

University of California, Berkeley

Policy Issued: June 9, 2006

Effective Date: July 1, 2006

Policy Revised: April 24, 2009 (See end for explanation)

Supersedes: Assessment and Distribution of the Campus Gift Fee,
June 9, 2006



Assessment and Distribution of the Campus Gift Fee

Responsible Executive: Scott Biddy, Vice Chancellor, University Relations

Responsible Office: Advancement Operations, University Relations

Contact: Juliann Martinez, jpmartinez@berkeley.edu, 642-9826

Policy Statement

It is the policy of the University of California, Berkeley to offset a portion of the costs of fundraising and administering research gift funds by assessing a fee. With the exception of research gifts, donor gifts are assessed a gift fee of 2.5%. Research gifts, defined as unrestricted funds to support the research of one or more specified faculty members or research programs, are assessed an administrative fee of 10.5%.

Who Is Affected By This Policy

- Principal Investigators
- Chief Administrative Officers, Management Service Officers, and Budget Analysts
- Development Officers, Fundraisers, and Gift Processors

Who Administers This Policy

- The Chancellor's Office
- University Relations
- The Controller's Office and Foundation Financial Services

Why We Have This Policy

As state funding for the University continues to diminish, the campus has an increased need to raise private support. The gift fee and research administrative fee are necessary to recover a portion of the costs of fundraising and of administering research gifts.

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The gift fee is used by the vice chancellors and deans to support fundraising for various areas of the campus.

On March 14, 2005, Chancellor Birgeneau issued a [memorandum](#) to deans, directors, chairs, and senior administrative officers concerning the allocation of overhead in support of research. Citing a two-year study entitled "[Report on Proposed Campus Research Support Policy,](#)" the Chancellor authorized a change in the fee for research gifts. The research administrative fee took effect on April 1, 2005.

The research administrative fee is used by units responsible for administering research gift funds to offset a portion of the costs incurred. Additionally, the research administrative fee supports an investment in future research via the Berkeley Futures Fund and the Cost Sharing Fund.

Responsibilities

University Relations:

- Codes charitable gift funds to reflect appropriate gift fee assessment.
- Assesses gift fee.
- Provides reports to the vice chancellors and deans at the "org" and "fund" levels to support the distribution amounts.
- Responds to departmental questions regarding the distribution of gift fees.
- Coordinates review of requests for gift fee waiver.

Foundation Financial Services and the Controller's Office:

- Redistribute gift fees in accordance with the terms and conditions of this policy.

Vice Chancellors and Deans:

- Establish procedures for the further redistribution of gift fees, if so desired, within their areas of responsibility.
- Provide chart strings for their unrestricted funds to University Relations, Foundation Financial Services and the Controller's Office.
- Redistribute gift fees in accordance with local procedures.

Chancellor's Office:

- Approves or denies gift fee waiver requests.
- Maintains an up-to-date record of waivers to this policy.

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Procedures

STANDARD GIFT FEE ASSESSMENT AND DISTRIBUTION FOR NON RESEARCH GIFTS

The gift fee applies to all cash gifts, bequests, and payments on pledges. For non-cash gifts, the gift fee is deducted from net proceeds of sale. However, documented agreements made with donors prior to July 1, 2006 prohibiting a gift fee are to be honored.

The 2.5% gift fee is distributed to unrestricted funds administered by the vice chancellors and deans responsible for the units benefiting from the gifts. The fee (placed in a separate unrestricted fund) is available to the benefiting unit at the time the gift is recorded on the unit ledger. For all units under the Executive Vice Chancellor and Provost (EVCP), the distribution will be made to the dean or director level.

If more than one vice chancellor or dean benefits from a gift, the gift fee is split proportionally, provided the proportions are negotiated and documented at the time the fund is established.

Vice chancellors and deans are expected to use their portion of the gift fee within their division, college, or school to support fundraising efforts. This is consistent with the campus's explanation of the gift fee to donors.

For **campus affiliates**, the gift fee is distributed to the affiliate director. Affiliates include the California Alumni Association, International House, the Mathematical Sciences Research Institute, and The Faculty Club.

