taken from the fund based on its value as of June 30<sup>th</sup> of each year. This fee is billed to and paid by the fund.
- E. AGENCY FUNDS:** An agency fund is a type of designated fund established by a charity at a community foundation for the charity’s own benefit. CGCF Agency Funds are generally endowed. All payments of distributable income are paid directly to the charity that established the fund. No set-up fee is charged to the

Agency to set up an Agency Fund. The administrative fee for an Agency fund is .75% per annum taken from the fund based on its value as of June 30<sup>th</sup> of each year. This fee is billed to and paid by the fund.

- 2. PASS-THROUGH GIFTS:** Donors may also make “pass-through gifts of any amount. Such gifts are made to the Foundation for payment to a specific charity or for a specific charitable purpose. Donors who wish to make a gift to a specific charity will be charged an administrative fee for pass-through gifts of \$40.00 when there are 1-2 beneficiaries plus \$10.00 for each additional beneficiary. No fee will be charged to donors with an established CGCF endowment fund.
- 3. NON-CASH PASS THROUGH GIFTS:** CGCF reserves the right to accept or reject any non-cash gifts. The Board also reserves the right to establish and assess administrative fees on these gifts which may differ from other donation types.
- 4. ANNUAL DISTRIBUTION FUNDS HELD LOCALLY FROM OCF ENDOWMENTS:** There is no fee for setting up locally held funds upon distribution from OCF; however, any accrued interest in those funds will be retained by CGCF.