



UNIVERSITY of
DENVER

UNIVERSITY OF DENVER
POLICY MANUAL
DONOR-FUNDED NAMING OPPORTUNITIES
AND FUND MINIMA

Responsible Department: Office of Advancement
Recommended By: SVC for Advancement, SVC for Business and Financial Affairs, SVC for Legal Affairs and General Counsel
Approved By: Board of Trustees

Policy Number
ADV 10.10.020

Effective Date
4/___/2022

I. INTRODUCTION

Donor-funded naming opportunities offer one of the highest forms of public recognition available at the University and celebrate the generosity of donors whose support is invaluable to the ongoing mission of the University. This form of recognition not only demonstrates institutional appreciation of donors, but also educates a broader constituency about the impact and importance of philanthropy on the strength of the University.

Gift amounts will vary by department, college, school or unit, or by project depending on the goal and purpose of the fund. Each naming opportunity, and the corresponding dollar minimum, should be designed to meet the specific need; therefore higher minimum dollar amounts may be required in specific cases. Dollar amounts may increase in future years to reflect changes in costs or inflation. Fund minima amounts include the Campaign Investment Fund assessment, if applicable.

Contact the Office of the Senior Vice Chancellor for Advancement for fund minima details.

II. POLICY OVERVIEW

- A. For facilities, and programs, all namings shall be directed and managed through the Office of Advancement. The Senior Vice Chancellor for Advancement, or their delegate, is responsible for identifying and managing the inventory of naming opportunities.
- B. Naming opportunities for facilities, positions and programs must be approved first by a) the Senior Vice Chancellor for Advancement, then b) the Provost, and finally c) by the Chancellor. The Chancellor will communicate with the Board of

Trustees regarding namings at the \$10M+ funding level.

- C. The Chancellor may recommend exceptions to this Policy, subject to approval of the Board of Trustees and after consultation with University leadership when appropriate.
- D. Naming gifts must constitute a significant portion of the total cost of the facility or program to be named and will either:
 - 1. Fund the total cost of the facility or program, or
 - 2. Provide funding for that portion of the total cost which would not have been available from any other source.
- E. No internal funds can be used, transferred, or applied to a pledge in order to meet a gift fund minimum.
- F. Strictly honorific naming of spaces or facilities without fundraising is not allowed.
- G. Naming of a University facility, position, or program does not confer donor control over the use of the named entity (for example, determining the recipient of a professorship or how a named space will be utilized).
- H. Naming of a University asset or entity must be made in accordance with this Policy and related procedures and meet all terms of University Policy ADV 10.10.010 - *Gift Acceptance*.

III. PROCESS OVERVIEW

- A. For all namings, the donor or honoree must exhibit an image and demonstrate integrity consistent with the mission and values of the University.
- B. Naming requests must be accompanied by supporting documentation that outlines the donor gift and terms and the specific program, space, or facility to be named and submitted to Donor Relations and Stewardship, who will prepare for leadership review.
- C. All endowed named gift funds require a gift agreement as supporting documentation, signed by the donor(s), acknowledged by the Dean (if applicable), acknowledged by the Provost (if applicable), and agreed to by the Chancellor.
- D. All gift agreements for naming gifts must contain a clause that describes when the University would remove the name associated with the gift. (See Section Q.7 for grounds on which the University may remove a naming) The University will have no financial responsibility for returning any contributions already received.

