Fee Policy

The Community Foundation of Northeast Alabama assesses fees for the costs associated with investing, administering and distributing charitable funds. The Foundation has a two-tiered fee structure comprised of an administrative fee and an investment fee. Each applicable annual fee is calculated on a monthly basis and debited from the fund balance. There are no set-up fees or expenses required in establishing a fund with the Community Foundation.

Administrative Services: The Community Foundation is sustained through administrative fees on all funds. Administrative services include:

i) Quarterly oversight of the various financial and investment managers;

ii) Public reporting required by federal and state agencies;

iii) Accepting, recording, processing, and acknowledging fund contributions; and,

iv) Reviewing, allocating and monitoring fund distributions.

Administrative Fees: Administrative fees support the day-to-day operations of the Foundation and enable the Foundation to serve as the community’s convener, collaborator, connector, and partner. Fees are assessed as follows:

Endowed Funds: Permanently endowed funds promote or support the general charitable good of the community. These funds are assessed a one percent (1.0%) administrative fee. Additional fees may be charged for project support, monitoring or evaluation.

Non-Endowed Funds: These funds promote or support the general charitable good of the community and are managed based on available staff time. These funds are assessed a two percent (2.0%) administrative fee. Additional fees may be charged for project support, monitoring or evaluation.

Scholarship Funds: Scholarship funds require the greatest amount of administrative support from drafting award guidelines to monitoring student performance in accordance with the donor’s intentions. Therefore, all active scholarships are assessed a two percent (2.0%) administrative fee.

Pass-Through Funds: These funds are in support of a Foundation approved charitable project or program of a short duration with minimal administrative support required. These funds are charged a flat fee of five percent (5%) of all charitable contributions.

Special Projects Funds: These funds are in support of a Foundation approved charitable project or program over a long period of time or requiring significant administrative support. These funds are charged a flat fee of ten percent (10%) of all charitable contributions.
Forging Funds: While accumulating assets to reach the minimum amount required to establish an endowment fund ($10,000) or a scholarship fund ($50,000), a Forging Fund will be assessed an administrative fee of fifty basis points (0.50%).

Estate Gifts: Bequests, trusts or contracts (IRA or life insurance) that include a designated or restricted charitable beneficiary other than the Community Foundation are assessed a one-time five percent (5%) administrative fee which will be added to The Longleaf Fund.

Charitable Gift Annuities (CGA): These funds are in support of a Foundation approved charitable project or program. No administrative fee is charged until the CGA matures and becomes an endowed fund.

Supporting Organizations: Supporting Organizations, such as large family or private foundations (minimum of $1 million dollars) may retain their unique charitable character while benefiting from the Foundation’s investment and administrative services. The administrative fee for these funds is determined based on the services requested.

Stringfellow Heath Fund: This fund supports the general grant making in health care of the Foundation and is charged a two percent (2%) administrative fee.

Additional Fees: Funds that require additional administrative services, such as board support, program development, consultants, special accounting requests, legal fees, donor support, printing or marketing, are assessed the expenses based on the actual cost of the service.

Investment Fee: Each fund of the Foundation benefits from professional investment services providing a highly diversified portfolio and access to world-class national and international managers via Kaspick & Company located in Redwood Shores, California. Regardless of asset size, each fund shares in the Foundation’s negotiated investment fee as follows:

<table>
<thead>
<tr>
<th>Total CFNEA Pooled Funds Market Value</th>
<th>Annual Portfolio Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $20MM</td>
<td>0.45%</td>
</tr>
<tr>
<td>Next $10MM</td>
<td>0.40%</td>
</tr>
<tr>
<td>Next $10MM</td>
<td>0.35%</td>
</tr>
<tr>
<td>Next $20MM</td>
<td>0.30%</td>
</tr>
<tr>
<td>Over $60MM</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

This fee is all inclusive with no additional custody, trading or transfer fees.

Other Investment Managers: Donors who wish to recommend their own investment firm may do so by establishing a fund with the Foundation under the Donor Recommended Investment Advisor Policy. The fund will likewise pay the assessed investment fee charged by the firm plus the appropriate fund administrative fee charged by the Foundation.
**Foundation Oversight:** The Foundation’s Finance and Investment Committee selects and monitors the Foundation’s investment managers, provides monthly oversight, quarterly reviews and annual evaluations. Third-party consultants are periodically retained to conduct an objective and comprehensive review of all managers. Foundation assets are broadly diversified based on the Investment Policies and Guidelines. This document also provides the investment managers with specific directions related to allocation percentages and classification standards.

The staff is bonded and complies with internal controls to safeguard assets from acts of malfeasance. There is a $5 million Directors and Officers insurance policy maintained on the Board of Trustees and a certified public accounting firm conducts a GAAP (General Accepted Accounting Practices) audit annually.

**Policy Revisions:** This policy is not a contract between any individual or institution and the Community Foundation of Northeast Alabama. The Board of Trustees has the sole discretion and authority to amend or revise this policy.

Revised October 1, 2010
Revised February 23, 2012
Approved May 10, 2012
Revised June 4, 2013
Revised & Approved August 8, 2013