



**Chapter Support Fund (CSF)  
Policies and Fees (Approved March 3, 2018)**

**ENDOWMENT FUND (LONG-TERM FUND)**

An Endowment Fund is a permanent asset of the Lambda Chi Alpha Educational Foundation (Foundation), restricted for use by the named chapter or for the stated purpose. Each Endowment Fund provides funding via investment income earned on principal.

- 1) An administrative fee of 0.25% per quarter will be assessed by the Foundation.
- 2) Any direct costs (e.g., credit card processing fees) incurred by Foundation in accepting donations shall be deducted from the Fund.
- 3) The Endowment Fund is established to permanently meet educational needs of the chapter or to fund a stated educational purpose across one or more chapters. This fund will be invested in the Foundation long-term investment portfolio and credited a pro rata share of the investment performance.
- 4) The fund must reach and maintain a minimum of \$20,000 before spending can occur.
- 5) Grant requests may be submitted to the Foundation for consideration and processed up to four times per year. Allow two weeks from the date of the request for payment to be made.
- 6) Up to 4% of the value of the assets, computed on a rolling average over the most recent twelve quarters, will be available for distribution over the subsequent fiscal year.
- 7) Each CSF must have an alumnus contact designated with oversight responsibilities.
- 8) A written plan must be summarized outlining in detail the educational objectives/purposes at the time a CSF is established.

**Temporarily Restricted Housing and Operating Funds**

The IRS has acknowledged that fraternity houses may have areas that are designated for strictly educational purposes. Therefore, the cost to purchase, construct, refurbish, maintain and furnish such areas is qualified to receive tax-deductible funding. As they relate to fraternity chapters, some examples of IRS-qualified purposes are:

- constructing, renovating and refurbishing educational areas of the chapter house (i.e., computer room, library, study rooms, etc.)
  - desks, books, bookcases, lighting, etc. in the educational areas
  - computer hardware and software for use by general membership of the chapter
  - installment of high speed capacity modem wiring to the chapter house
  - grants to attend educational conferences and scholarships to chapter members
- 1) An administrative fee of 0.25% per quarter will be assessed by the Foundation.



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- 2) A one-time 1% administrative (overhead) fee on individual contributions will be paid to the Foundation's general fund up front.
- 3) Any direct costs incurred by Foundation in accepting donations shall be paid from the Fund.
- 4) This fund seeks the preservation of principal in the short-term and therefore the assets will be invested in low risk, short-term fixed income investments, deemed appropriate by the Investment Committee and credited a pro rata share of the investment performance.
- 5) The fund must reach a minimum of \$20,000 before spending can occur.
- 6) Grant requests may be submitted to the Foundation for consideration and processed up to four times a year. Allow two weeks from the date of the request for payment to be made.
- 7) Each CSF must have an alumnus contact designated with oversight responsibilities.
- 8) A written plan must be summarized outlining in detail the educational objectives/purposes at the time a CSF is established. This plan should include how contributions will be used, anticipated goal of the project, time period for a campaign, and a budget. A determination by appropriate legal counsel may be required to assess the identified educational purposes for which the funds are to be used. These amounts will be charged to the fund.
- 9) Short-term funds are generally established for a term of up to five years. At the end of the term, any remaining assets may be distributed for use in appropriate educational activities if requested by the Chapter. To the extent any funds are not distributed to a Chapter at the end of the agreed upon term, funds will roll into a long-term fund for the Chapter's benefit.

## **RESPONSIBILITIES OF THE LAMBDA CHI ALPHA EDUCATIONAL FOUNDATION**

- Receive and deposit all designated funds in a timely and professional manner.
- Send written acknowledgement upon receipt of a gift.
- Provide reports to the appropriate chapter and alumnus contact, which reflect CSF contributors, deposits, withdrawals, fees, balance and investment income, if applicable.
- When capital projects are undertaken, the Foundation staff may be asked to provide assistance and counsel in making certain the campaign is properly developed, managed and executed. Depending on the scope of the project and time required, it may be appropriate for the Foundation to charge an administrative or consulting fee. This arrangement would be negotiated separately and not tied to a project's goal.
- Funds from various chapters will be commingled in common investments, but each chapter fund will be accounted for separately.