PHILANTHROPIC NAMING AND ENDOWMENT POLICY

I. Policy Statement

Significant gifts to support Portland State University offer the opportunity to recognize donors, which may include the creation of permanently named endowment funds and/or the naming of a building or other campus space.

II. Reason for Policy/Purpose

- Provide the opportunity to appropriately recognize donors for their significant gifts in support of Portland State.
- Promote parity and long-term fiscal stability across Portland State’s schools, colleges and programs.
- Ensure donor satisfaction that newly established endowments are funded at levels which support the stated, desired purpose.
- Provide transparency and guidance to donors and Portland State staff about the desired gift amounts for naming opportunities across campus.

III. Applicability

This policy applies to all schools, colleges and units of Portland State University.

IV. Definitions

Endowment: A fund that is permanently restricted by the donor in perpetuity with income only to be used for the restricted purpose designated by the donor.

Expendable: Donations that are to be used for current operations.

Naming Opportunity: A project, program, construction project or other item to be funded that provides an opportunity for a donor to attach a name (theirs or somebody else’s) to the project, program, construction project or other item to be funded.
V. Policy / Procedure

1. Introduction

1.1 Minimum Amounts

The gift levels detailed below are intended as minimum amounts required to name the respective opportunity. Schools, colleges and programs are welcome to solicit and accept endowment gifts over and above the set minimums, and may set higher minimums for specific opportunities.

These minimum amounts may be adjusted to reflect market conditions at any time with approval from the President and Vice President for University Advancement, without need for approval by the University Policy Committee.

1.2 Pledge Period

All commitments must be paid within five years of the naming, unless an exception is approved by the President. Scholarship funds that do not reach the minimum endowment level within the five-year period will be transferred to the General University Scholarships Fund. With regard to other endowments, if the stated minimum is not achieved in accordance with the time period designated in the fund agreement, then the fund account may be terminated and the dollars given expended for a purpose consistent with the original intent specified by the donor, at Portland State’s discretion; or, the funds may be transferred to a general endowment fund, at Portland State’s discretion. In the event the pledge is not fulfilled, the naming opportunity may be forfeited.

Generally, naming opportunities will not be recognized through a deferred gift until the gift amount is accessible. However, naming opportunities may be considered through an irrevocable deferred gift at the discounted present value under special circumstances.

1.3 Named Gift Approval

All named gifts shall by approved by the President and the Vice President for University Advancement of Portland State.

Naming actions shall not detract from the institution’s values, dignity, integrity, or reputation, nor shall any such action create a conflict of interest or confer special privileges. In the event of changed circumstances, the University reserves the right on reasonable grounds to revise the form of or withdraw recognition, in consultation with the donor whenever possible.

1.4 About Endowments
An endowment is a permanent fund established for a specific purpose. The principal of an endowed fund is invested with the expectation that the endowment will grow over time. Distributions are made in accordance with endowment spending rules, as specified in the PSU Foundation’s Endowed Funds Guide, and are used to support the endowment’s purpose. Gifts for endowment are valuable, since they provide perpetual funding for their intended purpose.

Endowments may be named in recognition of the benefactor establishing the endowment. In lieu of naming an endowment for the benefactor, the donor may propose that another person or organization be honored in this manner, subject to the concurrence of the University.

The distributions from an endowed fund must be regularly expended. Donors must be informed as to the status of their endowed funds on at least an annual basis, including both the current value and current total distributions made.

All endowed funds should be established with a gift agreement that has been approved and signed by the donor and the appropriate Portland State and PSU Foundation representatives. Each gift agreement specifies the pledge period to reach the funding level; the purpose of the gift; and any restrictions, within University guidelines, as to distributions from the fund.

All endowed funds are subject to a management fee. This fee must be paid in addition to the minimum funding required to create an endowment, and should be clearly described by development staff during gift negotiations. The ideal practice is for the donor to pay the management fee in addition to the endowment amount at the time the endowment is established, which allows the proceeds of the endowment to be used immediately to meet donor intentions.

1.5 Financial commitments by Portland State University

At no time should a gift require a financial commitment from the University unless approved by the Provost and the Vice President for University Advancement.

2. Student Support

2.1 Endowed Scholarship

Provides annual funding to support a student by providing assistance with educational expenses.

