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**Phone: 681-753-5196**

## FEES AND ASSESSMENTS

The Pierpont Foundation, Inc., imposes small fees or assessments on gifts and on our endowment. These fees support operations related to soliciting, processing, managing and stewarding private contributions. Fees also provide for reinvestment in development operations to grow overall philanthropic support for Pierpont Community and Technical College. Fees have only a minor effect on individual funds. However, their collective impact encourages sustained growth in private support across the College.

### ADVANCEMENT FEE

Beginning July 2, 2021, the advancement fee applies to all gifts received by the Foundation and will improve the capacity to grow private giving to Pierpont Community and Technical College. To be effective, fundraising requires financial resources to offset direct operating costs related to soliciting, processing and stewarding private contributions. Revenue generated by the advancement fee will help offset these costs and provide the resources necessary to reach out to more Pierpont alumni, friends, and business partners to encourage philanthropic support for Pierpont Community and Technical College.

Upon receipt of a gift, the Foundation will deduct the one-time advancement fee from the amount gifted. While the fee will have only a minor effect on individual funds, its collective impact will encourage sustained growth in private support across the College. The Foundation recognizes the full contribution amount for donor tax credit purposes and for donor recognition programs.

Effective July 2, 2021, the advancement fee will be applied as follows:

4% on all gifts creating a new endowment and 4% on all other gifts.

For gifts greater than \$5 million, the advancement fee will apply only to the first \$5 million of the total gift. The maximum amount of the advancement fee assessed on a single gift shall not exceed \$200,000.

### ENDOWMENT MANAGEMENT FEE

Endowments are invested by pooling the funds together in a manner like a mutual fund. The pooled investment fund is managed by professional investment managers who must adhere to the Investment Policy Statement as defined by the Board of Directors. The Foundation charges on average a 1.5% annual investment/management fee on endowment funds to defray the cost of Foundation operations. All investments are overseen by the Finance & Investment Committee of the Pierpont Foundation, Inc. Board of Directors.

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## PLANNED GIFT FEES

Gifts received from estates, trusts, beneficiary designations, and other planned gifts are subject to the advancement fee.

Life income gifts, including charitable gift annuities and charitable remainder trusts, are not subject to the advancement fee at the time of the initial gift. However, the fee is assessed on the final proceeds received at the conclusion of the life income contract.

## DISCLOSURE

Fee disclosure language will be included in gift documents, proposals, pledge forms, fund agreements, receipts and stewardship reports. Appropriate disclosure language for fund raising literature is as follows:

“A portion of all donations is used to further advancement efforts on behalf of Pierpont Community and Technical College.”

## FREQUENTLY ASKED QUESTIONS

### WHAT IS THE ADVANCEMENT FEE?

The advancement fee is a one-time contribution to help sustain development activities in support of Pierpont Community and Technical College’s mission. Beginning July 1, 2019, the advancement fee will be applied to gifts processed by the Pierpont Foundation, Inc., to help offset the operations costs related to soliciting, processing and stewarding private contributions.

### HOW DOES THE ADVANCEMENT FEE BENEFIT THE AREAS OUR DONORS SUPPORT?

The advancement fee will improve the capacity to grow private giving to Pierpont Community and Technical College. To be effective, fundraising requires financial resources to offset direct operating costs related to soliciting, processing and stewarding private contributions. Revenue generated by the advancement fee will help offset these costs and provide the resources necessary to reach out to more Pierpont alumni, friends, and business partners to encourage philanthropic support for Pierpont Community and Technical College.

### How will the advancement fee be applied?

Upon receipt of a gift, the Foundation will deduct the one-time advancement fee from the amount gifted. While the fee will have only a minor effect on individual funds, its collective impact will encourage sustained growth in private support across the College.

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Effective July 2, 2021, the advancement fee applies as follows:

4% on all gifts creating a new endowment and 4% on all other gifts.

For gifts greater than \$5 million, the advancement fee will apply only to the first \$5 million of the total gift. The maximum amount of the advancement fee assessed on a single gift shall not exceed \$200,000.

Is the advancement fee charged in addition to my donation?

Not at all. The advancement fee is automatically deducted from the amount you choose to donate. You are not expected to increase your gift amount to pay the fee, although some may choose to do so. For new endowments, four percent of your total gift will support fundraising programs across Pierpont Community and Technical College, and 96 percent will directly benefit the Pierpont Community and Technical College program you chose to support. You will receive full donor credit and tax credit for 100% of your total donation. For all other gifts, four percent of your total gift will support fundraising programs across Pierpont Community and Technical College, and 96 percent will directly benefit the Pierpont Community and Technical College program you chose to support. You will receive full donor credit and tax credit for 100% of your total donation.

Do other universities have an advancement fee?

About 75 percent of peer institutions with endowment assets below \$1 billion apply a similar fee, with those fees generally ranging between 4 and 10 percent.

Does the advancement fee affect tax deductibility of contributions?

The fee does not affect the tax deductibility of gifts and you will receive full credit for the total contributed amount.

Does the fee apply to gifts to endowed funds?

Yes. Beginning July 2, 2021, the advancement fee applies to gifts and pledge commitments made to establish or contribute to endowed funds. It does not affect donor recognition or naming opportunities and donors will receive full credit for the total contributed amount.

What about gifts made by credit card or gifts of stock?

The advancement fee applies to gifts made by credit card and gifts made by transfer of stock or securities. To simplify these transactions for our donors and to benefit the area where these gifts are designated, the Pierpont Foundation, Inc. will absorb any credit card

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processing fees assessed for those credit cards processed by the Foundation, as well as any processing fees associated with the transfer of stock or securities.

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

Yes. The advancement fee will apply to all recurring gifts established on or after July 2, 2021.

Will the donor be able to create the endowment with a gift of the minimum amount?

Yes. Endowment minimums are based on the donor's total gifted amount, and not the amount invested net of the advancement fee. For those endowments established on or after July 2, 2021, the market value of the fund at inception will be net of the 4% advancement fee, but the donor will receive full credit for the total contributed amount and the endowment will be established.

What about matching gifts?

Yes. The advancement fee does apply for matching gifts.

Does the advancement fee apply to in-kind, non-cash, or real estate gifts?

If an in-kind, non-cash or real estate asset is sold and the net proceeds benefit Pierpont Community and Technical College, then the advancement fee will be collected from the net proceeds received in the sale of that item. If the in-kind contribution or service is not sold then the advancement fee will not apply.

Can the advancement fee be waived?

The advancement fee cannot be waived, but there are specific instances where the advancement fee will not apply. This fee will not apply for a private foundation that has a written policy stating it will not pay gift fees. An advancement fee will not be applied to non-cash gifts (in-kind, service, real estate) that will not or cannot be sold.

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

Yes. A donor may choose to increase their gift amount to offset the advancement fee to ensure that more of their contribution is directed to the area they wish to support.