

# Policy for Naming Opportunities and Endowed Funds

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## I. Summary

The policy establishes minimum gift levels and general approval guidelines for naming of departments, units, centers and programs, scholarships and awards, and physical space (buildings, facilities and grounds, or portions thereof).

The policy also establishes the minimum gift levels to be used across all Goucher College departments for the establishment of privately funded endowment funds (see Exhibit A). Such minimums, which may be amended from time to time, are important to ensure that the academic unit or program has sufficient funds available to accomplish the purpose of the fund established by the donor. All named endowment funds shall be approved as outlined in this policy.

Any gift that includes the establishment of an endowment or the naming of a physical space (buildings, facilities and grounds, or portions thereof) must include a formal gift agreement. Gift agreement policies and procedures are contained in Goucher's Gift Acceptance Policy.

## II. Purpose

It is the policy of Goucher College to apply these guidelines for named gift opportunities in order to recognize:

- those individuals, businesses, or organizations that have made exemplary or meritorious service or enduring financial contributions to the college;
- those individuals, businesses, or organizations whose extraordinary accomplishments advance the college's educational mission.

## III. Applicability

This policy applies to all situations in which a charitable gift is given with the intention of creating a named endowment and/or naming an academic or administrative entity, a physical entity, or a collection. In some circumstances, this policy allows academic and physical entities and collections to be named without a gift.

#### IV. Definitions

**Academic or Administrative Entities:** All non-physical entities, including but not limited to: academic or administrative departments and centers, institutes or programs, public information presentations, divisions, chairs, professorships, lectureships, fellowships, teaching awards and prizes, and scholarships.

**Collections:** Libraries or parts of libraries and other collections of significant size and continuing scientific, historic, artistic or cultural value.

**Endowments:** A fund that can be established through gifts from private individuals, corporations, foundations, associations, and other organizations, so long as those gifts meet college guidelines on endowment minimums by type (below) and are accompanied by a signed Gift Agreement. Endowments are invested to allow for the principal to remain intact (nonexpendable) in perpetuity, while a portion of endowment earnings are distributed annually to support the purpose designated by the donor(s) through a formal gift agreement with the college.

Endowments may be designated to benefit academic or non-academic positions, students, programs, physical space (buildings, facilities, and grounds, or portions thereof), or specific academic or non-academic departments and units. They are typically named after their donor(s) or a person(s) the donor wishes to honor.

Endowments may be established by a one-time gift, a series of gifts, a pledge paid over a period of a specific number of years, wills, trusts, gifts of appreciated assets, or by a combination of these. Gifts can be added to an established endowment at any time.

In certain instances, which must be outlined in a gift agreement, a specific amount of the gift commitment must be received prior to the actual naming of the position, program, building, space, or project.

Certain terms are commonly used with endowments. The National Association of College and University Business Officers (NACUBO) provides the following definitions:

**Permanent Endowment:** "Endowment funds are funds received from a donor with the restriction that the principal not be expendable." Permanent endowments are only subject to modification as may be allowed by law and college policy. Establishment of any permanent endowed fund requires a minimum gift, which is dependent on the purpose of the endowment.

**Quasi-Endowment:** "A quasi-endowment fund is a fund that functions like an endowment fund but which may be totally expended at any time at the discretion of the governing board." This may be gift funds that the donor did not specifically direct for use as an endowment, or funds available to the institution from other sources that can be designated for an endowment. The funds are invested in the same manner as a permanent endowment and have the same payout provisions.

Establishment of a quasi-endowment requires a minimum gift and the principal can only be partially or totally expended upon approval by Goucher's Board of Trustees.

**Physical Entities:** All physical facilities and buildings, to include:

Buildings or portions thereof, including but not limited to laboratories, classrooms, seminar rooms, meeting rooms, lounges, wings, halls, floors, galleries; structures, including but not limited to athletic fields, athletic facilities, and other facilities such as wings of buildings or substantial parts of buildings, residence halls, large auditoria, concert halls, plazas, parks, fountains, gardens, natural landmarks, lawns, courtyards, walkways, pathways, parking facilities, and roadways.

## V. **Endowment Funding Minimums by Type**

Funding requirements for endowed funds and associated naming opportunities are listed in Exhibit A. The dollar amounts listed represent the minimum funds needed for various-sized programs. Depending on specific program needs and the donor's objectives, higher amounts may be necessary to achieve the desired outcome. A division head may establish higher minimums for his/her unit, if necessary, with the approval of the Vice President for Development and Alumnae/i Affairs.

### **Distinguished Chair:**

To recruit, retain, and reward superior faculty members by enhancing the faculty member's scholarly efforts and/or research program. In such cases, the position and/or specific discipline—not the specific person—is supported by the endowment.

