



WICHITA STATE UNIVERSITY FOUNDATION FEE FAQs

Why are fees necessary?

In simple terms, Wichita State University needs more private funding to support students and it costs money to secure and to manage that funding.

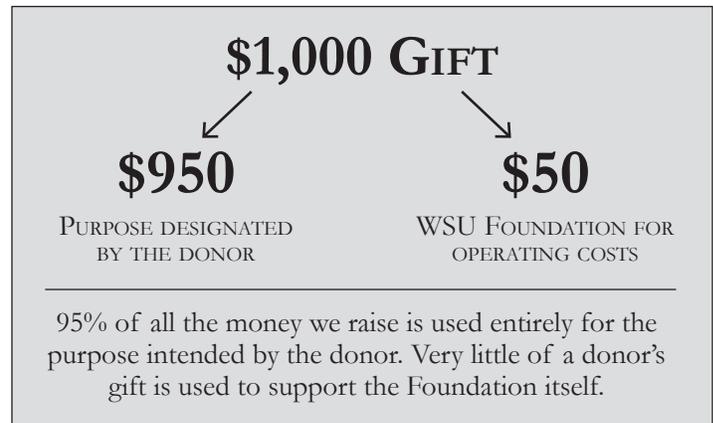
As the state of Kansas grapples with budget challenges, state appropriations to Wichita State University continue to shrink as a portion of its annual budget. The WSU Foundation has been asked to increase private contributions to offset this and to keep WSU on the cutting edge of educational opportunities. In addition, there are costs associated with conducting business such as gift processing, record-keeping, and audits.

The Foundation is an independent and private organization. In 1974, its small staff was able to raise enough private money to provide \$18,000 in scholarships and \$106,000 in university support. In 2014, a staff of 40 raised and managed nearly \$5 million in scholarships and more than \$6.6 million in university support. We must invest in the capacity of this staff to increase the support provided to WSU.

What are the Foundation's fees?

As an independent organization, fees are necessary to support the Foundation's essential work in helping the university grow. The Foundation's fee structure is periodically reviewed and approved by its Board of Directors. Currently, the Foundation has three distinct fees.

- **Endowment Administrative Fee:** On July 1 of each year all endowment funds are charged a 1.65 percent fee that is based on a 20 quarter rolling average of the market value.
- **Liquidation Fee:** The Foundation assesses a liquidation fee on estate gifts. This previously ranged from 2 to 5 percent depending on the size of the gift. Effective July 1, 2015, it will be a flat 5 percent on all estate gifts.
- **Foundation Fee:** A one-time fee of 5 percent already is assessed on capital building and capital equipment gifts. And effective July 1, 2015, a one-time fee of 5 percent will be assessed on all incoming gifts, including endowments gifts. For example, if someone makes a gift of \$1,000, then \$50 goes to the Foundation for operating costs and \$950 goes to the purpose designated by the donor. 95% of all the money raised is used entirely for the purpose intended by the donor. Very little of a donor's gift is used to support the Foundation itself.



Do other foundations have similar fees?

The WSU Foundation did extensive research and comparison of public institutions and found that 85 percent of those surveyed assess an endowment administrative fee and 62 percent assess a gift fee. Gift fees for those surveyed range from 1 percent to 10 percent.

The Council for the Advancement and Support of Education conducts similar surveys. In their FY13 survey of institutionally related foundations, they found that 95 percent of those responding who support research/doctoral universities assess an endowment administrative fee and that 53.5 percent assess a gift fee to help cover the costs of foundation operations.

Does the Foundation fee apply to pledge payments?

Payments on pledges established prior to July 1, 2015 are not subject to the Foundation fee. The exception to this is on pledges of capital buildings and equipment, for which an assessment fee went into place July 1, 2014.

Do the fees affect my tax deduction?

These fees do not affect the deductibility of your gift.

Are there exceptions?

The Foundation fee does not apply to gifts-in-kind, with the exception of gifts that are converted to cash, such as gifts of property that are liquidated. In addition, because WSU Athletics pays for its own fundraising services, gifts to SASO and ICAA-managed funds will not be subject to the Foundation fee. This is true for gifts to KMUW's pledge drive and sponsorships and the WSU Alumni Association.