



Cumberland Community Foundation, Inc.

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www.cumberlandcf.org

Endowed Fund Administrative Fee Schedule

One hundred percent of every gift goes to the fund that the donor chooses. How is that possible? Each fund pays a small administrative fee which is charged to the interest and dividends earned by the fund. The following explains our fee schedule and how the fee is assessed.

Administrative Fee: For all endowments fund types, except scholarship endowment funds:
1% on the fund assets from \$0.01 up to \$500,000.00
¾% on the fund assets from \$500,000.01 to \$1,000,000.00
¼% on fund assets \$1,000,000.01 and up
Minimum annual fee = \$100

For scholarship endowment funds only:
1% on all the fund assets
Minimum annual fee = \$250

Investment Fees: Fees charged by investment managers are passed on to the fund
Currently averages less than 25 basis points (1/4 of 1%)

Credit Card Fees: While Cumberland Community Foundation does not charge a fee, the credit card processing company charges a processing fee depending on the size of the gift and the type of card (around 3%). Most donors elect to cover the fee themselves by adding to the gift.

Fund Minimums: Endowed funds with a \$10,000 minimum principal:
Community Funds (Unrestricted or Field of Interest)
Designated Endowments
Agency/ Organizational Endowments

Endowed funds with a \$25,000 minimum principal:
Scholarship Endowments
Donor Advised Endowments

The Foundation will assess administrative and investment management fees against the Fund in accordance with the Foundation's published fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

Why does Cumberland Community Foundation charge a fee? Excellent administration of your fund requires professional staff and adequate operating infrastructure. To sustain excellent service in perpetuity, the Administrative Service Fee is charged to each endowed fund to partially offset the cost of administration of each fund.

Additional information about fees:

- Supporting Organizations – Supporting organizations provide an excellent alternative to a private foundation. The fee schedule will be established in agreement with the donor/founder and will be set depending on the level of service that the SO will receive. The minimum annual fee is the greater of 1% of the average fund assets or 1% of grant distributions.
- Investment Management Fee – All fees charged by investment managers, consultants, or banks are passed on to the Fund. In 2017, this fee for endowments in Pool A was less than 25 basis points (1/4 of 1%) of the fund assets.
- Real Estate Acceptance & Management Fee may be charged and will be set according to the hard and soft costs of receiving, accepting, holding, and liquidating the real estate gift. All real estate gifts are received and managed by the CCF Real Estate Foundation, a Supporting Organization.
- Extraordinary Expense - If extraordinary expense is required to effect a gift (such as liquidating an estate for a bequest, convening special Gift Acceptance Committee meetings, complex sale of real estate, or attending litigation), additional fees may be assessed to compensate the foundation for the expenses of accepting the gift. The Foundation may charge additional expenses if the Foundation incurs extraordinary expense due to unusual restrictions or conditions placed by the donor or special grantmaking procedures.
- Fair Practices – As you would expect from Cumberland Community Foundation, our fees are always reasonable. All fees charged are set in accordance with national norms for similar services and subject to review as part of our annual financial audit. The current fee schedule was adopted in **1999** when the board voted to lower the fees. At that time, all fund holders received advanced written notification of the change.



Policy approved by the board of directors on September 19, 2019.