

## **Blue Fund Allocation (BFA) — Frequently Asked Questions**

### **October 2025**

#### **1. What is the Blue Fund Allocation (BFA) on restricted gifts?**

- The NEOMED Foundation Board has implemented a 5% Blue Fund Allocation (BFA) on all *restricted gifts*—those designated for specific purposes such as scholarships, the free clinic, naming opportunities, or others.
- Restricted gifts are deeply meaningful; however, they also require significant time and administrative resources to manage properly. The allocation safeguards donor intent, prioritizes strong stewardship and transparent reporting, and ensures the Foundation can support NEOMED’s most urgent priorities.

#### **2. Why is this allocation necessary?**

The BFA helps:

- Sustain the Foundation’s operations and stewardship efforts.
- Reduce reliance on university operating funds, freeing more University dollars for education and research.
- Support the Blue Fund and NEOMED Foundation’s efforts to advance the University’s highest priorities.

#### **3. How are the Foundation’s operations funded?**

- Operations are supported by university funding, unrestricted gifts to the Blue Fund, investment earnings, Blue Fund allocations, and endowment management fees.

#### **4. Do other universities charge similar fees?**

- Yes. The Foundation Board’s research found that over 60% of peer institutions nationwide, including in Ohio, assess an allocation on restricted gifts ranging from 3% to 15%.
- Some of the institutions charging a fee include: *Wright State University, Bowling Green State University, Ohio University, The Ohio State University, Rutgers, University of Arizona, and Harvard*, among others.
- NEOMED’s 5% rate is a conservative, balanced approach.

**5. Since I give to the Blue Fund, can I be exempt from the BFA?**

- We are deeply grateful for your Blue Fund support, which helps fund top priorities, including scholarships and milestones like the White Coat Ceremonies, among other things.
- While exceptions are rare, requests may be reviewed by the Foundation and University Presidents and the Foundation Board's Executive Committee.

**6. Will this apply to my existing endowed or named fund?**

- The BFA applies only to future contributions. Previous gifts creating an endowment or new fund are not affected.
- Future gifts made to an existing endowed or named fund will be subject to the BFA. This small percentage provides the flexibility and resources needed to administer and steward your fund effectively moving forward.

**7. Other nonprofits I support don't charge a fee. Why does NEOMED?**

- Every nonprofit has operating costs. Many organizations simply include them in their budgets, with average overhead rates of 15–20%, meaning about \$0.80 of every dollar goes directly to programs.
- By comparison, at NEOMED, \$0.95 of every dollar supports the purpose you designate—a highly efficient and transparent model.

**8. Does the Foundation charge any other fees?**

- Like most university foundations, NEOMED charges a modest annual management fee on endowed funds (currently 1.25% ) to ensure responsible, long-term growth.