



## Board of Directors

May 21, 2025

Resolution 2025-06

### BLUE FUND ALLOCATION ON RESTRICTED GIFTS POLICY

**WHEREAS**, the NEOMED Foundation has determined it is in the best interests of the NEOMED Foundation to adopt a policy for the creation of a Blue Fund Allocation of up to 5% on all restricted gifts received after the effective date of this policy;

**WHEREAS**, the Foundation Board of Directors recommends this policy which is consistent with over 60% of university foundations nationally to support the Blue Fund which contributes to the most pressing needs and strategic priorities of the University and its Foundation;

**WHEREAS**, from the effective date of this policy, the NEOMED Foundation Board of Directors will allocate up to 5% to the Blue Fund on restricted gifts in accordance with guidelines that are adopted by the NEOMED Foundation Development Committee; and

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the NEOMED Foundation adopts the Blue Fund Allocation on Restricted Gifts Policy to take effect beginning in the FY26 budget cycle upon the adoption of the Blue Fund Allocation Guidelines by the Development Committee.

Action APPROVED

Date of Action May 21, 2025

For the Board of Directors 

Mark A. Mosley, MD, Chair

## **Blue Fund Allocation Guidelines**

### **Effective: July 1, 2025**

The purpose of allocating up to 5% of restricted gifts to the Blue Fund is to support board directed scholarships, academic programs, and the NEOMED Foundation's efforts to advance the University's highest priorities.

- A 5% Blue Fund allocation will be applied to all restricted gifts.
- Donors will be credited with the full gift amount for recognition and tax purposes and will be informed about the allocation.

### **Exceptions**

The following are permissible exceptions:

- Commitments made prior to July 1, 2025.
- In-kind contributions or real estate for use by the Foundation or the University.
- Donations of real or personal property that will not be liquidated.

Additional exceptions may be granted. Exception requests will be considered by the President of the NEOMED Foundation in consultation with the University President, and the Executive Committee of the NEOMED Foundation Board of Directors.

### **Frequently Asked Questions**

#### **Q1. Why is the NEOMED Foundation allocating 5% on receipt of restricted gifts to the Blue Fund?**

A1. The allocation allows the Foundation to support the most urgent and strategic needs of NEOMED as well as reduces its reliance on direct funding for its operations from NEOMED thus freeing University funds. The Blue Fund is also used to support the Foundation's operations.

#### **Q2. How are the operations of the Foundation funded?**

A2. Foundation operations are funded through University support, investment earnings, endowment management fees, and unrestricted contributions to the Blue Fund.

#### **Q3. Do other colleges and universities allocate a portion of unrestricted gifts to such support? Nationally? In Ohio?**

A3. Yes, an allocation of a portion of restricted gifts, ranging from 3% to 15%, is common at university foundations throughout the country and Ohio.

#### **Q5. Does the NEOMED Foundation charge other fees?**

A5. Like most other foundations, we charge an annual fee to administer endowed funds that are invested in perpetuity. Because we want to maximize our endowment growth over time, we keep this annual management fee to a minimum, currently 1.25% of the market value of the endowment.