NAMED & ENDOWED FUND POLICY

PURPOSE

The Oregon State University Foundation (“Foundation”) is a private nonprofit corporation that solicits and manages private funds for the support of Oregon State University (“University”). Significant gifts to the Foundation offer an opportunity to appropriately recognize donors. This recognition may include the creation of permanently named endowment funds and named programs and facilities at the University.

The Foundation’s Gift Acceptance Committee oversees compliance related to gift acceptance and donor recognition in accordance with the following three Foundation policies: (1) Gift Acceptance Policy; (2) Gift Counting Policy; (3) Named and Endowed Fund Policy. Any deviation from these policies must be approved in advance by the Gift Acceptance Committee and, upon occasion, the Foundation’s Finance Committee.

This Named and Endowed Fund Policy (“Policy”) establishes minimum funding levels and donor recognition guidelines for faculty, student, and program support and for construction and renovation projects throughout campus. The intent of this Policy is to ensure that named facilities and funds are consistent with the University’s mission and policies.

This Policy:

- Provides guidance to prospective donors and University staff about the size and structure of gifts that create naming opportunities.
- Provides minimum naming levels across all colleges and programs.
- Ensures that naming is consistent with University policies.
- Ensures that donor-restricted funds will accomplish donor intent.

Documentation

For purposes of this Policy, a gift agreement, statement of intent, contract, or grant agreement are all referred to as a “Donor Agreement.” Naming recognition must be in accordance with University policy and clearly documented in a Donor Agreement. Each Donor Agreement has a corresponding set of administrative guidelines (“Fund Guidelines”) developed by the Foundation and the applicable University college, school, department, sport, or program (“unit”). In circumstances where a donor has made a restricted gift but there is no Donor Agreement or the Donor Agreement is not clear, Fund Guidelines will provide the administrative guidelines.

Fund Minimum

The Foundation requires a minimum commitment of $50,000, which may be paid over a five-year period, to create a named fund (endowed or current use). Donors may supplement a named fund at any time, and may change the restricted purpose of a fund with the approval of the Foundation and the applicable University Dean or Director.
**Exceptions**
The Foundation Gift Acceptance Committee must approve any deviations from this Policy. Proposed deviations from this Policy that affect University naming guidelines (or other University policies) must also be approved by the University in accordance with the relevant University guidelines or policies.

**A. FUNDS FOR THE SUPPORT OF UNIVERSITY POSITIONS**

The University seeks support for the creation of named and endowed position funds for deans, chairs, professors, coaches, faculty scholars, or other areas of faculty and student support. These funds provide significant benefits in recruiting and retaining outstanding University leaders. These gifts greatly enrich support for the teaching, research, and extension activities of distinguished faculty and coaches and bring public recognition to them and the University.

1. **Appointments and Criteria**

Appointments to named or endowed positions are to be made in accordance with University Policy. In general, academic appointments are at the discretion of the Provost, and athletic appointments are at the discretion of the President. Donors do not directly participate in the selection process, but they may designate an academic focus or a particular sport or area to support in a Donor Agreement.

Named positions will be subject to review for renewal pursuant to University policies then in effect at the time of renewal. In general, positions are appointed for a term of five years and may be renewed for successive terms.

2. **Administration**

University leadership as designated in the Fund Guidelines are responsible for administering expenditures related to named and endowed position funds in accordance with University and Foundation policies and procedures. This is to ensure that the fund administration is consistent with the terms of the Donor Agreement.

The designated area of support for a named or endowed position fund may include academic departments and major sub-disciplines within a department, school, college, or sport.

Distributions from an endowed fund for position, student, or program funds shall support the academic discipline, athletic sports, or area specified in a Donor Agreement so long as that discipline or activity continues at the University. The Donor Agreement shall permit modification of the fund purpose by the Foundation Board of Trustees, upon the recommendation of the President, should the subject area or the activity cease to be offered at the University or otherwise cease to be consistent with the University’s mission. The modification shall result in a purpose for the fund that is as closely related to the original intent of the fund as feasible.

