



## Gift Charge FAQ

### **What is the University of Arizona's gift charge?**

The University of Arizona assesses a 6 percent charge on new gifts of \$1,000 or more.

### **How does the gift charge support the UA?**

We aspire to align the hopes, dreams and passions of our supporters with areas of great impact on campus. Tracking and demonstrating that impact over time requires resources. The gift charge sustains the growth of philanthropy at the University of Arizona.

### **How is the gift charge allocated?**

Fundraising at the UA is a shared enterprise, and the gift charge is distributed accordingly. Four percent is allocated to the University or University of Arizona Foundation, 1 percent to support the university president's development activities and 1 percent to the unit or college for development activities.

### **What is the University Development Fund?**

The University Development Fund is a shared support model for the University of Arizona's fundraising activities, and ensures that the university and the University of Arizona Foundation can sustain a high level of service to donors. The fund is governed by [UA Financial Policy 8.33](http://policy.fso.arizona.edu/fsm/800/833) (policy.fso.arizona.edu/fsm/800/833).

### **Is the gift charge unique to the UA?**

Most of our peer institutions have gift charge policies to support direct fundraising costs. At other universities, gift assessments range from 5-15 percent and, in some cases, apply to all contributions. At the University of Arizona, 94 percent of your gift will go direct to the program you support.

### **Does the gift charge affect tax deductibility of contributions?**

The gift charge does not affect the tax deductibility of gifts. Donors receive full credit for the total contributed amount and received for the full tax-deductible portion.

### **What types of gifts are subject to the charge?**

The gift charge applies to the first \$3.5 million of cash gifts to endowed and non-endowed fund accounts, and non-cash gifts (such as pledges, securities, property, etc.) once converted to cash.

### **Are there exceptions from the charge?**

Yes. New gifts from donors who have cumulatively given \$15 million or more are exempt, as are gifts to pass-through scholarships and some designated for certain equipment purchases. More details are available in the policy: [UA Financial Policy 8.33](http://policy.fso.arizona.edu/fsm/800/833) (policy.fso.arizona.edu/fsm/800/833).

### **Does the gift charge apply to endowed funds?**

Yes, the charge applies to the first \$3.5 million of new gifts designated to endowment. [UA Financial Policy 8.13](http://policy.fso.arizona.edu/fsm/800/813) describes the university's guidelines for establishing, investing and managing endowments (policy.fso.arizona.edu/fsm/800/813).