### **Professorship:**

To recruit, retain, and reward outstanding faculty members by enhancing the faculty member's scholarly efforts and/or research program. In such cases, the position and/or specific discipline—not the specific person—is supported by the endowment.

### **Faculty Professor Fellowship:**

For any rank of faculty member. For research and teaching efforts, and for visiting scholars while in residence. In such cases, the position and/or specific discipline—not the specific person—is supported by the endowment.

### **Lecture Fund:**

To be used to cover all or most of the expenses associated with planning and implementing lectures in specific areas and/or on specific topics. The endowed fund and the lecture or lecture series may carry the name of the donor, or someone of his/her choosing, in recognition of the gift. May be used to pay administrative costs, publications, advertising, travel, lodging, and honoraria.

**Full or Partial Undergraduate Scholarships:**

Academic merit and/or financial need may be a consideration. The donor may suggest other preferential criteria.

**Internship:**

To support undergraduate student internships, including travel expenses.

**Prize:**

To provide support for prizes at the discretion of any department.

**All other special purpose funds:**

To support specific or general programs of Goucher or of a particular unit/department. Can support areas such as faculty and staff development, student programming, operations, research, etc.

**Naming Through Non-Endowed Funds**

Non-endowed funding commitments can, in certain circumstances, qualify for a naming opportunity. In such cases, it is critical that funding streams be committed to—in writing—in general, for a period of no less than five years, and that the annual funding amount is equivalent to the approximate payout of the corresponding established endowment minimum. It is also necessary that the donor and Goucher College establish—in writing—that the naming is to last no longer than one year after the end of the fiscal year in which the last payment was received.

**Non-Endowed Professorship:** To establish a term professorship payable for a period of not less than five years.

**Non-Endowed Lectureship:** To establish a term lectureship payable for a period of not less than five years.

**Non-Endowed Scholarship:** To establish a term scholarship payable for a period of not less than four years.

**Non-Endowed Research or Program Fund:** To establish a research or other programmatic fund payable for a period of not less than five years.

**Non-Endowed “Adopt-a-Scholar” Scholarship:** This is an annual fund program in which the scholarship is established for the four-year term of a qualifying undergraduate student.

**Other Named Funds**

The endowed funds and other funding requirements described above are listed because of their broad appeal to most potential donors. A variety of other purposes require funding and offer numerous gift opportunities. Each department can establish named funds to

support the particular activities of its programs so long as the endowment funding minimums stated above are observed.

## **VI. Naming of Departments, Units and College-wide Centers and Institutes**

Upon the recommendation of the President, the Executive Committee of the Board of Trustees will have final approval in any decision to name a department, unit, or college-wide center or institute. In consideration of such naming the following conditions must be satisfied:

- If naming is in recognition of a gift, the scale, nature, and designated use of the gift must enable transformational change to occur in the unit. This criterion implies that the gift will allow the unit to undertake a well-defined series of strategic program improvements that will significantly strengthen its competitiveness materially. Ideally, these improvements will elevate the unit within a distinguished group of national peers.
- Any particular proposal for naming is clearly and broadly supported as being consistent with the reputation and aspirations of the unit. Critical voices, of course, include the provost, division head, the faculty leadership, the alumni leadership of the unit, the administrative leadership of the college, and Goucher's Board of Trustees.
- The present value of any proposed gift should be used as the basis for testing the potential for material improvement through a well-defined program.
- The background, character, reputation, and other qualities of the person for whom the unit is to be named must be consistent with the reputation of Goucher College.

To aid in determining the appropriate funding level required for naming, the minimum funding requirements are suggested in Exhibit A.

## **VII. Naming of Physical Space:**

The Executive Committee of the Board of Trustees will have final approval on naming plans (or naming "menus") for any naming of buildings or grounds owned by the college, including naming opportunities for interior spaces (such as rooms and furnishings). In consideration of such naming, the following guidelines must be followed:

- Generally, when the naming opportunity concerns naming of an entire new building or renovation of an existing building, a donor will be required to provide a gift supporting a substantial portion of the funds needed to complete the project. Additional appropriate naming opportunities and naming gift thresholds will be established and documented in a funding plan for each project, and will involve the appropriate chair/director, the President, the Vice President for Development and Alumnae/i Affairs, and the senior administrators of the college.

- If donated funds are for new construction or renovation/refurbishment, they will be directed to the actual cost. If, however, the donated funds are to establish naming for an existing building or space, the chair/director and the President, in consultation with any other appropriate department leadership, will determine their specific designation. These funds will typically support the unit or department using the building or space.
- Naming of a building or an area requires a completed Gift Agreement and full receipt of cash or assets that can be converted to cash immediately. Generally, buildings will not be named in honor of a donor in return for an estate commitment.

