

WSU Foundation Advancement Fee

Advancing Washington State University through private support

What is the advancement fee?

The advancement fee is a one-time contribution assessed on each gift to help sustain development activities in support of Washington State University's educational, research and service mission. Beginning July 1, 2017, the advancement fee will be applied to gifts processed by the WSU Foundation to help offset the operations costs related to soliciting, processing and stewarding private contributions.

How will it help Washington State University?

The advancement fee will improve the capacity to grow private giving to Washington State University. The WSU Foundation and each WSU area that benefits from private support incur direct operating expenses related to soliciting, processing and stewarding private contributions. The advancement fee will help offset these costs and provide the resources necessary to reach out to more WSU alumni, friends and business partners to encourage philanthropic support and engagement for Washington State University.

How will the advancement fee be applied?

Upon receipt of a gift, the Foundation will deduct the one-time advancement fee from the amount gifted. While the fee will have only a minor effect on individual funds, its collective impact will encourage sustained growth in private support across the University.

Effective July 1, 2017, the advancement fee applies as follows:

- 5% on all gifts up to \$5 million.
- For gifts greater than \$5 million, the advancement fee will apply only to the first \$5 million of the total gift. The maximum advancement fee assessed on a single gift shall not exceed \$250,000.
- The advancement fee will not apply to gifts and pledges processed before end of business on June 30, 2017.

Do other universities have an advancement fee?

About 75 percent of peer institutions with endowment assets below \$1 billion apply a similar fee, with those fees generally ranging between 4 and 10 percent.

Does the advancement fee affect tax deductibility of contributions?

The fee does not affect the tax deductibility of gifts and you will receive full credit for the total contributed amount.

Does the fee apply to gifts to endowed funds?

Yes. Beginning July 1, 2017, the advancement fee applies to gifts and pledge commitments made to establish or contribute to endowed funds. It does not affect donor recognition or naming opportunities and donors will receive full credit for the total contributed amount.

Does the advancement fee apply to pledge payments?

For a pledge processed on or after July 1, 2017, payments will be assessed the advancement fee. For a pledge processed before the close of business on June 30, 2017, payments on that pledge are not subject to the advancement fee.

What about gifts made by credit card or gifts of stock?

The advancement fee applies to gifts made by credit card and gifts made by transfer of stock or securities. To simplify these transactions for our donors and to benefit the WSU area where these gifts are designated, the WSU Foundation will absorb any credit card processing fees assessed for those credit cards processed by the WSU Foundation, as well as any processing fees associated with the transfer of stock or securities.

Does the advancement fee apply to in-kind, non-cash, or real estate gifts?

If an in-kind, non-cash or real estate asset is sold and the net proceeds benefit WSU, then the advancement fee will be collected from the net proceeds received in the sale of that item. If the in-kind contribution or service is not sold then the advancement fee will not apply.

Can the advancement fee be waived?

The advancement fee cannot be waived, but there are specific instances where the advancement fee will not apply. Gift revenue received from the Cougar License Plate program is exempt. This fee will not apply for a private foundation that has a written policy stating it will not pay gift fees. An advancement fee will not be applied to non-cash gifts (in-kind, service, real estate) that will not or cannot be sold. Any payments for pledges established on or before June 30, 2017 will also be exempt from the advancement fee.

For more information, visit:
foundation.wsu.edu/fees

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