Although a donor may create a position fund by pledge, a person shall not be selected for the position until the minimum required funding has been received by the Foundation, unless an exception is agreed to in writing by the University President or Provost and approved by the Gift Acceptance Committee.
In years when a position subject to a named fund is vacant, the University leader designated in the Fund Guidelines may elect to:

(a) Reinvest the fund’s annual distributions to the principal, or
(b) Designate the distributions for support of faculty, coaches, or students in the field or area supported by the fund.

The name applied to a faculty position will be agreed upon by the donor, the Foundation, and the responsible University leader and should be documented in the Donor Agreement.

3. Library Support

Each year, 0.5% of the payout from faculty position endowments established after December 31, 2008, will be directed to the OSU Libraries for collection development or other library support. For example, a $1 million endowment to support a faculty position would pay out $40,000 annually, assuming a payout rate of 4 percent. Of that total, $200 (0.5 percent) will be directed to the OSU Libraries.

4. Minimum Faculty Support Levels

The minimum University-wide gift levels required for position funds are detailed below. Specific colleges or programs may have higher minimum levels although it is not recommended as it may create unintended consequences for donor relations. For coaching positions, minimum funding amounts may vary by sport based on best practices. In most cases, position funds shall support an existing University position. With appropriate institutional approvals, new positions may be created but will require substantially higher investments.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Description</th>
<th>Endowment Minimum</th>
<th>Current-Use Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Deanship</td>
<td>▪ May be designated to a college or unit</td>
<td>$5M</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>▪ Appointment must be approved in advance by the University President and Provost</td>
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<td></td>
</tr>
<tr>
<td>Center/Institute Directorship</td>
<td>▪ May be designated to a college or unit</td>
<td>$2M</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>▪ Appointment must be approved in advance by the Dean or Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chair</td>
<td>▪ May be designated to a college or unit</td>
<td>$1M+</td>
<td>N/A</td>
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<tr>
<td></td>
<td>▪ Appointment must be approved in advance by the Athletic Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coach</td>
<td>▪ May be designated to a particular sport within the Athletics Department</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>▪ Appointment must be approved in advance by the Athletic Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum Amount Varies by Sport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professorship</td>
<td>May be designated to a college or unit</td>
<td>$1M</td>
<td>N/A</td>
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<tr>
<td></td>
<td>Appointment must be approved in advance by the Dean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty Fellow</td>
<td>May be designated to a college or Unit</td>
<td>$500K</td>
<td>$50K/year for minimum of 3 years</td>
</tr>
<tr>
<td></td>
<td>Appointment must be approved in advance by the Dean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty Scholar</td>
<td>May be used to provide research funds for a newly tenured faculty member of exceptional promise for up to three years</td>
<td>$250K</td>
<td>$25K/year for minimum of 3 years</td>
</tr>
<tr>
<td></td>
<td>May be designated to a college or Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appointment must be approved in advance by the Dean</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### B. STUDENT SUPPORT

Named and endowed scholarships and fellowships offer donors the opportunity to make possible a university education and graduate level study for deserving students. A donor may identify criteria for student selection in a Donor Agreement. Donors do not directly participate in the selection process for scholarships or fellowships, but will be notified of the student selected.

1. **Appointments and Criteria**

   The selection of scholarship and fellowship recipients should be consistent with donor intent as articulated in the Donor Agreement and must comply with University policies.

2. **Administration**

   University-wide scholarships must be approved and coordinated with the Vice Provost for Enrollment Management. University-wide fellowships must be approved and coordinated with the Dean/Vice President of the Graduate School. Deans and Directors shall approve and sign all unit-based Donor Agreements pertinent to their respective areas. The University official signing the Donor Agreement is responsible for ensuring that the expenditures are consistent with the Donor Agreement and University policies.

