



University Gift Investment Fee – Fact Sheet

How does the gift investment fee help Utah State University?

Instituted on July 1, 2021, the gift investment fee improves our capacity to increase philanthropic giving to the university. Charitable giving is vital to sustaining USU as a thriving institution, as state support for higher education continues to diminish.

How is the gift investment fee used?

Our goal is to significantly increase the number of donors and amount of private charitable dollars supporting Utah State, and continuously improve the health of the university's endowment. Doing so requires USU Advancement to upgrade its information and processing systems, support the growth and efficiency of fundraising operations, and increase the number of focused fundraising staff across our campuses. Each of these initiatives expands our capacity to encourage philanthropic support for Utah State among alumni and friends.

The university gift investment fee is applied according to a tiered structure on all non-endowed gifts:

- **5% on all gifts up to \$5 million**
 - 4% is allocated to USU Advancement
 - 1% is allocated to units to support fundraising and engagement efforts
- **2.5% on the portion of gifts over \$5 million up to \$10 million**
 - 2% is allocated to USU Advancement
 - .5% is allocated to units to support fundraising and engagement efforts
- **1% on the portion of gifts over \$10 million and above**
 - .75% is allocated to USU Advancement
 - .25% is allocated to units to support fundraising and engagement efforts

While the fee has only a minor effect on individual funds, its collective impact results in sustained growth of philanthropic funding to the university.

Do other universities/foundations have a university gift investment fee?

The USU Foundation conducted extensive research prior to establishing the fee. Of the peer institutions with assets below \$1 billion, 71% utilize a similar fee.

Does the fee apply to funds raised by the Phonathon and other gifts raised by the Annual Fund?

In FY2020, the Annual Fund fee was lowered from 10% to 5%. The Annual Fund fee remains in place, and serves as the university gift investment fee for funds raised by the Annual Fund.

Does the fee affect tax-deductibility of my contribution?

No, the fee does not affect the deductibility of your gift. Donors receive gift receipts for the full amount of their gifts.

What about gifts made by credit card?

Credit card gifts benefitting a non-endowed fund will only be assessed the university gift investment fee, as University Advancement will absorb the credit card processing fees. For credit card gifts benefitting an endowed fund, the receiving department is assessed a credit card processing fee at 2.45% of the gift amount.

Does the fee apply to recurring automatic contributions (credit card, EFT, payroll deduction, etc.)?

Yes, the fee applies to each non-endowed recurring gift transaction.

What about gifts made by securities?

The fee applies to non-endowed gifts made by transfer of stock or securities. Brokerage fees associated with securities transfers are assessed to the benefiting fund.



Does the fee apply to endowed funds?

No, the fee does not apply to endowed funds.

What about matching gifts?

Yes, the fee applies to non-endowed matching gifts.

Does the fee apply to expendable funds?

The fee is assessed on expendable funds with the remainder available immediately for the intended purpose.

Named expendable funds require a minimum donation of \$10,000. Is the university gift investment fee in addition to that?

The fee is assessed on the \$10,000 and the remaining amount will be available for spending.

Does the university gift investment fee apply to pledge payments?

Yes, the fee applies to non-endowed pledge payments.



Does the fee apply to in-kind, non-cash donations?

If an in-kind or non-cash asset is sold and the net proceeds benefit USU, then the 5% university gift investment fee is collected from the net proceeds received in the sale of that item. If the in-kind contribution or service is not sold, then the fee does not apply.

Does the fee apply to gifts with a quid pro quo contribution (i.e. fundraising event gifts)?

The 5% university gift investment fee applies to the total contribution.

What about private grants?

Foundations and corporate foundations vary in their handling of any fees or indirect costs. Granting entities with a pre-existing written policy against providing gifts to institutions where gift fees exist are not be subject to the university gift investment fee.

Can a donor increase their gift amount to cover the fee?

Yes, a donor may choose to increase their gift amount to offset the university gift investment fee to ensure that more of their contribution is directed to the USU area they wish to support.

Does the fee apply to real estate and mineral rights gifts?

USU contracts with various professionals when performing the necessary due diligence, research, and analysis associated with real estate and minerals rights gifts. Professionals engaged by USU may include legal counsel, realtors, appraisers, inspectors, and engineers. The university gift investment fee applies to real estate and mineral rights non-endowed gifts. All other associated fees from the various professionals are assessed to the benefiting fund.

What about planned gifts?

A 5% university gift investment fee is assessed on all non-endowed testamentary gifts and matured planned gift distributions from charitable gift annuities, life insurance, charitable remainder trusts, IRA charitable rollovers, donor-advised funds, and charitable lead trusts not documented with USU by July 1, 2021. Donations establishing or continuing a deferred gift such as a charitable gift annuity or life insurance policy are exempt from the fee.

Are there exceptions?

The university gift investment fee does not apply in the following circumstances: Athletic premium seating gifts and Athletic lease payments, foundations that have a pre-existing written policy against providing gifts to institutions where gift fees exist, donor-directed pass-through scholarship/fellowship awards and charitable life insurance premium payments.

All other fee waivers must be approved by the USU Foundation Board. Effective July 1, 2024.

