

Non-Endowed Realized Gift Assessment

A Recommendation

1. **Division and Department:** University Advancement; Finance and Administration

2. **Introduction:** With the successful record-breaking conclusion of Aspire. Advance. Achieve. The Campaign for Oakland University on the horizon, an updated University strategic plan in process, and University leadership stability through 2031 ensured, scaling preparations are underway for future fundraising efforts. As the economic factors affecting higher education instructions become increasingly difficult to navigate, fundraising success has become more paramount to ensuring continued student success.

As a national peer best practice, Advancement operations are commonly supported by three budget support mechanisms: 1) allocation of university general fund; 2) use of an endowment fee; 3) implementation of a modest assessment on realized gifts. The reinvestment in revenue generating activity is a critical component for continued revenue success and growth. Higher education fundraising benefits students, academic units and programs.

To advance Oakland University's robust philanthropy vision and efforts, continue the growth of the endowment in support of students and programs, and better align best-practice support of Advancement activity, a thoughtful assessment on non-endowed gifts of 5% is recommended. The recommended 5% gift assessment will be on all non-endowed cash transactions with net proceeds utilized to support the continued success and scaling of Advancement efforts.

A communication plan to donors will include notifications on tax receipts, disclosures during gift solicitations, and in frequently asked questions documentation. The Vice President for University Advancement and the leadership staff will lead training sessions for gift officers and other external facing positions to answer questions and explain the process to constituents.

3. **Previous Board Action:** None.
4. **Budget Implications:** Based on the most recent five-year average of eligible cash transactions, an estimated \$300,000 in annual funding will be realized; and grow over time as annual results increase.
5. **Educational Implications:** The non-endowed realized gift assessment proceeds will be used to fund University Advancement operations which have a direct and/or indirect educational implications.

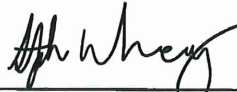
**Non-Endowed Realized Gift Assessment
Oakland University
Board of Trustees Formal Session
December 4, 2023
Page 2**

6. **Personnel Implications:** The administrative assessment proceeds will be used to fund University Advancement operations which may include personnel.
7. **University Reviews/Approvals:** This agenda has been prepared by the Advancement Operations department and Controller's Office and reviewed by the Vice President for University Advancement, Vice President for Finance and Administration, and President.
8. **Recommendation:**
RESOLVED, that the Board of Trustees approves the non-endowed realized gift assessment.
9. **Attachments:** None.

Submitted to the President
on 11-9, 2023 by



Michael J. Westfall
Vice President for University Advancement



Stephen W. Mackey
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 11/14, 2023
to the Board of Trustees for Approval by



Ora Hirsch Pescovitz, M.D.
President

Reviewed by



Joshua D. Merchant, Ph.D.
Chief of Staff and
Secretary to the Board of Trustees