- E. New endowments must be fully funded within five (5) years of creation of the endowment. Endowments established with a bequest or planned gift will be fully funded upon realization of the gift.
- F. Corporations or other organizations shall not name a University program, unit, department, or college unless approved as an exception by the Chancellor.
 - 1. In the instance of corporate or organizational namings of facilities, the University shall take reasonable steps (e.g., due diligence) to avoid any appearance of undue influence or conflict of interest.
- G. Named funds must meet minimum fund thresholds. For donor-funded rooms and spaces, the recommended gift minimum is determined by the project cost or replacement cost, current marketable value, and location.
 - 1. Minimum gift values may be changed at any time at the sole discretion of the University.
 - 2. Pending agreements may be subject to the new funding levels.
- H. Naming gifts fall into one of four categories of duration: permanent naming (for endowed funds), annual naming (for one-time-use funds), fixed term naming, or naming for a building or facility.
- I. Facilities and Program Namings**
 - 1. Naming gifts are limited to the life/use/existence of the facility or program.
 - 2. To determine the appropriate minimum amount needed, an analysis should be completed to identify the full and true cost of a new facility or program, including but not be limited to equipment needs, research funding, benefits and full or partial support staff, operations and maintenance, etc.)
- J. Endowments – Permanent Naming**
 - 1. For endowments that support programs, faculty and other positions, centers and institutes, the expectation is that an annual payout requirement dictated by the budget for the program, position, center, or institute, will drive the minimum amount for the fund and be sufficient to fulfill the donor’s intended purpose.
 - 2. The minimum gift required to establish an endowment is dependent upon the type and purpose of the endowment created, and minimum levels in effect at the time. Minimum endowment levels will be reviewed by Advancement on an as needed basis and updated, subject to University leadership review and approval.
 - 3. Donors are not permitted to specify any deviation from the Board-approved spending rate for the endowment. See Policy FINA 2.20.020 – Consolidated Endowment Fund: Management and Distribution. Exceptions will be granted only with approval of the Gift Acceptance Committee, the Chancellor, and the Board of Trustees.
 - 4. Positional faculty endowments must have existing full-time equivalent

(FTE) approval. Establishing an endowment will not necessarily create a new position.

5. Funding for any new position must be consistent with department and school/college/unit's academic strategic plan. The endowment size must be sufficient to provide a market competitive salary based on area of discipline. An analysis of the full and true cost of a new position (including but not limited to office space, equipment, lab space, research funds, benefits and full or partial support staff) is required. The unit's dean, department chair, or director must be consulted on the analysis.
6. Quasi-endowments are funds designated by the University or the Board of Trustees to function as an endowment which do not contain donor restrictions to preserve principal in perpetuity. Quasi-endowment funds generally are invested with other endowment funds in the University's consolidated endowment investment pool, provide quarterly spendable distributions, and otherwise function as endowment funds. Quasi-endowments are authorized by the Senior Vice Chancellor for Business and Financial Affairs and the Provost and Executive Vice Chancellor, with final review and approval by the Finance and Budget Committee of the Board of Trustees. The request must adhere to all aspects of University Policy FINA 2.30.091 – *Establishment of Quasi-Endowments*, including its minimum funding threshold and investment period. The request must identify the source of the funds for the endowment's initial funding, state the case for using the funds to establish a quasi-endowment, and specify the purpose of the endowment and any guidelines governing the use of its spendable income or invasion of its principal.
7. The minimum amount needed to establish an endowment, regardless of naming, is \$50,000.
8. The minimum amount needed to establish a quasi-endowment is \$100,000.

K. Current Use Funds – annual namings

1. Current use (spendable) funds are typically created for a distinct purpose and are often expended during an academic year. Current use funds are typically not named in honor of a donor, but can be as long as the donor understands the fund is not permanent and meets the established minimum funding threshold. When possible, use of a single fund for multiple gifts with the same purpose is encouraged to permit broad and flexible use of the gifts.
2. The minimum gift(s) to establish a current use fund is determined on a case-by-case basis, based on the needs of the unit being supported. Consultation with the dean, division chair, or other unit leadership is required prior to gifts being accepted to confirm that the gift can be used as requested by the donor and will meet department needs.
3. Current use funds created with the intention of accumulating gifts in order to reach an endowment minimum ("pre-endowed" funds) must reach the minimum in effect at the time, and will not be "grandfathered" to a prior,

lower minimum. The maximum amount of time allowed to reach the minimum is three years.

4. Current use funds may also be created in conjunction with endowed fund bequests, in order for donors to have an immediate impact during their lifetimes (“virtual endowments”). The bequest amount must comply with the corresponding endowment minimum then in effect, and the current use fund must yield an annual amount equal to or greater than the endowment payout under the spending policy then in effect.

L. Planned Gifts

Planned gifts are contributions from individuals wherein the use of the gift is usually deferred, and may involve assets without a readily ascertainable value in excess of \$50,000. Specific guidelines have been established for Planned Gift acceptance and must be reviewed on a case by case basis by the Office of Gift Planning, Advancement, or General Counsel, as appropriate.