Minimum funding required: $25,000
Anticipated annual yield: $1,000

2.2 Expendable Scholarship
Provides funding to support a student by providing assistance with educational expenses. Expendable scholarships are given on an annual basis, rather than as the distribution from an endowment. Donors are encouraged to establish endowed scholarships, but in cases where this is not feasible, an expendable scholarship may be donated instead, provided the minimum funding amount (payable over 5 years) is met. The scholarship will only be given in years in which the donor makes a gift to the fund.

Minimum funding required: $10,000

2.3 Administration

New University-wide scholarships shall be approved by the Vice President for Enrollment Management and Student Affairs, who shall sign the relevant gift agreement. Deans shall approve and sign unit-based scholarship and fellowship gift agreements pertinent to their areas. The University official signing the gift agreement is responsible for ensuring that the expenditures are consistent with the agreement and in compliance with all University policies.

The donor may be consulted during the scholarship recipient selection process; however, the University will be solely responsible for the selection of each recipient. Donors will be notified of the recipient(s).

3. Faculty Support

3.1 Research Acceleration

Provides annual funding to support faculty research.

Minimum funding required: $100,000
Anticipated annual yield: $4,000

3.2 Lectureship

Provides annual funding to support a lecture series, in an academic major or discipline.

Minimum funding required: $100,000
Anticipated annual yield: $4,000

3.3 Professorship

Provides annual funding to support a faculty position at the Professor level, in an academic major or discipline. Funds may be used to provide salary support or other support for named professors (e.g. research assistance, supplies, equipment,
travel or staff support) to develop and continue excellent teaching, research, and community service/engagement.

Minimum funding required: $500,000
Anticipated annual yield: $20,000

3.4 Chair

Provides annual funding towards a permanent faculty position at the Chair level, in an academic major or discipline at one of the University's schools or colleges. Funds may be used to recruit and retain talented faculty, by serving as a significant portion of the base salary for the Chair, while also benefiting the research, academic excellence and community service of the department.

Minimum funding required: $1.5 million
Anticipated annual yield: $60,000

3.5 Deanship

Provides annual funding to support the Dean of one of the University’s schools or colleges. Funds may be used to recruit and retain a Dean, by serving as a significant portion of the base salary for the Dean, while also benefiting the research, academic excellence and community service of the department.

Minimum funding required: $3 million
Anticipated annual yield: $120,000

3.6 Appointments

The ideal practice is to fill an endowed faculty position at the time when its endowment is fully funded. To raise the visibility of endowments among Portland State’s donor population, and to attract faculty in the current competitive academic climate, the initial occupant of a named professorship or chair may be appointed when at least 50% of the endowment minimum has been funded, provided that the University is capable of funding the remainder of the associated costs. The appropriate dean and the Provost must approve early appointments.

Depending on the wishes of the donor and the concurrence of the appropriate dean and the Provost, a professorship or chair may be filled by a recipient for an indefinite period, subject to review at least every five years, or it may be a rotating professorship or chair for a shorter period of time. All appointments are subject to all applicable University rules, budgetary and approval processes, policies and collective bargaining agreements related to faculty employment.

Donors do not participate directly in the candidate selection process, but in the gift agreement, they may specify an academic area where the endowment should
be focused. The designated field for an endowed professorship or chair may be specified to include academic departments and major sub-disciplines within a department, school or college. The designated field must be approved by the appropriate dean as well as the Provost. Donors will be notified of the faculty appointment.

3.7 Administration

Deans are responsible for administering expenditures related to endowed professorships and chairs to ensure that administration is consistent with the endowment agreement, and is in compliance with University policies and procedures.

In years when a professorship or chair is vacant, the administrator, as provided in the endowment agreement, may elect to return the endowment's annual distributions to the principal, or designate the distributions for support of faculty and/or students in the field supported by the endowment. This must be approved by the donor, and should be clearly detailed in the gift agreement.

Distributions from the endowment shall support positions within the academic discipline specified by the donor at the time of acceptance of the gift so long as that discipline or area of study continues at the University. The endowment agreement shall permit appropriate alternative use of the distributions by decision of the President, should the subject area of the endowed position cease to be consistent with the University's mission or its academic plan. Such alternative distribution shall be as closely related to the donor's original intent as is feasible.

4. Centers and Programs

4.1 General Program Support

Establishes a fund to provide annual support for a center or program. This naming opportunity allows the donor to name the fund, not the center or program. See below for naming of centers or programs. Purposes for these funds may include: unrestricted or broadly-defined support, library collections, publications series, etc.

