



## Highland Park Education Foundation Gift Fee Policy

The purpose of this policy is to establish the gift fees that the Foundation will assess on specific funds held by the Foundation. The fees assessed by the Foundation will be used to support its mission including, without limitation, its administrative and fundraising costs.

All fees are calculated based on fund values as of June 30<sup>th</sup> of each year and are credited to the general operating account of the Foundation.

1. Pass-through gifts and funds maintained in pass through accounts do not earn interest and are subject to an administrative fee of 5% for gifts under \$1,000 and 1% for gifts greater than \$1,000. This will compensate the Foundation for the administration of these funds, which may have considerable check writing and deposit activity.
2. A management fee of one (1) percent per annum of the market value will be paid by all funds maintained by the Foundation that are subject to the Foundation's spending policy. These include, but are not limited to, endowed funds and funds functioning as endowment (FFE).
3. A management fee of one (1) percent per annum of the cost basis before unrealized gain will be paid by all funds maintained by the Foundation that are not impacted by market value. These include, but are not limited to, HPHS Class funds and other restricted funds.
4. Scholarships:
  - a. Endowed scholarships are subject to an administrative fee of one (1) percent per annum on the market value of the fund.
  - b. Scholarship funds held by the Foundation that are not endowed are subject to an administrative fee of one (1) percent per annum on the cost basis before unrealized gain or a minimum of \$100.
  - c. Pass-through scholarships are subject to an annual \$100 administrative fee.
5. In instances of cash bequests, which also include negotiable securities of all types, where the bequest is designated or endowed to a specific program, project, or department, a one (1) percent annual gift management fee will be charged as outlined in #2 above.
6. PTA Funds managed by the Foundation that are not endowed are subject to a management fee of one (1) percent per annum of the market value and are not subject to the Foundation's spending policy.

## **Termination of Funds**

Funds may be terminated with the Education Foundation upon written request from the donor.

A Termination Agreement must be signed by all parties, and funds may only be transferred to an organization exempt from federal income taxes as described in Section 501(c)(3) of the Internal Revenue Code, to be held by such organization for the purposes set forth in the original Fund Agreement.

Funds terminated before the annual administrative fee is assessed on September 1<sup>st</sup> will have the fee assessed on a prorated basis.