M. Memorial and Honorary Funds

A memorial or honorary fund is created by a gift(s) given in memory of or in honor of an individual. A memorial or honorary fund may be established as an endowment or as a current fund, as determined by the family or the donor. If endowed, memorial and honorary funds must comply with established endowment minimums for the specified purpose. A current use memorial fund may be established with a name, as long as the total gifts to the fund total \$5,000 or more and the donors are appropriately informed that the fund is not permanent.

N. Naming facilities

1. Naming opportunities may include new facilities that are to be constructed or acquired, and existing facilities, including those that are undergoing renovations.
2. Selection of facility names should take into account the University’s Campus Framework Plan and all new major capital projects that are dependent upon private funding.
3. In general, buildings will be named for a donor who provides the University with at least 51% of the fundraising target for its private construction or renovation costs.
4. A naming opportunity for a building or facility will require an irrevocable agreement with the University assuring that the funds will be received in a reasonable period of time relative to the construction or renovation of the building or facility.
5. In general, while reasonable architectural planning may occur, the University will not break ground on a capital project until 30% of the total projected cost or 50% of the total fundraising goal (whichever is greater) has been secured in philanthropic commitments. Exceptions to this may be recommended by the Gift Acceptance Committee, for the consideration of the Chancellor.

6. Natural items such as trees, shrubs, and plants shall not be named. The Senior Vice Chancellor for Advancement may grant exceptions to this on occasion, upon their discretion.

O. Naming programs, centers or institutes

1. A named gift for a program should be adequate to provide the annual income to support that program for the program's duration. New programs must be vetted by the appropriate Dean and the Provost before conversations proceed with the donor.
2. The program, as opposed to the specific person (such as a faculty member or scholarship recipient), is supported by the endowment.

P. Status of contribution at the time of naming facilities and programs

1. When a facility or program is to be named in consideration of a financial contribution, the gift shall have been received by the University, or its future receipt shall be assured through the appropriate signed agreement before a naming action shall be taken.
2. Pledges to be paid over a period of time, typically up to five years, are acceptable for current naming of facilities and programs when a signed pledge payment agreement for the total is in hand. Pledges for beyond five years must be approved in accordance with University Policy ADV 10.10.010 –*Gift Acceptance*.
3. A naming conferred in recognition of a pledge is contingent on fulfillment of that pledge and will be approved on that condition. The physical placement of a naming will only occur after at least 50% of the funding commitment is received.
4. If the pledged gift is to name new construction, renovation, or other projects with cash-flow considerations, the timing of the pledge payments should be such that sufficient current dollars are available to cover project costs.
5. Irrevocable planned gifts may occasionally generate naming of facilities and programs and must be approved by the Senior Vice Chancellor for Advancement, who will recommend action to the Chancellor, and only if current cash flow considerations are not an issue for the requesting facility or program. Irrevocable planned gifts will be credited at their face value, with particular emphasis being given to the predictability of the long-term value of the irrevocable deferred gift.
6. Combinations of revocable planned gifts and cash may occasionally generate naming opportunities under certain circumstances and must be approved by the Senior Vice Chancellor for Advancement, who will recommend action to the Chancellor. Each combination request must be explained fully and a case made for the appropriateness of the naming given the specifics of a particular gift. Particular emphasis will be given to the cash flow requirements of the requesting facility or program, the predictability of the long-term value of the revocable deferred gift component, and the predictability of its receipt.

Q. Duration and modification of namings for facilities and programs

1. The duration of a donor's or honoree's name on any facility or program ordinarily continues for as long as the facility or program is used in the same manner for which the naming occurred. Upon demolition, replacement, substantial renovation, re-designation of purpose, or similar modification of a named facility or program, the University may deem that the naming period has concluded.
2. At the discretion of the Office of Advancement, the appropriate Advancement representative may be directed to make all reasonable efforts to inform in advance the original donors and/or honorees, or their surviving family members, when the naming period is deemed to have concluded.
3. The duration of a donor wall is contingent upon the life cycle of the facility or program, and once the life cycle has ended, the donor wall can be removed with approval from the Office of Advancement.

