



DEVELOPMENT SUPPORT FEE POLICY

PURPOSE

Effective January 1, 2023, The Honor Society of Phi Kappa Phi ("Society") will assess a development support fee on restricted and endowed gifts. The purpose of the development support fee is to generate unrestricted resources necessary to effectively maintain and expand the Society's philanthropic program, including but not limited to, donor cultivation, retention, and stewardship activities.

The Development Support Fee is important because the fee recognizes that fundraising has a cost, directly reflects the success of fundraising efforts, effectively distributes costs proportionately, and is easy to understand and calculate.

TYPES OF GIFTS

Restricted Gifts

A one-time 5% fee will be assessed on new restricted gifts made to the Society. The fee will be assessed and collected at the time the gift or pledge is received in cash or converted to cash.

Endowed Gifts

A one-time 5% fee will be assessed on new endowed gifts made to the Society in the following manner. In order to minimize impacts to the corpus amount of a new endowment gift, the fee will be drawn over a two fiscal year period. The fee is taken from the gift when it is received, and from any related pledge payments and/or additional gifts to the endowment when they are received.

Other Types of Gifts

Illiquid assets and gifts of real, tangible, or intangible property will be assessed the fee at the time the gift is sold or liquidated. Bequests and other planned/deferred gifts will be assessed the fee based on the cash amount received by the Society.

DISCLOSURE

The Society will disclose the development support fee in donor agreements and in other philanthropic materials, where appropriate, such as the Society website. Donors will receive credit for the full amount of their gift.

POLICY EXCEPTIONS

The following gifts will be exempt from the development support fee:

- Gifts made prior to the policy effective date.
- Payments received on pledges made prior to the policy effective date.
- Gifts made to chapters.
- Non-cash gifts (in-kind gifts) that are not sold/liquidated by the Society.
- A gift or grant from an external organization if verification is provided that a development support fee or gift fee is prohibited by its policies or guidelines.

- Any gift determined to be exempt by the Society's Executive Director.

POLICY REVIEW

This Policy has been reviewed and approved by the Society's Executive Committee. The Committee will periodically review this policy and revise as necessary.