

ADMINISTRATIVE FEE POLICY

PURPOSE

The Faribault Foundation, a community foundation, prides itself on fiscal responsibility and transparency. We offer a carefully designed fee structure that is cost-effective and competitive and supports and sustains our ability to provide high-quality philanthropic services. Fees support the mission-driven work we do to help donors realize their charitable giving desires, and by aligning those desires with community needs and opportunities that help improve the quality of life for people in the region and do so in a sustainable way.

The fee schedule provides information about the Foundation's fee structure for different types of funds offered at the Faribault Foundation. Fee rates vary by fund type and may decline as fund balances grow. Fees are assessed and paid quarterly based on the fund's monthly average balance.

The Faribault Foundation, along with its investment committee made up of local investment experts, provides fiduciary oversight of all component funds. The Foundation is responsible for the administration of the funds including check writing, accounting, investment management, tax reporting, auditing, and evaluation for each fund, and provides reports of fund income, expenses, and grantmaking to the fund holders(s) as appropriate.

In early 2024 fund holders will be provided 24/7 access to the online donor portal to view fund activity and recommend grants/distributions. In some cases, donors may recommend their own fund manager when setting up a new fund.

Administrative fees support the above services, as well as the Faribault Foundation's community leadership activities. Board members serve without compensation.

Fees listed are provided as a guideline and may be adjusted in the case of extraordinary service requirements. Occasional expenses directly attributable to a particular fund (legal fees, awards, special publicity, etc.) are charged directly to a fund. The Board of Directors reserves the right to adjust the Administrative Fee Policy as necessary and appropriate.

Fee Schedule as of September 11, 2023

Donor Advised, Donor Designated, and Donor Discretionary Funds

Donor Advised Funds (DAF)

The donor has ongoing advisory privileges in recommending the charities that will benefit from the fund's distributions. The Foundation can help identify charities a donor may wish to support and distribute grants from the donor advised fund in the donor's name, or anonymously, according to the donor's wishes. A DAF allows donors to organize their charitable giving activities through one expertly managed, cost-effective charitable vehicle.

Donor Designated Funds

The donor creates a named donor designated fund that provides long-term annual support to a specific charitable organization according to their passions. This type of fund is often established by a donor to ensure a charity they care about has a predictable stream of income in perpetuity.

Donor Discretionary Funds

A donor discretionary or unrestricted fund allows the Foundation Board of Directors discretion to use the funds to best meet the greatest needs of the community each year. The Foundation, along with a grants committee made up of local community members, distributes the funds through its community grant rounds to respond to the community's most pressing needs.

Donor Advised Fund, Donor Designated Fund, and Donor Discretionary Fund Fees			
Assets	Endowed Rate	Assets	Non-Endowed Rate
For assets up to \$1,000,000	1.00%	For assets up to \$1,000,000	1.25%
For assets over \$1,000,000	0.90%	For assets over \$1,000,000	1.10%
For assets over \$2,500,000	0.85%	For assets over \$2,500,000	1.00%
For assets over \$5,000,000	0.75%	For assets over \$5,000,000	.90%

Field of Interest and Scholarship Funds

Field of Interest Funds

The donor creates a fund to support a specific area of interest – such as the arts, food insecurity, mental health, at-risk youth, etc. Grants from the fund are awarded through the Foundation's competitive grant rounds to nonprofits making a difference in the field(s) selected by the donor.

Scholarship Funds

The Foundation works with the donor to create a scholarship to benefit students pursuing postsecondary education. The Foundation administers the scholarship checks, manages the application process, and facilitates grant awards with a professional scholarship committee.

Field of Interest Funds, Scholarship Funds			
Assets	Endowed Rate	Assets	Non-Endowed Rate
For assets up to \$1,000,000	1.25%	For assets up to \$1,000,000	1.50%
For assets over \$1,000,000	1.15%	For assets over \$1,000,000	1.40%
For assets over \$2,500,000	1.10%	For assets over \$2,500,000	1.30%
For assets over \$5,000,000	1.00%	For assets over \$5,000,000	1.20%

Nonprofit Agency Funds

A nonprofit initiated fund can permanently support the operations of their organization. The Foundation offers fiduciary oversight of the fund, planned giving expertise and acceptance of complex gifts, such as

stock, real estate, life insurance policies and more. The Fund is listed on the Foundation's website making it easy for anyone to donate.

Nonprofit Agency Fund Fees			
Assets	Endowed Rate	Assets	Non-Endowed Rate
For assets up to \$1,000,000	0.80%	For assets up to \$1,000,000	1.00%
For assets over \$1,000,000	0.72%	For assets over \$1,000,000	0.88%
For assets over \$2,500,000	0.68%	For assets over \$2,500,000	0.80%
For assets over \$5,000,000	0.60%	For assets over \$5,000,000	0.72%

Fiscal Sponsorship Funds Fee: 2.5% minimum based on the complexity of the project.

The Foundation teams with a nonprofit to sponsor them through a short-term project or receive charitable donations on their behalf while they await their IRS 501(c)(3) designation. The Foundation pays approved expenditure and offers timely reporting. These agreements are short-term and are a fee-based contractual arrangement with the terms determined based on the complexity of the project and the resources required to provide support.

Fees

Endowed Funds quarterly
Flexible (non-endowed) Funds .25% upon deposit; quarterly thereafter

Other Fees

Fundraising Support 2.5% (minimum) to 6% based on the complexity of the project

Supporting Organizations

Annual Fees

1% on the first \$1million in market value
.5% on market values of \$2-5 million
.25% on market values of \$5-\$10 million
.125% on market values of more than \$10 million

Gifts of Real Property: Fees to be determined based on the complexity of the transaction. Any additional fees required such as an appraisal, legal, or other fees are the responsibility of the donor, but can be charged to the fund established.

CERTIFICATE OF ADOPTION OF THE ADMINISTRATIVE FEE POLICY

I do hereby certify that the above stated Administrative Fee Policy for the Faribault Foundation was approved and adopted by the board of directors on 9/11/2023 and constitutes a complete copy of the Administrative Fee Policy of the Corporation.