Gifts for **scholarships and fellowships** are often administered by the Financial Aid Office or the Graduate Division. However, these units do not necessarily benefit from the gift. If a gift is made for a scholarship or fellowship within an academic discipline, the benefiting unit is the appropriate college or school, and the gift fee is distributed to the appropriate dean, provided the benefiting unit is identified upon receipt of the gift. If an academic discipline is not identified, the gift fee is distributed to the Vice Chancellor – Student Affairs (for scholarships) or the Dean of the Graduate Division (for fellowships).

Under some circumstances, the Chancellor retains the gift fee. These include but may not be limited to:

- Unrestricted bequests, regardless of how they are later allocated.
- Chancellor's Initiatives

STANDARD GIFT FEE ASSESSMENT AND DISTRIBUTION FOR RESEARCH GIFTS

Chancellor Birgeneau's [Campus Administrative Memo](#) of March 14, 2005 established a permanent administrative fee of 10.5% on research gifts, to be divided as follows

- 7.5% to cover the costs of the administering unit;
- 2% to cover the costs of central campus units involved in research administration;
- 1% to invest in future research via the Berkeley Futures Fund and Cost Sharing Fund.

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The administrative fee for research gifts applies to all gifts with a check date of April 1, 2005 or later. A gift is considered a research gift when it is designated as unrestricted funds to support the research of one or more specified faculty members or research programs. Funds are classified as research gifts, as distinguished from contracts and grants, when the funds are irrevocable, and the donor does not impose contractual requirements; i.e., there are no deliverables. The research administrative fee is assessed upon transfer of a gift to the administering unit as a one-time-only fee. The research gift funds (less the administration fee) are then available to the recipient for as long as it takes to spend the money. For more information, see the Report on Campus research Support Policy, <http://research.chance.berkeley.edu/docs/CampusResearchSupportPolicyReport3-1-05.doc?id=23>

The 7.5% administrative fee (placed in a separate unrestricted fund) is available to the administering unit at the time the gift is recorded on the unit ledger. Units are expected to use their portion of the fee to support the administrative costs associated with supporting that research gift fund.

If more than one principal investigator benefits from a gift, the 7.5% portion of the administrative fee can be split proportionally, provided the proportions are negotiated and documented at the time the fund is established. Units receiving gift funds from other campus units can negotiate with the transferring unit for a portion of the administrative fee.

The Controller's Office distributes the 2% portion of the administrative fee accumulated during that quarter to unrestricted funds administered by the vice chancellor(s) whose central campus units are involved in research administration.

The 1% portion of the fee is distributed to a unrestricted fund administered by the Vice Chancellor for Research and is used as an investment in future research through the Berkeley Futures Fund and the Cost Sharing fund.

Web Site Address for this Policy:

<http://campuspol.chance.berkeley.edu/policies/GiftFee.pdf>

Appendix – Related Documents

Chancellor Robert Birgeneau's March 14, 2005 Memorandum on New Overhead Allocations to Support Research:

<https://calmessages.berkeley.edu/archive/message/12396>

Report on Proposed Campus Research Support Policy:

<http://research.chance.berkeley.edu/docs/CampusResearchSupportPolicyReport3-1-05.doc?id=23>

Indirect Costs at Berkeley: A Primer:

<http://research.chance.berkeley.edu/docs/IDCPrimer11-19-04.doc>

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Glossary

Development: Fundraising through donations to the campus.

Gift: A contribution to the University that is intended as a donation and is bestowed voluntarily and without expectation of tangible compensation. Normally gifts are awarded irrevocably.

Gift Fee: The percentage of a gift's value deducted from the gift to help fund critical campus needs, primarily campus development .

Research Administrative Fee: The percentage of a gift's value deducted from the gift to help offset the cost of administering research.

Unrestricted Fund: A fund controlled by a unit to be used at the unit's discretion.

Revision of April 24, 2009:

The Responsible Executive was changed from Donald McQuade to Scott Bidy. The Responsible Office was changed from Development Operations to Advancement Operations. Broken hyperlinks were updated.