

# LONG BEACH CITY COLLEGE FOUNDATION

## Administration Fee Policy

**Purpose** - It is the intent of the Long Beach City College Foundation to ensure that Associate Groups and department accounts which utilize the charitable deduction benefits of the Long Beach City College Foundation pay for part of the expense of accepting, accounting, auditing and acknowledging donations to their foundation accounts. Various college departments make grant requests to private foundations using the tax-deductible status of the Long Beach City College Foundation. Associate Group events take a great deal of staff time to ensure success. The Foundation is responsible for ensuring that error-free notices and reports are sent in a timely manner, and for collecting and accounting for contributions so that charitable deductions may be given. Therefore, the Foundation will charge the following Administrative Fee on all sources of revenues.

**Policy** - 10% of all gross receipts will be assessed an Administration Fee, with the following exceptions:

- 0% Scholarships
- 5% Bequests (including endowments for scholarships)
- 5% Donation to a fund that will have nominal activity
- 5% Private foundation grant
  
- Other, as stipulated in a grant award

**Procedure** - The Administration Fee will be recorded at the end of the fiscal year, except for gifts over \$25,000, which will be recorded at the time of the gift or pledge. Both the gift and the Administration Fee will be recorded at gross; the Fee will not be netted against the gift amount. Recognition of the Administration Fee is recorded as a transfer from the applicable donor fund to the General Fund #1000.