

ADMINISTRATIVE FEE ON GIFTS MADE TO UCSD AND THE U.C. SAN DIEGO FOUNDATION

I. REFERENCES AND RELATED POLICIES

- A. Letter from Vice President Baker, dated February 13, 1987, regarding UC policy on Use of General Funds for Development
- B. UCSD Policy and Procedure Manual (PPM) sections:
 - [150-35](#) Classification, Acceptance, and Administration of Awards from Private Sources
 - [410-1](#) Solicitation, Acceptance, and Administration of Gifts to the University
 - [410-2](#) Solicitation, Acceptance, and Administration of Gifts to the U.C. San Diego Foundation
 - [410-4](#) Policy and Guidelines for Minimum Gift Levels and Naming Opportunities

II. BACKGROUND

UCSD has a commitment to ongoing comprehensive campus-wide External Relations operation. Included in this operation are the campus' fund raising efforts, in order to meet increasing demands for private support to the institution. The amount of private support to UCSD has increased over recent years, most notably from the recently completed campaign, and the benefits to academic programs and facilities are evident. Fund raising at UCSD includes not only the direct costs of soliciting contributions by Development Officers and other campus representatives, but also includes processing, accounting, and stewarding those funds. Significant investments are also made in alumni relations, and communications and public relations, all of which create a comprehensive External Relations operation.

System-wide UC agreements preclude using General Funds to pay for fund raising costs in central Development. External Relations at UCSD is funded by a variety of sources, including an assessment on all charitable gifts. Raising private support is more competitive and challenging than ever before. In order to provide for the increasing costs of the private fund raising efforts at UCSD, and, accordingly, a portion of the necessary resources to fund External Relations, a flat rate administrative fee is assessed on all gifts to UCSD or UC San Diego Foundation.

The administrative fee is not designed to be in lieu of applicable UCSD indirect cost recovery rates for sponsored research grants or contracts. Departments should refer to PPM 150-35 to ensure an award is appropriately classified as a gift.

III. POLICY

Effective July 1, 2009, all gifts, made to either UCSD or the U.C. San Diego Foundation, will be assessed an administrative fee of 6% for the purpose of partially funding the External Relations operation. New cash gifts, gifts-in-kind that are sold for cash proceeds, and new pledges are subject to the fee as of the effective date. (Payments on pledges where the prior fee of 4% was stated in writing will be honored; otherwise, the new fee applies to the payment). The fee percentage may be reviewed and revised periodically. The options for methods of payment of the fee are described below. Departmental correspondence regarding interpretation of this Policy should be submitted through the originating department's Vice Chancellor to the Vice Chancellor- External Relations.

IV. PROCEDURES

A. Methods of Payment

1. Deduct the 6% fee from the gift. (Donors may also provide for the fee by making an additional gift equivalent to the fee.)
2. The academic unit benefiting from the gift has the option of paying the fee from another discretionary departmental funding source, rather than the fee being deducted from the gift. This fee payment method must be used when the terms of the award specifically disallow fees or other administrative charges. Gift Administration will hold the gift in an undistributed cash account until notified in writing by the originating department of the Index and Fund to be charged with the fee.

B. Disclosure to Donors

Disclosure is made to donors on all donation receipts that a fee is assessed. However, written or oral disclosure of the fee to donors is to be provided to donors at the time of solicitation. Fee information should be included in any printed fund raising literature issued to prospective donors. Appropriate disclosure language for fund raising literature can be obtained from External Relations, Gift Administration Office.

C. Exemptions

1. Non-cash gifts in kind made to the University, which are to become inventoried useable assets of the University, are not subject to this policy.
2. Portable awards for fellowships are exempt from the fee **when awarded by an external entity to specifically named individual graduate and postdoctoral students** via an application process. These fellowships attach to the individual and move with them to another institution by virtue of the original terms of the award. Graduate student status must be verifiable through UCSD's Office of Graduate Studies and Research.

V. RESPONSIBILITIES

A. Departments

1. Submit gifts to External Relations Gift Administration Office for processing after proper classification has been determined and documentation obtained, in accordance with University policies and procedures.
2. Communicate in writing to Gift Administration if the fee is to be paid from a source other than the gift itself.

B. Departments and Development Officers: Inform potential donors of the fee via solicitation materials or verbal discussion.

C. External Relations, Gift Administration Office

1. Process all gifts in accordance with University policies and procedures.
2. Issue donation receipts with the statement informing donors of the fee policy.

D. Gift Accounting: Deduct the fee from the gift, unless other written payment instructions have been received from the department for a source of fee payment.