4. Renaming

- a) Any proposal to rename a facility or area or to add a second name in recognition of a gift shall be reviewed by the Senior Vice Chancellor for Advancement, who will recommend action to the Chancellor. The review shall include any gift documents pertaining to the original gift and related naming, as well as gift documentation pertaining to the subsequent gift and proposed renaming.
- b) When the donor's or honoree's naming period has concluded, the facility or program may be renamed, with the original name removed, in recognition of new gifts, subject to any specific terms and conditions set forth in the original agreement.

5. Term naming

In appropriate instances, naming may be granted for a predetermined fixed term. At the end of the term, the name of the facility or program shall expire but may be renewed with the same or a new name. The naming agreement should specify the period of time for which the facility or program will be named.

6. Donor or honoree name changes

If a donor or honoree requests a change to the name of a facility or program (e.g., due to divorce or corporate merger), the University will consider the request.

7. Removal of naming approval

The University reserves the right to remove and terminate its obligations regarding a naming, on reasonable grounds, with no financial responsibility for returning any received contributions to the donor. The Chancellor must approve all removals prior to removal. Reasonable grounds to remove and terminate a naming include, but are not limited to, the following:

- a) If the donor's or honoree's reputation, actions, or behavior do not align with the University's values or mission;

- b) If the donor or benefactor fails to maintain payments on a pledge upon which the naming was bestowed. In such an instance, the naming may be removed after a pro-rata period of time that reflects the number of pledge payments made, given the estimated useful life of the program or building or the term of years covered by the naming agreement, as applicable;
- c) If a planned gift upon which the naming was bestowed does not result in the value agreed upon;
- d) If a facility has been named without proper approval (determined after due diligence confirming that the naming was not properly approved).

R. Responsibilities for costs

1. In the event that the General Counsel determines that it is appropriate for the University to engage outside legal counsel to advise on a donor-funded naming opportunity or other gift, all legal costs incurred by the University arising from that matter are the responsibility of the college/unit supported by the gift.
2. All University costs of donor or honoree signage or recognition are the responsibility of the college/unit supported by the gift.
3. If the donor or honoree requests a sign or recognition to be changed, all replacement signage and other related costs shall be at the donor's expense.

S. Physical naming recognition

1. Naming signage shall not be approved until the actual naming has been approved by the Chancellor.
2. Naming signage shall conform to all University signature guidelines and shall not be installed until approved by the Office of the University Architect and the Office of Advancement.
3. Naming signage standards shall conform to all University branding standards. Signage reflecting a corporate or organizational naming of a facility may not include the donor's logo or other components of branding. Corporate or organizational branding in this Policy applies only to donor-funded namings and does not apply to leased spaces or other contractual business relationships.
4. No statues or significant works of art recognizing a donor's gift or to honor a person shall be commissioned or installed without following University Policy 2.30.055- *Works of Art, Collections, Acceptance, & Display* and by receiving approval of the Office of the University Architect and the Office of Advancement.
5. No publicity of the naming shall be released to the public until it has been approved by the Chancellor.
6. All gift minimums for donor recognition, which include public displays, signs, donor walls and mounted objects that recognize a donor, shall be predetermined by the Office of Advancement.

- 7. All mounted naming signage that has not been properly approved is subject to removal.

IV. DEFINITIONS

- A. **“Endowment”** means a gift with donor stipulation that the gift principal should be invested in perpetuity and will be a permanent fund. As a result, only the annual payout from the endowed fund may be expended for the purpose designated by the donor, at a rate set in University Policy FINA 2.20.020 - *Consolidated Endowment Fund: Management and Distribution*.
- B. **“Gift agreement”** means deeds of gift, grant agreements, or statements of understanding that document the donor's intent and the University's agreement to honor that intent.
- C. **"Quasi-endowment funds"** means funds designated by the University or the Board of Trustees to function as an endowment which do not contain donor restrictions to preserve principal in perpetuity. Quasi-endowment funds generally are invested with other endowment funds in the University's consolidated endowment investment pool, provide quarterly spendable distributions, and otherwise function as endowment funds.

V. RESOURCES

- A. Policy ADV 10.10.010 – *Gift Acceptance*
- B. Policy FINA 2.20.020 – *Consolidated Endowment Fund: Management and Distributions*
- C. Policy PROV 2.30.055 – *Works of Art, Collections, Acceptance, & Display*
- D. Policy FINA 0.30.091 – *Establishment of Quasi-Endowments*

Revision Effective Date	Purpose