Named scholarships may not be awarded to students until the minimum required funding has been received by the Foundation. Although a donor may create a named scholarship by pledge, no student shall be selected for the scholarship until the Foundation receives the minimum funding amount.

Named scholarships shall be used to fund scholarships for undergraduate students or graduate students in a particular college or program at the discretion of the Dean or
Director; however, a donor may restrict a scholarship and choose to support only undergraduate students or only graduate students.

Scholarship gifts with preferences that are deemed not possible for the University to administer, but that still benefit OSU students, can receive full donor gift credit (“soft” credit) through the Foundation, but shall be accepted and managed by the Benton Community Foundation, subject to the Foundation’s agreement with the Benton Community Foundation.

3. **Name Selection**

The name for a student scholarship or fellowship (e.g., “Bernie and Benjamin Beaver Endowed Scholarship”) will be agreed upon by the donor, the Foundation, and the appropriate University Dean or Director and should be documented in the Donor Agreement.

4. **Minimum Student Support Levels**

The minimum University-wide gift levels required for scholarship and fellowship support are detailed below:

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>ENDOWMENT $50K+</th>
<th>ENDOWMENT $100K+</th>
<th>ENDOWMENT $250K+</th>
<th>CURRENT-USE $25K+ ($5,000+/year X 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarship/ Fellowship</td>
<td>May specify college</td>
<td>May specify college</td>
<td>Presidential Scholarship (full), provides renewable full tuition award (undergraduate, high-achieving, Oregon resident, may prefer financial need, may specify college; however scholarship will follow the student)</td>
<td>May specify college</td>
</tr>
<tr>
<td></td>
<td>May specify merit or need-based</td>
<td>May specify merit or need-based</td>
<td></td>
<td>May specify merit or need-based</td>
</tr>
<tr>
<td></td>
<td>May include one preference from the following list: 1) program/major, 2) Oregon resident; or 3) underrepresented student</td>
<td>May include two preferences from the following list: 1) program/major, 2) Oregon resident; or 3) underrepresented student</td>
<td></td>
<td>May include one preference from the following list: 1) program/major, 2) Oregon resident; or 3) underrepresented student</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scholarship/ Fellowship PROGRAM</th>
<th>ENDOWMENT $1M+</th>
<th>ENDOWMENT $5M+</th>
<th>CURRENT-USE $250K ($50K+/year X 5 years)</th>
<th>CURRENT-USE $500K ($100K+/year x 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designed to provide multiple students with substantial support for</td>
<td>College-specific</td>
<td>University-wide</td>
<td>College-specific</td>
<td>University-wide</td>
</tr>
</tbody>
</table>
C. PROGRAM SUPPORT

Named and endowed funds offer donors the opportunity to give the University and Units within the University maximum flexibility in enhancing their respective programs. A variety of opportunities are available to donors wishing to support a particular program or project.

1. Administration

Named and endowed funds are available for use by the designated college or Unit. The Dean or Director of the college or Unit shall be responsible for administering expenditures from the fund, consistent with the stated uses as defined in the Donor Agreement.

2. Minimum Named and Endowed Fund Level

The minimum gift level for all named and endowed funds is $50,000.

D. COLLEGES AND PROGRAMS

Endowing a college or program offers donors a premier opportunity to support and enhance a particular unit of the University. Because naming represents an important event in the history of the University, it requires an extraordinary gift. The appropriate amount and exact use of a naming gift will vary among units of the University but it should always be large enough to measurably lift a program to a new standard of excellence. Associated endowments should generate a distribution that provides significant support to the annual operation budget of the unit. Naming will be considered on a case-by-case basis. The Foundation’s Vice President for Principal Gifts may play a coordinating role in advancing these opportunities.

In naming a college or program, the University President, Provost, other University leadership, and the Foundation President/CEO must be involved prior to reaching a final agreement with the donor.

