

Ferndale Schools Foundation Board Policy: Administration of Restricted Gifts

Date Adopted: *April 30, 2025*

Purpose:

The purpose of this policy is to establish guidelines for the administration of restricted gifts to the Ferndale Schools Foundation (the "Foundation") and to ensure the appropriate allocation of funds for both designated project support and the Foundation's ongoing operations.

Policy:

The Foundation is committed to honoring the intent of donors who make restricted gifts, while also maintaining the financial stability necessary to effectively manage and support its mission. To achieve this, the following policy shall apply to all restricted gifts:

1. **Definition of Restricted Gifts:** A restricted gift is defined as any donation or contribution to the Foundation that is designated by the donor for a specific purpose, project, or program.
2. **Administrative Fee:** The Foundation shall assess a ten percent (10%) administrative fee on all restricted gifts. This fee will be calculated as ten percent (10%) of the total gift amount.
3. **Allocation of Funds:**
 - Ninety percent (90%) of the total restricted gift amount shall be allocated and used in accordance with the donor's specified restrictions.
 - Ten percent (10%) of the total restricted gift amount shall be transferred to the Foundation's unrestricted general operating fund. These funds will be used to support the Foundation's essential administrative and operational expenses, including but not limited to:
 - Fundraising costs
 - Accounting and audit fees
 - Program management
 - Salaries and benefits

4. **Disclosure to Donors:** The Foundation will make reasonable efforts to disclose the administrative fee policy to donors at the time a restricted gift is made. This disclosure may be included in gift acceptance agreements, donation forms, or other written materials. For gifts in excess of \$250,000 dollars, this disclosure shall be accepted in writing by the donor and retained by the Executive Director.
5. **Board Oversight:** The Board of Directors shall review this policy periodically to ensure its continued appropriateness and effectiveness. The Finance Committee shall be responsible for monitoring the collection and allocation of administrative fees and reporting to the Board.
6. **Exceptions:** The Board of Directors may, in exceptional circumstances, waive or reduce the administrative fee for a specific restricted gift. Any such waiver or reduction must be approved by a majority vote of the Board and documented in the Board minutes. Considerations for exceptions may include, but are not limited to:
 - The size of the gift.
 - The nature of the restricted program or project.
 - Any prior agreements with the donor.

Responsibilities:

- The Executive Director is responsible for implementing this policy and ensuring that staff are aware of and adhere to its provisions.
- The Board Treasurer is responsible for overseeing the financial transactions related to restricted gifts and the collection of administrative fees.
- The Board of Directors is responsible for approving and reviewing this policy and any exceptions to it.

Definitions:

- **Restricted Gift:** A donation made to the Foundation for a specific purpose.
- **Unrestricted General Operating Fund:** The fund used for the general operations of the Foundation.
- **Administrative Expenses:** Costs incurred to manage the Foundation

Policy History:

- **Original Adoption Date:** *April 30, 2025*

- Revision Date: *Original Revision*