



Gift Fee Policy Frequently Asked Questions

Question: Does 100% of my gift stay within the Rhode Island College community?

Answer: Yes.

Question: What is a gift fee?

Answer: A gift fee is the portion of a gift allocated to support the development operations of the Rhode Island College Foundation. For example, a donor contributes a \$100 annual giving gift. Upon receipt, \$3 is allocated to support development operations and \$97 is allocated for the intended purpose. The donor is acknowledged for the entire \$100 gift.

Question: What is the purpose of the gift fee policy and why is it being implemented now?

Answer: The purpose of the gift fee policy is to generate revenue to support the development operations of the Rhode Island College Foundation. The foundation has relied heavily on management fees assessed on endowed and invested funds and investment activity realized from the markets. Due to recent market volatility, the foundation has reduced overall operations, including cutting personnel expenses. The gift fee will enable the foundation to maintain capacity dedicated to securing philanthropic support for the college.

Question: Are all gifts applicable to the new policy?

Answer: No. Only current use, non-endowed and annual giving campaign gifts are subject to the gift fee policy.

Question: What is a current use gift?

Answer: A current use gift is a one-time gift given to the foundation to be immediately expended in accordance with the donor's designated intended purpose.

Question: What portion of my gift is tax deductible?

Answer: Gifts made to support current use or non-endowed funds are 100% tax deductible.

Question: Have other university and college foundations instituted similar policies?

Answer: Yes. The majority of university and college foundations have instituted similar policies. Gift fees range from three percent to five percent.

Question: I am thinking about or have established an endowed fund. How does the new policy impact my fund and/or gift?

Answer: The gift fee policy applies to only current use gifts and non-endowed funds. Gifts made to endowed or invested funds are not subject to the new policy.

Question: How was the gift fee policy created?

Answer: The gift fee policy was drafted in concert with the FY2021 budget and adopted by the Rhode Island College Foundation board of directors at the June 17, 2020, annual meeting.

Question: I am considering donating a major gift to support the college. How will the policy affect my gift?

Answer: All current use gifts are subject to the new policy. However, major gifts aligned with the college's critical needs may be exempt subject to the recommendation of the executive director and approval by the Rhode Island College Foundation board of directors.

Question: I created a pledge prior to July 1, 2020, is my gift subject to the new policy?

Answer: No. Only gifts committed on or after July 1, 2020, are subject to the new policy.