10% fee on Zonta Foundation Donations explained

How have operations expenses been historically covered for the Zonta Foundation for Women?

In the past, Zonta International, provided a grant to the Foundation to cover operating expenses. In 2014-2016 and 2016-2018 we had investment income under the Foundation, but it was only used to cover our brokerage fees. In 2018-2020, we had $500,000 in investment income to cover brokerage fees of $129k and the remainder covered Foundation expenses. That was the biennium that we started to use the investment income to cover expenses and did not rely on ZI.

In the official Zonta Foundation for Women 2026–2028 Biennium Budget Cover Letter included in the Vancouver Convention packet, Zonta has not completely stopped using investment income. In fact, they project **$1.16 million in operational investment income** for the 2026–2028 biennium (up from $918,000 in 2024–2026). Instead, they introduced a **10% charge on contributions** as a structural change to supplement their income for several critical strategic and macroeconomic reasons:

1. Reversing a Deep Budget Deficit

Relying solely on investment income and existing funding pools was no longer sustainable for their operational needs. In the 2024–2026 biennium, the Foundation operated at a **budget deficit of $509,000**. Introducing the 10% fee allows the Foundation to transition to a projected **$104,000 surplus**, ensuring long-term financial health.

2. A Shift in Global Aid Funding

In recent years, many governments have shifted funds away from international development and aid—including the UN agencies Zonta partners with—directing those resources toward domestic spending and national defense. Because of this gap, global non-profits like Zonta face a much higher demand to step up and fund international development programs directly.

3. Funding More Aggressive Fundraising Activities

Zonta's recent targeted initiatives (like the 40th Anniversary and Rose Day campaigns) proved that investing money into professional fundraising yields significantly higher overall donations. To sustain and expand these fundraising resources—such as upgrading donor databases, keeping up with rising credit card/campaign transaction fees, and staff costs—the board determined that a designated operational charge was necessary.

4. Aligning with Industry Standards

When researching solutions, Zonta found that benchmarking data showed most major charities allocate up to **20% of their donations** toward administrative and fundraising expenses. Setting their fee at 10% keeps Zonta highly competitive and efficient relative to the broader non-profit sector.

How will Zonta Foundation for Women Use Donations?

https://www.zonta.org/images/docs/myzonta/leadershipaccess/foundationambassadors/ContributionFee.pdf