### **VIII. Procedures for Seeking Approval for Naming**

The approval processes outlined below are to be followed based on the type of naming opportunity being proposed.

- Generally, the process for approaching a donor for a named endowed or non-endowed fund does not require internal approval prior to solicitation, as long as the fund adheres to the minimum funding requirements outlined in this policy. If unique circumstances arise in the negotiation process, exceptions and modifications should be submitted to the Gift Acceptance Committee for discussion and approval. The committee may also be consulted at any time to ensure that any proposed name will bring distinction and honor to the college and will be consistent with the traditions, integrity and mission of the college.
- For Naming of Departments, Units, and College-wide Centers and Institutes, the Executive Committee of the Board of Trustees is the final authority for review and approval.
- For Naming of Physical Space (Buildings, Facilities and Grounds, or Portion Thereof, including interior spaces), the Executive Committee of the Board of Trustees is the final authority for review and approval. This approval can be provided through approval of a “naming menu” in a focused fundraising effort, though significant gifts and naming opportunities must be individually approved by the Executive Committee.
- A signed Gift Agreement is required for the establishment of all named funds, and for the naming of units, departments, college-wide centers and institutes, and physical space.

### **IX. Permanence of Naming**

The naming of Physical Space (buildings, facilities and grounds, or portions thereof) is intended to be in place for period not to exceed the expected life of the specific Physical Space or fifty (50) years, whichever is less. If, in the determination of the Executive

Committee of the Board of Trustees, circumstances change so that the purpose for which the Physical Space was established is significantly altered or if the Physical Space is no longer needed or habitable, or requires significant renovation, the Executive Committee, in consultation with appropriate academic and/or administrative leadership and the donor(s), if possible, will determine an appropriate alternative way to recognize the donor's naming gift in perpetuity. If the College and the donor(s) previously established a Gift Agreement or contract that provides a practicable course of action, that action shall be followed.

## **X. Removal of a Name**

College naming opportunities shall bear only the name of individuals or entities that exemplify the attributes of integrity, character and leadership consistent with the highest values of Goucher College. If, in the sole determination of the Board of Trustees, those attributes are not maintained, the Board of Trustees reserves the right to remove the donor's/honoree's name from a Physical Space, Department, Unit, program, chairs, scholarships, etc., at any time.

## **XI. Exceptions**

The Executive Committee of the Board of Trustees and the President of the College shall have the authority to approve the establishment of named funds in amounts less than those stated in this policy, or to determine minimum levels for naming of positions, programs, or facilities not outlined in this document. For instance, if a donor provides a gift for a building that is already funded through other means or already constructed, lower minimum gifts might be appropriate.

## **XII. Miscellaneous**

**Final Authority for Naming Rights:** The Executive Committee of the Board of Trustees and the President retain the right to approve or disapprove any naming opportunity as they determine in their sole discretion best serves the interests of Goucher College.

**Naming Consideration for a Pledge:** If a naming will be the result of a gift pledged to be paid over a period of years, the timing of the official naming must be clearly articulated in a formal Gift Agreement. In most cases, naming will go into effect only after the pledge is fulfilled and Goucher has received the required total amount.

Alternatively, in some cases and subject to approval by the Executive Committee and the President, naming may go into effect immediately with a clear and documented understanding that the naming will be altered or removed if the full pledge is not paid in a mutually agreed upon timeframe. If the pledge is not fulfilled but the naming has been authorized, the failure to fulfill the pledge must be reported to the Executive Committee of the Board of Trustees, which will determine the course of action. That may include removing the name or considering the name for an alternate naming opportunity, if only

partial funding has been received. The actions taken will be reflected in the official minutes of the Board.

**Naming Consideration for a Deferred Gift** (e.g. bequest, charitable trust, charitable gift annuity, retirement fund provision): Notwithstanding the exceptions below, deferred gifts qualify for a naming opportunity only when the gift funds are realized. The President must approve any exceptions to this policy. Factors to be considered when exercising such discretion include, but are not limited to, the amount of the gift, type of gift, donor giving history, age of donor, and the type of naming opportunity.

Details for consideration must be outlined in a signed Gift Agreement and should include language clearly stating parameters around which the future decision will be made, based on the realized value of the gift and the established endowment thresholds at that time. Depending on the specific circumstances and at the discretion of the President, a decision might be made to allow for future naming based on current endowment thresholds, so long as the current value and projected value of the realized gift is sufficient to support the intended program in the future. Naming will not be considered for programs requiring current funding, such as building projects, but may be considered for existing physical space.

**Naming Consideration for Honorary, Memorial, or Recognition Purposes:** If the naming to be considered is in honor or recognition of an individual, but does not carry with it a gift or a significant enough gift to meet Naming Policy thresholds, the request should be forwarded for approval to the Executive Committee, which will make the final decision.