

**HSU ADVANCEMENT FOUNDATION
ADMINISTRATIVE COST RECOVERY POLICY
APPROVED AT MAY 28, 2008 BOARD MEETING
(REPLACES AND SUPERSEDES POLICY APPROVED ON NOVEMBER 30, 2005)**

I. PURPOSE

To provide basic policy and authority for the recovery of administrative costs in providing management, accounting, data processing, insurance and related support service. Such a policy is needed to assure equity and general uniformity in the Foundation's costs recovery system.

II. POLICY

The Foundation shall as a general policy recover the cost of administrative support services rendered to sustain Foundation operations.

- A. The Foundation Board shall annually review and adopt a General Administrative budget. The cost of administration shall be recovered through a budgetary allocation system.
- B. Foundation cost recovery methodology shall be through administrative fees.
- C. The annual administrative cost recovery fee will be one hundred fifty (150) basis points (1.50%) of the market value of all funds invested prorated at of the end of each fiscal quarter.
- D. The Finance Committee will review the cost recovery methodology and recommend adjustments to the Foundation Board as needed. The Foundation Board is solely responsible for approving all cost recovery fees.
- E. The Foundation Board reserves the right to modify this policy at any time.