The name shall be documented in the Donor Agreement and is subject to the University’s naming policies. Naming shall not detract from the University’s values, integrity, or reputation, nor shall a naming imply a conflict of interest or confer special privileges. In the event of changed circumstances, the University reserves the right to revise the form of or withdraw naming recognition in accordance with University policies.

E. FACILITIES

1. Lead Gift First Rule
For new construction projects with a significant philanthropic component, a lead gift of at least 50 percent of the philanthropic goal (or up to three gifts that together total 50 percent of the project) must be secured before any other gifts are accepted for the project. In other words, a project will not be publicly launched until the lead gifts are secured. In addition, the Foundation will not set up an account to receive other gifts toward a facilities project until the lead gifts are secured. In certain rare circumstances, the University President and the Foundation President may together agree to accept a gift of $1 million or more prior to securing the lead gifts, but only with a contingency attached to the gift. For renovations or refurbishments of existing facilities where the total project will amount to $5 million or more, the same rule applies (lead gift commitments of at least 50 percent of the philanthropic goal must be secured for the project to proceed).

2. **Administration and Naming**

Before the University and the Foundation undertake any fundraising efforts for a new or renovated facility, the Dean or Director interested in the project must secure the support of the following persons to ensure the project is consistent with the University’s strategic plan:

(a) Provost and President of the University;
(b) University Vice President for Finance and Administration; and
(c) President/CEO of the Foundation to approve a fundraising plan.

Once these meetings have occurred, a meeting of the University President, Provost, Foundation President & CEO, and the Dean or Director should occur to decide whether or not to proceed with the exploration of a fundraising effort for the project. After a commitment has been made to move forward, it is the responsibility of the Dean or Director, and their lead development officer, to co-draft the following:

(a) Facility Memorandum of Understanding (MOU)
(b) Facility Pro-Forma
(c) Facility Development Plan with detailed 4:1 potential donor list, above and beyond the initial lead gift for the project.

In general, outright gifts are desired for facility projects. Request to apply partially deferred gifts, i.e., pledge payments beyond five years or an irrevocable planned gift, will be considered on a case-by-case basis, subject to the financing plan for the facility.

The University’s architectural naming policy governs the naming of all public spaces and structures on campus. For projects where significant philanthropic investment is involved, all requests proposed to the University should be approved and directed through the Foundation’s President & CEO, with internal support from the Foundation’s Director of Donor Stewardship. No commitment regarding the naming of a public space shall be made to a donor prior to approval of the proposed name. Additionally, no permanent signage will be displayed in any facility until the donor has met all pledge obligations.
If at any time following the approval of a naming, circumstances change substantially so that the continued use of that name may compromise the public trust, the University may take action to remove the name in accordance with University policies.

F. DEFERRED GIFTS
Deferred gifts will not be announced as named gifts before the gift is fully-funded unless the gift has met the criteria set forth in the Gift Counting Policy as a pledge or irrevocable gift. If funds are received but are insufficient to completely support the purpose of the gift, the Foundation may, in concert with the University, invest the funds until the minimum funding level is reached. In the alternative, the Foundation and University may recognize the gift with a naming opportunity at the appropriate level and purpose most closely reflecting the donor’s original intent. For this reason, cascading purpose language should be included in all Donor Agreements. Although a named position may be created and announced through a deferred gift, a faculty member or coach may not be appointed to the position until the deferred gift is realized and the minimum funding is received by the Foundation.

EXCEPTIONS
Requests for any exceptions to this policy should be submitted in writing to the Foundation Gift Acceptance Committee (OSU_GAC@osufoundation.org).

Please direct any questions about this policy to Mr. Todd R. Bastian, Associate Vice President for Development & Campaign Director at the Oregon State University Foundation, at 541-737-8724 or todd.bastian@osufoundation.org

This policy was approved by the Foundation Board on October 5, 2018

Last Review Dates:
May 2005 – Executive Committee
October 2005 – OSU Provost’s Council
May 2008 – Facilities Section Revised
July 2009 – Library Support section Revised
September 2018 – OSU Provost’s Council