

Policy Title:	Naming
---------------	--------

Governing Body:	Southern Oregon University	Policy Number:	FAD.009
Policy Contact:	Vice President of Development	Date Revised:	December 2016
Custodial Office:	Development	Date Approved:	February 20, 2017
Approved By:	President	Next Review:	
Related Policy:	FAD.010 Guidelines for Outdoor Memorials		

Revision History

Revision Number:	Change:	Date:
	Initial version	August 1991
1	Revised	July 1998
2	Revised	December 2016

A. Purpose

1. Southern Oregon University (SOU), in consultation with the Southern Oregon University Foundation (SOU Foundation), establishes the following policy and procedures to govern the creation of named endowed funds and approval for naming of divisions, programs, units, institutes and university-wide centers as well as physical space (buildings, facilities and grounds, or portions thereof) operated by SOU.
2. The policy establishes minimum gift levels and general approval guidelines for naming.
3. The policy also establishes the minimum gift levels to be used across all SOU divisions, programs and units for the establishment of privately funded endowment funds. Such minimums 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.
4. 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 between the donor and the SOU Foundation.
5. University 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 SOU and the SOU Foundation.

## B. Policy Statement

### A. Applicability and Authority

1. This policy applies to all situations in which a charitable gift is given with the intention of creating an endowment or naming a school, division, institute, center or program; a building or space within a building; an outdoor area; a position; a scholarship or fellowship; a chair, professorship or lectureship; a fund; or a laboratory. This policy applies to naming opportunities that result both from gifts made to the SOU Foundation and gifts made directly to the university where such gifts are contingent upon a name being bestowed upon one of SOU's university buildings, outdoor or indoor areas, spaces, programs, chairs, positions, activities or university endeavors.
2. In addition, this policy also applies to the naming of any building, outdoor area or physical space where such space is named in posthumous recognition of unusually meritorious service to SOU or to society at large. At least one year shall have passed following the death of a person before a proposal to name a building after such a person may be considered.
3. Notwithstanding any other provision of this policy, the Board of Trustees of Southern Oregon University (SOU Board of Trustees) retains the authority to approve: (1) the naming of any building or outdoor area in recognition of individuals or organizations, (2) gifts that create naming obligations on the part of SOU for which there is no established funding source and (3) gifts over \$1,000,000 involving the construction and naming of facilities not previously approved by the Board.
4. Notwithstanding any other provision of this policy, the SOU President retains the authority and discretion to determine the name of any and all university buildings, outdoor or indoor areas, spaces, programs, chairs, positions, activities and university endeavors where the name is not bestowed in recognition of any individual or organization.

### B. Endowment Descriptions

1. An endowed fund can be established through gifts from private individuals, corporations, foundations, associations and other organizations, so long as those gifts meet university and foundation guidelines on endowment minimums by type and are accompanied by a signed gift agreement.
2. 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. 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 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 time, wills, trusts, gifts of appreciated assets or by a combination of these. Gifts can be added to an established endowment at any time.
3. Permanent or True Endowment - Endowment funds are funds received from a donor with the restriction that the principal not be expended. True or permanent endowments are only subject to modification as may be allowed by law. Establishment of any endowed fund requires a minimum gift of \$25,000 and the principal can never be partially or totally expended.
4. Quasi-Endowment - A quasi-endowment fund is a fund established to function like an endowment fund but which may be totally expended at any time. A quasi-endowment may be created because the donor did not specifically direct his or her gift for use as an endowment or the institution wishes to create a quasi-endowment with gifts from other sources. Quasi-endowments are invested in the same manner as true endowments and have the same payout

provisions. Establishment of a quasi-endowment requires minimum funding of \$25,000 and the principal can be partially or totally expended.

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

Note: The dollar amounts listed below represent the minimum funds needed. Depending on specific program needs and the donor's objectives, higher amounts may be necessary to achieve the desired outcome. Higher minimums must be approved by the SOU President in consultation with the Vice President of Development and the Provost and Vice President for Academic and Student Affairs and other university leaders as appropriate.

#### 1. Division Director - \$2 million

Used to supplement or offset budget requirements for the position-holder that will free funds to meet other high priority program needs of the unit, such as salary, recruitment, travel, administrative support and other such expenses related to the ongoing teaching, research and clinical activities of the endowed position or related unit, program or division. In such cases, the position – not the specific person – is supported by the endowment.

