

Section 6 Fundraising

- x. A radon report (when applicable) issued by a qualified engineer;
 - xi. A transfer of all mineral and water rights.
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- b. Real estate encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by the Idaho State University Foundation or the University in its programs but only after all tax considerations have been fully explored and documented. All such exceptions must also have the approval of the Board and if material notification must be given to the State Board of Education.
 - c. Real estate gifts that will entail the Foundation operating a business cannot be accepted without Board approval and, if material, notification provided to the State Board of Education.
 - d. Current State Board of Education policies clearly require that: “Foundation controlled resources may not be used to acquire or develop real estate or to construct facilities for the University’s use without prior State Board approval. If determined in its best interests, the University will submit any proposal to use resources in the manner described herein to the State Board in accordance with State Board policies and procedures, and when appropriate, to the Idaho Legislature.”
 - e. Gifts of real estate are also subject to all applicable provisions of Section 6.03 Gift Acceptance especially in regards to valuation, tax and legal matters and processes.

Person responsible for the periodic review of policy - Executive Vice President

Section 6 Fundraising

Section 6.05 - Naming Opportunities and Donor Recognition

6.05.01 Introduction

The Idaho State University Foundation seeks to recognize the generosity and commitment of individuals, corporations, foundations, trusts and other organizations that support the mission of the University. The proper recognition of donors for their support of the University is important in the advancement process. Effective donor recognition can encourage additional gifts and prompt others to contribute. In addition to the Foundation, donor recognition activities are the responsibility of numerous Departments and Colleges of the University. The Foundation Board is only authorized to establish policies for activities conducted by Foundation staff or funded by Foundation resources.

While the Foundation is not responsible for the policy governing the naming of University facilities, programs or positions, the Board has been asked by University officials, from time to time, to provide suggested guidance. This policy outlines those suggestions.

6.05.02 Naming Opportunities Suggestions

General Guidelines

- d. Due to the sensitive nature of naming major facilities or programs for donors, we believe that any proposal to a potential donor that includes a naming opportunity should be cleared by the Vice President of Advancement of the University before it is presented to the donor. The Vice President of Advancement should be satisfied that the naming meets University standards and will be approved by the University naming committee as well as by the State Board of Education.
- e. No naming should be approved or (once approved) continued that will call into serious question the public respect of the University. Individuals and organizations whose names are approved should be expected to exemplify the attributes of integrity and civic leadership. Should a donor, for whom a university naming opportunity has been made, violate these standards, the University should consider removing the donor's name from the naming opportunity. All contracts for naming should have specific provisions that deal with any such issues.
- f. No names should be approved that will imply the University's endorsement of a partisan political or ideological position. This does not preclude a naming with the name of an individual who has at one time held public office or with the name of an individual or a company that manufactures or distributes commercial products.
- g. When named recognition has been extended for a gift received, it should be honored for the life of the contract. The contract should include all the terms and conditions, including the process to be followed in the event of changed circumstances. This is especially important for contracts that are anticipated to provide naming in perpetuity.

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Section 6 Fundraising

- h. Certain naming opportunities lend themselves to short term yearly payment sponsorships and they should be considered. Provided there are no contract violations the University should honor the name for that period of time, subject to renewal of the opportunity.
- i. The method of payment for a naming opportunity should be carefully matched to the type of activity or facility being funded. Donations associated with naming proposals can be made by the donor in cash or appreciated property, through legally binding pledges fulfilled within no more than five years, or by the creation of an endowment. Individual donors may gift a portion of their contribution through an irrevocable trust or a contractual bequest mechanism. The University should contractually reserve the right to remove the naming opportunity when pledges are suspended or remain.
- j. Donations made through irrevocable deferred gift techniques (including, but not limited to charitable gift annuities, deferred pledge agreements, or wills) should generally not be accepted in instances when private funds are needed to pay for current building projects or other activities and accordingly the donor should be presented with other opportunities. A naming opportunity may, however, be accepted for existing, unnamed opportunities not requiring major remodeling or renovation.

6.05.03 Negotiating Named Recognition for Philanthropic Donations

- a. It should be the responsibility of individuals negotiating on behalf of the University to consult with the Vice President of Advancement when gifts involve a proposal to name.
- b. It should be the responsibility of individuals negotiating on behalf of the University to advise potential donors that the acceptance of any philanthropic donation involving a proposal to name is conditional upon final approval of the naming by whatever process the University and/or the State Board of Education requires.
- c. In negotiating with donors, deans/directors and development officers should ensure that donors understand that even when a physical space or fund will be named for them, they do not control the details of the administration and application of gift details including construction, furnishings, the selection of candidates, how the facility will be utilized, etc.
- d. All name recognition should have a legal contract clearly stating the length of the naming and all other items such as terms of payment and recognition.

