A. **Investment Management Fees.** All component funds will pay their pro rata share of investment management fees charged NMF by its investment managers.

B. **Administrative Fees.**

1. Northwest Minnesota Foundation will continue the three-level administrative fee structure on all endowed (non-scholarship) funds, as follows:
   
   - .50% on a fund/fund group with a total balance of $500,000 or greater
   - .75% on a fund/fund group with a total balance of less than $500,000
   - 1.0% on a fund with a total balance of less than $100,000

2. Northwest Minnesota Foundation will administer fees on all non-endowed flexible or project only (spendable) funds, with no reduction for aggregation with a family of funds, as follows: 1.5% on funds that are non-endowed project only (spendable)

3. Northwest Minnesota Foundation will administer fees on all scholarship funds, with no reduction for aggregation with a family of funds, as follows:

   a. Scholarship funds with a total balance of more than $25,000 will have fees of 1.5% on scholarship funds.

   b. Scholarship funds with a total balance of less than $25,000 and awarding a maximum of two annual scholarships will have fees reduced by .50% to a fee of 1.0%.

   c. Pass-through scholarship funds will have an administrative fee of $50 per scholarship award. (ex: (2) at $500/each, they would be charged $100). If the passsthrough scholarship has an education or parent scholarship fund tied to the district of the passthrough scholarship, they can choose to cover the fee (done via an interfund transfer upon receipt of gift). Otherwise, the donor must cover the fee (paid at time of donation).

4. If an endowed fund begins a campaign or a project that will entail a long period of fundraising, a separate sub-fund agreement will be required and administrative fees will be assessed as project only at 1.5%.

5. Northwest Minnesota Foundation will waive administrative fees for all Early Childhood Initiative component funds.
6. NMF staff will have authority to negotiate administrative fees on funds.

C. Application and Timing of Administrative Fees.

1. The administrative fee will be applied using an average annual balance over the recent calendar year, and will be taken from the spendable portion of the fund and identified in the financial reports on June 30th.

2. For fund agreements that do not provide for administrative fees those agreements will be amended to reflect these fees.

3. Community funds will be allowed a fee break by including the value of all of their family of funds to determine total balance amount and the applicable fee. Administrative fees will be deducted from the fund’s general spendable balance. Scholarship and non-endowed funds will not be allowed the fee break; their fund balances will be included in the fee calculations for the fund family.

4. From time to time, NMF board may recommend suspending administrative fees on component fund endowment assets as a partnership offer to help endowed funds recover and grow in times of a down market. Fees would continue to be charged on project or flow-through funds.

5. Administrative fees for new endowment funds will be waived until the following fiscal year.

Excerpt from Philanthropy Policy – Paragraph XVI.