



Boston Public Library Fund
Program Enhancement Fee Policy
 October 1, 2020

1.0 Purpose of Policy

In 2020, the Boston Public Library Fund approved a Program Enhancement Fee (“Fee”) on all gifts received toward restricted programmatic support, capital projects and endowment to support its fundraising initiatives. The Fee helps to provide additional resources that the Boston Public Library Fund needs to support its development operations, such as hiring staff, enhancing communications, adhering to accounting, investment and regulatory guidelines, and ensuring that donors experience high quality, transparent and effective interactions that foster long-term engagement and investment.

2.0 Fee Calculation Method

Program Enhancement Fees will be assessed as follows:

- Amounts up to \$500,000 will be assessed a 5% gift fee.
- Amounts between \$500,000 and \$1,000,000 will be assessed a 2.5% gift fee.
- Amounts greater than \$1,000,000 will be assessed a 1% gift fee.

3.0 Exceptions from the Fee

Exceptions include:

- Payments made pursuant to a Gift Instrument that by its terms does not permit the assessment of such Fee.
- Payments made on documented pledges executed prior to October 1, 2020.
- Real estate or in-kind gifts if they are to be retained (not liquidated) for use by the Fund.
- Grants which prohibit the assessment of the Fee as an established organizational policy which can be documented in writing.

4.0 Effective Date

This Policy is effective October 1, 2020.

Approved by the BPLF Board of Directors 10.13.2020



Program Enhancement Fee *Additional Information*

What is the Program Enhancement Fee?

The Program Enhancement Fee (“Fee”) is a one-time contribution to help sustain development activities in support of the Boston Public Library Fund’s (“BPLF”) mission. Beginning October 1, 2020, the Fee will be applied to gifts processed by the BPLF to help offset the operations costs related to soliciting, processing and stewarding private contributions.

How does the Fee benefit the BPLF areas our donors support?

The Fee will improve the capacity to grow private giving to the Boston Public Library. To be effective, fundraising requires financial resources to offset direct operating costs related to soliciting, processing and stewarding private contributions. Revenue generated by the Fee will help offset these costs and provide the resources necessary to reach out to more BPLF donors, friends, and business partners to encourage philanthropic support for the Boston Public Library.

How will the Fee be applied?

Upon receipt of a gift, BPLF will deduct the one-time Fee from the amount gifted. While the Fee will have only a minor effect on individual funds, its collective impact will encourage sustained growth in private support across the BPLF.

Is the Fee charged in addition to my donation?

Not at all. The Fee is automatically deducted from the amount you choose to donate. You are not expected to increase your gift amount to pay the Fee, although some may choose to do so. The extracted Fee from your total gift will support fundraising programs across BPLF, and the rest will directly benefit the program you chose to support. You will receive full donor credit and tax credit for 100 percent of your total donation.

Do other fundraising foundations have a Fee?

Most fundraising foundations have a fee structure in place, ranging between 4 and 15%.

Does the Fee affect tax deductibility of contributions?

The fee does not affect the tax deductibility of gifts and you will receive full credit for the total contributed amount.

Does the Fee apply to gifts to endowed funds?

Yes. Beginning October 1, 2020, the Fee applies to gifts and pledge commitments made to establish or contribute to endowed funds. It does not affect donor recognition or naming opportunities and donors will receive full credit for the total contributed amount.

Does the Fee apply to pledge payments?

For pledges processed on or after October 1, 2020, payments will be assessed the Fee. For pledges processed before the close of business on September 30, 2020, payments are not subject to the Fee.

What about gifts made by credit card or gifts of stock?

The Fee applies to gifts made by credit card and gifts made by transfer of stock or securities. To simplify these transactions for our donors and to benefit the area where these gifts are designated, the BPLF will absorb any credit card processing fees assessed for those credit cards processed by the BPLF, as well as any processing fees associated with the transfer of stock or securities.

Does the Fee apply to recurring automatic contributions (credit card, EFT, payroll deduction, etc.)?

Yes. The Fee will apply to all recurring gifts established on or after October 1, 2020. For recurring gift payment plans established before October 1, 2020, the following will apply:

- Recurring gifts that are continuous – no end date/amount: The Fee will apply to each gift transaction that occurs on or after October 1, 2020.
- Recurring gifts with a stated end date/amount: These are payments on an existing pledge. As such, the Fee does not apply to payments on an existing pledge started on or before September 30, 2020.

Will the donor be able to create the endowment with a gift of the minimum amount?

Yes. Endowment minimums are based on the donor's total gifted amount, and not the amount invested net of the Fee. For those endowments established on or after October 1, 2020, the market value of the fund at inception will be net of the Fee, but the donor will receive full credit for the total contributed amount and the endowment will be established.

What about matching gifts?

Yes. The Fee does apply for matching gifts.

Does the Fee apply to in-kind, non-cash, or real estate gifts?

If an in-kind, non-cash or real estate asset is sold and the net proceeds benefit BPLF, then the Fee will be collected from the net proceeds received in the sale of that item. If the in-kind contribution or service is not sold, then the Fee will not apply.

Can the Fee be waived?

The Fee cannot be waived, but there are specific instances where the Fee will not apply. See *3.0 Exceptions from the Fee* in the Program Enhancement Fee Policy for more detail.

Can a donor increase their gift amount to cover the Fee?

Yes. A donor may choose to increase their gift amount to offset the Fee to ensure that more of their contribution is directed to the area they wish to support.