6.05.04 Naming of Physical Facilities

We recommend that a building or physical facility only be named for a donor in cases where the donor's gift provides at least fifty (50%) percent of the total cost of construction that is raised through private donations or \$1 Million, whichever is greater. In special cases an amount higher than \$1 Million might be established because of the visibility, cost or importance of the building. It is critical that the estimated cost of the construction be carefully developed with appropriate inflation factors and contingencies considered and that the estimate be carefully

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Section 6

Fundraising

reviewed by someone independent of the estimate's preparation. Naming opportunities should be carefully developed for the individual components of the building in order to raise the remaining fifty (50%) percent of the total cost.

6.05.05 Removal or Change of Name

The University should retain the right, in consultation with the donor, to change the name of a building, space, facility or endowment if, for example, a corporate donor has itself changed its name, or marital donors have divorced or separated. The naming contract should specify details for this procedure including terms for the rename and re-brand process as well as who will cover the costs.

6.05.06 Portions of Existing Facilities

Existing un-named parts of buildings or facilities might be named for donors in cases where substantial gifts are made by donors to endowments or programs carried on within these facilities.

6.05.07 Renovations

In cases of major renovation that extend throughout a building or facility that has not been previously named for someone, the facility might be named for the donor, provided the donor's gift covers at least fifty (50%) percent of the renovation cost. No change should be made to the name of a building if it is named for a previous donor without that donors' consent, unless it can be changed by terms of the donor agreement.

6.05.08 Named Laboratories, Classrooms and Lounges

While no exact dollar amount can be proposed, the University should carefully consider developing naming opportunities in existing buildings based upon their visibility, importance, or cost. All such naming opportunities should be reviewed by the Vice President of Development to ensure consistency of methodology and reasonableness.

6.05.09 Other Features

Donor names proposed for fountains, ornamental buildings, landscaping, trees, benches and similar features should normally require a gift to cover the full cost of the project and a maintenance fund.

6.05.10 General Policy on Endowed Funds

An endowment fund may be contributed and named for an individual or organization donor, or a specific honoree, to provide a permanent source of

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Section 6

Fundraising

funding for restricted or unrestricted purposes as specified by the donor. Record keeping for an endowment can be complicated and costly to the Foundation and, accordingly, the minimum amount to establish an endowment should be \$10,000 or greater. A donor may be allowed up to three years to complete the \$10,000 gift. Amounts donated during the period of time to achieve the \$10,000 endowment will receive a proportionate share of the investment income allocation. However, no expenditure will be made from the endowment until the full \$10,000 is received. At the time that \$10,000 has been donated, the endowment will be subject to the Foundation's normal endowment spending policies. If, at the end of three years, the full \$10,000 gift is not completed, any amounts donated plus investment income should become unrestricted assets of the Foundation.

In addition, a program or department should not be named for a donor unless the donor's gift makes a substantial impact on the scope and quality of the program or department being named.

6.05.11 Chair Endowment

The amount needed to fully fund a Chair will usually vary from department to department or from college to college. The expendable income from a Chair endowment (determined in accordance with the University's policy on endowment income and expenditures) should be sufficient to pay the appointee's full initial term and prospective reappointment salary and benefits. In addition, whenever possible, the amount should also include an expense allowance for general secretarial, research, and research and appointment-related travel costs.

6.05.12 Named Professorship Endowments

The amount needed to fund a named professorship will also usually vary. The expendable income from a Named Professorship endowment (determined in accordance with the University's policy on endowment income and expenditures) should be sufficient to pay at least one-half of the appointee's initial term and prospective reappointment full salary and benefits. In addition, whenever possible, the amount should also include a contribution to an expense allowance for general secretarial, research, and research and appointment-related travel costs.

