



## Disclosure of PCC Foundation Fees and Assessments

The Piedmont Community College (PCC) Foundation works closely with College leaders but is an independent non-profit foundation that is legally separate from PCC. The Foundation is the primary fundraising organization that raises private money for the College and ensures that gifts are used according to donor's wishes and that funds are managed wisely so future generations will benefit from them.

The Foundation exists solely for the benefit of PCC as it continues to strive toward its mission of transforming lives, strengthening community, and inspiring individuals to excellence.

In order to continue to build a culture of philanthropy, investing in the development, outreach, and operational efforts of the Foundation is vital to the future of PCC. The Foundation is challenged by how to "fund" our fundraising efforts and how to keep expenses as low as possible so more of a donor's gift can support PCC students and programs. Therefore, beginning July 1, 2022, a small fee or assessment on restricted gifts and on our endowment will be administered.

### Gifts

#### *Advancement fee*

A one-time, up-front advancement fee will be applied to restricted gifts received through the PCC Foundation. This fee will be in the amount of 5%. While this fee will have only a minor effect on individual funds, its collective impact will encourage sustained growth in private support across the College.

### Endowments

#### *Advancement fee*

Annually, a 1.5% advancement assessment is charged to the PCC Foundation Endowment. This assessment is calculated based on the 36-month rolling average of the Endowment's market value.

#### *Management Assessment*

There are other costs associated with the Endowment such as investment management assessments, custodial costs, and consulting expenses. The PCC Foundation contracts with Horner Financial for investment consultant services.

### Planned Giving

#### *Advancement fee*

A 5% advancement fee (described above) will be assessed on all restricted testamentary and matured planned gift distributions upon receipt.



Effective July 1, 2022

## **FAQ about Fees and Assessments**

### *What is the advancement fee?*

The advancement fee is a one-time contribution to help sustain development activities in support of Piedmont Community College's mission. Beginning July 1, 2022, the advancement fee will be applied to restricted gifts processed by the PCC Foundation to help offset the operations costs related to soliciting, processing, and stewarding private contributions.

#### **Example:**

As an example, if you would like your annual scholarship to be \$1,000, you would take \$1,000 divided by 95% which is \$1,053. Your gift of \$1,053 would be received by the Foundation and the 5% advancement fee would be applied, leaving a \$1,000 scholarship to directly benefit your selected area. In this example, your tax-deductible gift amount is \$1,053.

### *Is the advancement fee charged in addition to my donation?*

Not at all. The advancement fee is automatically deducted from the amount you choose to donate. You are not expected to increase your gift amount to pay the fee, although some may choose to do so. Five percent of your total gift will support fundraising programs across Piedmont Community College, and 95 percent will directly benefit the PCC program you chose to support. You will receive full donor credit and tax credit for 100% of your total donation.

### *Can a donor increase their gift amount to cover the advancement fee?*

Yes. A donor may choose to increase their gift amount to offset the advancement fee to ensure that more of their contribution is directed to the PCC area they wish to support. Beginning July 1, 2022, gifts made to PCC online will also feature an option to include an additional gift to cover the online donation fee.

### *Do other educational institutions have an advancement fee?*

Yes. This approach has been in practice for several years by many institutions across the country. Gift assessments for a variety of charities range between 3% and 20%. PCC has been conservative in our approach and will continue to review our gift assessment and endowment assessment fees moving forward. Any change in future would be in line with industry standards.



*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.

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

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

*Does the advancement fee apply to recurring automatic contributions (credit card, EFT, payroll deduction, etc.)?*

Yes. The advancement fee will apply to all recurring restricted gifts beginning July 1, 2022.

*Will the donor be able to create the endowment with a gift of the minimum amount?*

Yes. Endowment minimums are based on the donor's total gifted amount, and not the amount invested net of the advancement fee. For those endowments established on or after July 1, 2022, the market value of the fund at inception will be net of the 5% advancement fee, but the donor will receive full credit for the total contributed amount and the endowment will be established.

*What about matching gifts?*

Yes. The advancement fee does apply for matching gifts that are restricted.

*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 PCC, 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?*

No, however, the advancement fee will not be charged to unrestricted gifts.