

Membership Dues Policy

Purpose

The purpose of this policy is to document the financial management by the Boise State University Foundation ("BSUF") of membership dues paid by members of organizations affiliated with Boise State University. These organizations include, but are not limited to, Bronco Athletic Association and Boise State University Alumni Association.

Background

Members of the Bronco Athletic Association (BAA) and the Boise State University Alumni Association (BSUAA) have historically sent their membership dues directly to these organizations. The BAA and BSUAA have accepted and managed the membership funds in their own bank accounts and used a portion of the revenue for operating expenses. Membership dues do not include the sports enhancement contributions such as the Coaches Clubs for various sports. Sports enhancement fees have been and will continue to be managed by the BSUF.

In April 2006, the Boise State University Foundation Board of Directors approved a revised fee structure to expand the ongoing development efforts of University Advancement, including implementing Boise State University's first comprehensive campaign. The intent of this fee structure, which is consistent with best practices of Boise State University peers and aspirational peers, is to build a comprehensive advancement operation.

The fee structure includes the following:

- **Gift Fee:** A 1% fee assessed on all new charitable or tax-deductible gifts
- **Administrative Endowment Fee:** A 1.5%/year fee calculated as .125%/month on the total value of the endowed account as of the last business day of each month
- **Earnings on Expendable Endowment Funds:** All earnings on expendable endowment funds
- **Restricted Fund Earnings:** All earnings on restricted funds

At the time this fee structure was implemented, the procedure for affiliated organization membership dues was as follows:

- BSUAA retained all annual dues and 15% of lifetime dues for operations. The remaining funds were sent to the BSUF for the Legacy Scholars Endowment, and no gift fee was assessed.
- The BAA received the membership dues and all of the interest earned on the CDs purchased with those membership dues. BAA used the funds for operations and scholarships. No gift fee was assessed on the dues.

Definition:

Membership dues which qualify for the fee exemption specified below are those funds for which organizations provide specific, pre-defined benefits to the members. Only those individuals who purchase or are given a membership have access to the membership benefits; in other words, without payment of the dues there are no membership privileges.

Membership dues do not include sports enhancement contributions, such as the Coaches Clubs for various sports. Those will continue to be managed by the BSUF, and a gift fee will be assessed.

Memberships may be structured with increasing levels of support and corresponding benefits. While a portion of the membership fee may be charitable, all of the membership dues will be subject to the fee exemption specified in this document.

New membership dues (those outside of current membership benefit structures) are not eligible for the fee exemption specified in this document unless approved by the BSUF Board of Directors.

All other charitable gifts will be managed in compliance with the Foundation Fee Policy.

Course of Action

In response to the State Board of Education ("SBOE") policy mandating independence of university foundations effective July 1, 2008, Boise State University has directed that all contributed funds are financially managed by the Boise State University Foundation. Contributed funds include gifts as defined in the BSUF Gift Acceptance Policy and all membership dues. The BSUF, BAA and BSUAA are creating the systems and procedures to be in compliance with the SBOE directive.

The BSUF Board understands that the BAA and the BSUAA rely on the revenue and earnings received from current membership dues for operations and scholarships, and its intention is to assure the continuance of that source of funds for these entities. Therefore, it decided to exempt membership dues (as defined above) in current membership structures from fees in two areas: membership dues will not be assessed the gift fee; and earnings on the investment of membership fees will be paid to the organization instead of used by the BSUF for its operations.

Exemption Request Process

The following steps are required for an affiliated organization to request the fee exemption specified in this document for additional membership dues:

1. Affiliated organization's staff will provide a written request for exception to the BSUF Executive Director. The request will include a description of the membership benefits, dues, impact on affiliated organization's financial condition, and rationale for exemption.
2. The Executive Director will review and submit the request to Board of Directors for consideration within 30 days or at its next meeting whichever is later.
4. Board of Directors will consider, request additional information if needed, and/or decide whether request will be approved or not.
5. The Executive Director will communicate the decision to the affiliated organization.