6.05.13 Naming when no donor gift is involved

The naming of the University's facilities and programs is a valuable tool to recognize significant philanthropy and we believe that naming items, without an appropriate donation, should be an unusual occurrence. In the rare instance, when no donor gift is involved we recommend the following:

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Section 6 Fundraising

- a. It should honor a person who has achieved unique distinction in higher education and other significant areas of public service, or who has served Idaho State University in an academic capacity and has earned a national or international reputation as a scholar, or has made extraordinary contributions to Idaho State University in an extraordinary manner that warrants special recognition, or who has served Idaho State University in an administrative capacity and who, during administrative service, made extraordinary contributions to Idaho State University which warrant special recognition. The extraordinary service should be recognized as such throughout the State of Idaho and such service should be recognized by the University's many constituents.
- b. When a proposal for naming in honor of an individual involves service to the University in an academic or administrative capacity, a proposal shall not be made until the individual has been retired or deceased for at least five years.
- c. No more than one facility or property at the University should be named after any one individual unless they are donors.
- d. No facility or property should be named after seated, elected or appointed officials.

6.05.14 Donor Recognition Policy

Policies governing the routine providing of tax receipts to donors and other acknowledgements are covered in other Fundraising policies and are not repeated here. This section deals with those donor recognition activities that are not clerical in nature.

The donors to our Foundation have made substantial sacrifices in providing the Funds that have helped advance the University in many ways. Those donors have a right to be properly acknowledged and the Foundation has a moral obligation to do so. In addition, a systematic program of acknowledging the philanthropic support of our donors has the potential of enhancing the generosity of alumni and friends of the University. In this context, all members of the University share in the obligation to properly recognize our donors. The following practices will serve to enhance donor recognition activities:

- a. It is the responsibility of the Development Officers to work with their Schools/College and units to make sure that our donors are thanked through letters and/or telephone calls from administrators, faculty, students, fellow alumni and others. The receipt of grants, scholarships and other financial assistance should be contingent on receiving the cooperation of the recipient in providing donor recognition, whenever possible. Cooperation should also be a factor to consider in awarding discretionary renewals or other grants or assistance. Development Officers should make sure that major donors are thanked through stories in newsletters and other publications that focus on the difference that the Donors have made. Whenever possible donors should be hosted on campus or at other events and activities, as appropriate, in order for

Section 6

Fundraising

them to see the positive difference their contributions have made. Of course, donors' wishes as to anonymity and privacy must be respected.

- b. It is the responsibility of the Development Officers to work with their Schools/College and units to make sure that they are taking care to avoid providing quid pro quo premiums to donors. The Internal Revenue Service has specific guidelines limiting the practice of providing donors with "gifts" or "premiums" in return for a charitable contribution. Accordingly, the Development Officers should obtain clearance from the Executive Vice President or the Executive Director of Development prior to the initiation of such practices.
- c. The Board believes that in order to avoid embarrassment and duplication of effort all donor recognition activities and events should be carefully coordinated whether they are conducted by the University's Alumni Association, the University's Athletic Department or individual Schools/College or other units. It is therefore the policy of the Foundation Board that all Development Officers coordinate all donor recognition with the University Advancement office and, to the extent that the other departments such as alumni and athletics are willing, work closely with them to make sure that all recognitions are particularly meaningful to the donor.
- d. Often donors are engaged with multiple areas of the University and a specific unit's stewardship may have an impact on another unit's relationship with the donor. The Foundation's Development Officers are charged with knowing their donors and potentials donors and if other units in the University have or plan on having relationships with that Donor, all contacts should be carefully coordinated with the other unit's Development Officer even though the other Development Officer maybe working for the University's Athletic or other department that is not directly associated with the Foundation. The Foundation's Development Officers are charged with developing an appropriate method of recognizing the donor that is best for the University and that donor even though it may not be best for a particular department. (This philosophy should govern all our relationships with Donors.) In the unlikely event that the Development Officers cannot develop a mutually satisfactory approach, the case should be referred to the Associate Vice President for Development for matters within the Foundation or to the Vice President for Advancement for matters dealing with other University departments for resolution.
- e. While donor recognition and donor cultivation activity may require the incurrence of legitimate expenses, good stewardship requires that all expenses of the Foundation are carefully controlled and are not excessive. Excessive expenditures for donor recognition can also be counterproductive in that donors may believe that they are an indication that their donations are being wasted. Experience has shown that some of the means to honor donors, that are most appreciated by the donors, require little or no expenditures of funds. Accordingly, Foundation funds should only be expended for reasonable expenses in accordance with Foundation and University policies, and should not be used for expenses that are lavish or excessive. Proposed budgets for all donor recognition and cultivation expenditures including travel, gifts, plaques, banquets, Board dinner and other events should be prepared annually and discussed with the Development

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Section 6

Fundraising

Committee and then submitted to the Finance Committee as part of the annual budget process. The Finance Director should carefully monitor such expenditures and report any budget overruns or expenditures that violate Foundation or University policy to the Executive Committee.

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