#### 2. Program Chair - \$1.5 million

Used to supplement or offset budget requirements for the position-holder that will free funds to meet other high priority program needs of the unit, such as salary, recruitment, travel, administrative support and other such expenses related to the ongoing teaching, research and clinical activities of the endowed position or related unit, program or division. In such cases, the position – not the specific person – is supported by the endowment.

#### 3. Professorship - \$1 million

Used to supplement or offset budget requirements for the position-holder that will free funds to meet other high priority program needs of the unit, such as salary, recruitment, travel, administrative support and other such expenses related to the ongoing teaching, research and clinical activities of the endowed position or related unit, program or division. In such cases, the position – not the specific person – is supported by the endowment.

#### 4. Faculty Fellowship - Starting at \$250,000

Used to support faculty development in teaching or research for faculty holding the rank of assistant professor or higher. Used to supplement or offset budget requirements for the position-holder that will free funds to meet other high priority program needs of the faculty member, such as salary, recruitment, travel, administrative support and other such expenses related to the ongoing teaching, research and clinical activities of the endowed position. In such cases, the position – not the specific person – is supported by the endowment.

#### 5. Laboratory - Starting at \$150,000

Used for equipment, research and general laboratory support. May be at the discretion of the laboratory director.

#### 6. Academic Lectures - Starting at \$50,000

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 or her choosing, in recognition of the gift. Can pay administrative costs, publications, advertising, travel, lodging and honoraria.

#### 7. Scholarships, Program Support or Awards - Starting at \$25,000

Used to support SOU students or programs.

### **D. 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 - 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 starting point. It is also necessary that the donor and the SOU Foundation establish through a written gift agreement that the naming will last no longer than one year after the end of the fiscal year in which the last payment was received or at the conclusion of the fifth academic year in which the faculty member holds the appointment.

1. Division Director/Term Division Director - \$70,000 per year for not less than five years

To establish a term division director without any provision for endowment requires a minimum gift commitment of \$350,000 over five years. The term of the appointment concludes the year following the last payment.

2. Program Chair/Term Program Chair - \$52,500 per year for not less than five years

To establish a term program chair without any provision for endowment requires a minimum gift commitment of \$262,500 over five years. The term of the appointment concludes the year following the last payment.

3. Professorship/Term Professorship - \$35,000 per year for not less than five years

To establish a term professorship without any provision for endowment requires a minimum gift commitment of \$175,000 over five years. The term of the appointment concludes the year following the last payment.

4. Scholarship/Term Scholarship - \$2,000 a year for a period of not less than five years

To establish a term scholarship without any provision for endowment requires a minimum gift commitment of \$10,000 over five years. The term scholarship concludes the year following the last payment.

#### **E. Other Named Funds**

The endowed funds and other funding requirements described above are listed because of their broad appeal to the donors of most programs, divisions, schools, and other units of the university. Other initiatives require funding and offer numerous gift opportunities. Each division, program or unit can establish named funds to support its particular activities so long as the funding minimums stated above are observed.

#### **F. Naming of Divisions, Programs, Units and University-Wide Centers and Institutes**

1. Upon the recommendation of the SOU Vice President of Development and the SOU Provost and Vice President for Academic and Student Affairs, the SOU President will have final approval of any decision to name a division, program, unit or university-wide center or institute. In considering the naming, it is critical that the university and SOU Foundation proceed with extreme sensitivity, considering a number of factors. Therefore, in consideration of such naming, the following conditions must be satisfied.

2. 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. These improvements will elevate the unit within a distinguished group of national peers, ideally consisting of the top programs among all national universities.

(a) Any particular proposal for naming is clearly and broadly supported as being consonant with the reputation and aspirations of the unit.

(b) 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.

(c) The background, character, reputation and other qualities of the person for whom the unit is to be named are consistent with the reputation of SOU.

3. The SOU President, in consultation with the SOU Vice President of Development and SOU Provost and Vice President for Academic and Student Affairs, shall make the final decision on the minimum required funding levels to name a division, program, unit or university-wide center or institute on a case-by-case basis. The intention of such naming is to provide significant and sustainable operating support; thus, the anticipated annual yield should provide a minimum of 50% of the annual operating budget.

