60.03 Approval of Fees for Affiliated Fund-Raising Organizations

Policy Statement

The affiliation agreement between a member of The Texas A&M University System (system) and an affiliated fund-raising organization may authorize fees charged to the member or fees charged against gifts to the member and/or the affiliated fund-raising organization, such as a one-time development fee or endowment fee or a fee for service.

Reason for Policy

This policy establishes the requirements a member must follow in order to authorize an affiliated fund-raising organization to charge a fee that will be used to fund the operations of the affiliated fund-raising organization.

Procedures and Responsibilities

1. The affiliation agreement between a member and an affiliated fund-raising organization may authorize fees charged to the member or fees charged against gifts to the member and/or the affiliated fund-raising organization, provided that the requirements of this section are satisfied. Examples of such fees include a reasonable one-time development fee for all gifts to the member and/or the affiliated fund-raising organization, and a fee charged against an endowment or investment of the member managed by the affiliated fund-raising organization. An affiliation agreement authorizing such fees must include provisions that adequately address the following minimum requirements:

   (a) The amount of the fee, including all terms and conditions applicable to the collection and use of the fee;

   (b) The affiliated fund-raising organization’s responsibility to regularly report to the member the amount and use of such fees collected by the affiliated fund-raising organization, including any applicable reserve balances;

   (c) Any exceptions to the fees being charged;

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(d) The amount of the fees must be reviewed and renegotiated at least every five years; and

(e) The inclusion of member and/or system ex-officio, non-voting positions on the affiliated fund-raising organization’s board.

2. An affiliation agreement authorizing a fee in accordance with this policy must also comply with any additional system requirements, such as those provided by System Policy 60.01, Relationships with Affiliated Organizations, and System Regulation 60.01.01, Association with Affiliated Organizations.

Related Statutes, Policies, or Requirements

System Policy 21.05, Gifts, Donations, Grants and Endowments

System Policy 60.01, Relationships with Affiliated Organizations

System Regulation 60.01.01, Association with Affiliated Organizations

Definitions

Affiliated fund-raising organization – an entity whose primary mission is to provide financial support to the member, through activities such as raising and/or managing funds for the benefit of the member. An affiliated fund-raising organization is a separate legal entity from the member. Examples of affiliated fund-raising organizations include development foundations, alumni associations and booster clubs.

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

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