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REQUEST FOR THE CONTINUATION OF THE 2% ADMINISTRATIVE FEE FOR
NON-ENDOWMENT CASH GIFTS

Recommendation

It is recommended that the Board of Governors approve, retroactive to March 23, 2023, the continuation of the 2.0 percent administrative fee for non-endowment cash gifts to support ongoing costs of the Division of Development and Alumni Affairs as authorized by the Board of Governors at their March 23, 2018, meeting and documented in bullet eleven of the Report of Actions, Board of Governors Meeting – March 23, 2018.

Background

Wayne State University believes that investing in building a stronger philanthropic community is vitally important for the future of the university. The gift administration fees help make this investment possible.

In March 2004, the Board of Governors approved a proposal to help fund the projected costs of the Wayne First capital campaign. The first component was the authorization of the 0.5 percent administrative fee on endowment funds; the second was the authorization of a 2.0 percent administrative fee on non-endowment cash gifts; and the third was the authorization of a line of credit from the university's cash pool. In March 2008, the Board of Governors approved the extension of these fees through FY 2015. The line of credit was retired and paid back. In 2015 and again in 2018, the Board of Governors approved the extension of these fees.

The gift administration fee is the University's cost of being accountable to its generous donors. Effective fundraising, donor stewardship, and gift management require the deployment of financial resources to cover direct costs for the processing, accounting, and disbursement of donated funds. The administrative fee on cash gifts supplements the university's general fund revenue, in part defraying the costs associated with raising philanthropic support.

The demonstrated effective administration of philanthropic gifts helps the university create confidence in our operation and allows the university to continue to garner additional philanthropic support.

It is the recommendation of the administration to continue to use these fees to support the resources critical to the university's fundraising efforts to stand with no expiration unless and until review and revision of the fee structure are necessary or recommended.