#### **G. Naming Of Physical Space (Buildings, Facilities and Grounds, or Portions Thereof)**

1. The SOU Board of Trustees, upon the recommendation of the SOU President, shall be the final decision maker with regard to the naming of any buildings or outdoor area in recognition of a philanthropic commitment or in posthumous recognition of unusually meritorious service to SOU or to society at large. Prior to SOU Board of Trustees approval, the President or designee shall consult with the University Planning Board and other groups deemed necessary by the President.

2. New naming opportunities for interior spaces (such as rooms and furnishings) when philanthropic gifts are involved are under the authority of the SOU President, in consultation with the SOU Vice President of Development and the appropriate Division or School Director.

3. In consideration of such naming, the following guidelines must be followed:

(a) When the naming opportunity concerns a new building or renovation of an existing building, a donor will be required to provide a gift of at least one half (50%) of the philanthropic funds needed for the project. Appropriate naming opportunities and naming gift thresholds will be established and documented in a funding plan for each project. As a general rule, the aggregate value of all naming opportunities must exceed the cost of the project by at least 25% to account for inevitable changes in construction costs.

(b) 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, their specific designation and uses of the funds will be determined by the SOU President, in consultation with the Division Director, the SOU Provost and Vice President for Academic and Student Affairs and SOU Vice President of Development. These funds will typically support the unit or program supported by the building or space.

(c) Naming of a building or an area requires a completed Gift Agreement between the donor and the SOU Foundation and receipt of at least 50% 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.

#### **H. Permanence of Naming**

When a facility or area is named in recognition of a donor, the name will generally be effective for the useful life of the facility or the designated use of the area. It is understood, however, that campus facilities often undergo such extensive renovation that a division/program may wish to add a second donor's name to the facility in recognition of his or her philanthropic support of the renovation. The following principles apply under these circumstances:

1. Any proposal to rename a facility or area or to add a second name in recognition of a gift will be reviewed by the SOU Vice President of Development. The review will take into consideration any gift documents pertaining to the original gift and related naming, as well as the gift documents pertaining to the subsequent gift and proposed naming.

2. When a facility that has been named in recognition of a gift or has reached the end of its useful life and will be replaced or substantially renovated, the replaced or renovated structure may be renamed in recognition of another gift.

3. When a named area will be developed for another use, the new area may be renamed.

4. Appropriate recognition of earlier donors and/or honorees will be considered carefully by the SOU Foundation and SOU. Every reasonable effort will be made to inform the original donors and/or honorees or their heirs of any impending name changes.

5. Any proposal to rename, add a second name or otherwise alter the name of a building or outdoor area in recognition of any individual or organization shall be approved by the SOU Board of Trustees.

#### **I. Removal of a Name**

SOU and the SOU Foundation will evaluate if/when it is necessary to remove a name. The SOU Board of Trustees, upon the recommendation of the SOU President and SOU Foundation, has ultimate authority to determine action if/when it is necessary if the university building or outdoor area was originally named in recognition of an individual or organization.

#### **J. Exceptions**

The SOU President, in consultation with the Vice President of Development and SOU Provost and Vice President for Academic and Student Affairs, shall have the latitude to approve the establishment of named funds in amounts less than those stated above, or to determine minimum levels for naming of positions, programs or facilities not outlined in this policy.

#### **K. Naming Consideration for a Pledge**

If a naming will be the result of a total 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. Two options are: 1) In most cases, naming will be initiated only after 50% of the total pledge has been received or 2) In some cases and subject to approval by the SOU President, in consultation with the SOU Vice President of Development, the naming will 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.

#### **L. Naming Consideration for a Deferred Gift (e.g., Bequest Expectancy, Charitable Trust, Charitable Gift Annuity, Retirement Fund Provision)**

1. Deferred gifts qualify for a naming opportunity only when the gift funds are realized. Any exceptions to this policy must be reviewed and approved by the SOU Vice President of Development, in consultation with the SOU President.

2. All 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, a decision might be made to allow for future naming to be made 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.

3. Naming for a deferred gift will not be considered for programs requiring current funding, such as building projects, but may be considered for existing physical space.

This policy may be revised at any time without notice. All revisions supersede prior policy and are effective immediately upon approval.

C. Policy Consultation

Policy Council, University Planning Board. This policy was posted for campus comment on February 3, 2017.

D. Other Information

The Policy Contact, defined above, will write and maintain the procedures related to this policy and these procedures will be made available within the Custodial Office.