

FUNDING THE GROWTH OF THE UNIVERSITY

The University of Kentucky is growing thanks to donors' generosity. As the Commonwealth's flagship, land grant institution, UK provides education, research, healthcare, agriculture, creative and outreach programs that serve and improve the state, nation and world. Private philanthropy is an important component of the work UK engages in every day. To continue its progress, UK is implementing an advancement fee.

Starting January 1, 2019, a five percent advancement fee will be charged to all non-endowed gifts. Any gifts made, bequest expectancies signed or pledges established before December 31, 2018 will not be charged the fee.

THE FIVE PERCENT WILL BE SPLIT TO MAXIMIZE ITS IMPACT.

- A portion will benefit all central philanthropy efforts, including operations, gift processing, alumni engagement, marketing and public relations and efforts to continually raise money to support the university's faculty, staff, students and programs.
- A portion will go to the college or unit the gift supports. The college or unit can use it to fund advancement efforts, to bolster the gift fund or to advance college or program-specific goals.
- The maximum fee assessed will not exceed \$250,000.



IT IS SMART

1

The university charges an endowment management fee, which supports the maintenance of the university's endowment, including investment and philanthropy efforts to increase the endowment. An endowment management fee is a common practice throughout the nation and in the SEC.

For several decades, many universities have also charged an advancement fee to help fund their operations. Diversification of funding sources – from the university's general operating budget, the endowment and a fee on gifts – helps ensure capital security for advancement operations.

IT IS FAIR

2

Endowed gifts are not charged both the endowment fee and the advancement fee, and all non-endowed gifts are charged a flat fee.

IT IS PROGRESSIVE

3

The advancement fee also will reduce the university's reliance on state funding, which fluctuates each year. Currently, UK Philanthropy funding comes from: 80.3 percent from general funds; 14.7 percent from the endowment; 3.7 percent through Annual Giving's work for the units; and 1.3 percent in unrestricted gift revenue.

IT HAS A GREAT ROI

4

UK has always carefully stewarded donors' funds, ensuring that giving to the university is a wise investment. In 2018, for every \$1 spent in philanthropy operations, UK raised \$10.96. It only cost \$.09 to raise a dollar, one of the best returns on investment in the country.

University support of advancement highlights the critical importance of private philanthropy. This, in turn, will transform students' lives and ensure UK's success for years to come. We look forward to partnering with you and thank you for your continued support.

Want more information? Contact UK Philanthropy.
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