Minimum funding required: $25,000
Anticipated annual yield: $1,000

4.2 Naming a Center or Program

The minimum gift required to name a center or program will vary by opportunity. The intention of such a naming is to provide significant and sustainable operating support for the center or program; thus, the anticipated annual yield should provide at least 50% of the annual operating budget for the center or program.
The actual naming level should be based on this minimum, but may be adjusted based on the market rate for naming a similar center or program at Portland State’s peer/aspirant institutions.

4.3 Approval of Naming

In naming a center or program, the University President, Provost, and other administrators and advancement staff must be consulted and give their approval prior to reaching final agreement with the donor.

In lieu of naming a center or program for the benefactor who establishes the endowment, the donor may propose that another person be honored in this manner, subject to the concurrence of the University.

4.4 Administration

Deans are responsible for administering expenditures related to endowments in support of centers or programs to ensure that administration is consistent with the endowment agreement, and is in compliance with University policies and procedures.

5. Schools and Colleges

5.1 General School or College Support

Establishes a fund to provide annual support for a school or college. This naming opportunity allows the donor to name the fund, not the school or college. See below for naming of schools or colleges. Purposes for these funds may include: unrestricted or broadly-defined support, library collections, publications series, etc.

Minimum funding required: $25,000
Anticipated annual yield: $1,000

5.2 Naming a School or College

The minimum gift required to name a school or college will vary by opportunity. The intention of such a naming is to provide significant and sustainable operating support for the school or college; thus, the anticipated annual yield should provide at least 10-15% of the annual operating budget for the school or college. The actual naming level should be based on this minimum, but may be adjusted based on the market rate for naming a similar school or college at Portland State’s peer/aspirant institutions.

5.3 Approval of Naming
In naming a school or college, the University President, Provost, and other administrators and advancement staff must be consulted and give their approval prior to reaching final agreement with the donor.

In lieu of naming a school or college for the benefactor who establishes the endowment, the donor may propose that another person be honored in this manner, subject to the concurrence of the University.

5.4 Administration

Deans are responsible for administering expenditures related to endowments in support of centers or programs to ensure that administration is consistent with the endowment agreement, and is in compliance with University policies and procedures.

6. Buildings and Other Spaces

6.1 About Naming Buildings and Other Spaces

This policy pertains specifically to naming facilities and spaces in recognition of philanthropic giving. This policy is intended to supplement other Portland State and Oregon University System building naming policies.

6.2 New Facility or Renovation of Existing Facility

New facilities or renovated existing facilities should be named for a minimum commitment of 50% of the philanthropic goal for the construction or renovation project, which may include an operating endowment. The target gift amount for each naming will be set for each project, to be approved by Portland State’s President in the early stages of project development.

All gifts to support facility construction or renovation are conditional gifts (with the condition being the successful raising of the full amount needed to undertake the project), unless the gift agreement specifically redirects the gift in case the project is unable to move forward. It is highly recommended that advancement staff secure the lead gifts for a building project prior to raising additional gifts to support the project.

6.3 Interior Spaces

While the desired goal for a naming gift is the cost to provide and equip the space (which may include an operating endowment), the target gift amount for naming will be set for each project in advance of soliciting donors in coordination with the Vice President for University Advancement, who will obtain written authorization from the President on amounts specified. Interior spaces that are
part of a total building fundraising campaign should be included in initial planning efforts.

6.4 Outdoor Spaces

The target gift amount for naming will be set for each project in advance of soliciting donors in coordination with the Vice President for University Advancement, who will obtain written authorization from the President on amounts specified. Outdoor spaces that are part of a total building fundraising campaign should be included in initial planning efforts.

6.5 Approval of Naming

Proposals for all naming opportunities will follow the approval process described here, in order to obtain appropriate approvals before negotiating with a prospective donor for a naming gift and before offering recognition of an individual, family, corporation or organization. Discussions with individual, family, corporate, or other organizational donors who seek naming rights must be conducted with the understanding that the President reserves final approval of the naming.

Each school or unit is responsible for directly submitting to the Vice President for University Advancement any request for approval of the naming of facilities, including but not limited to buildings, outdoor and indoor areas, features, objects or spaces. The Vice President for University Advancement will forward the recommendation to the President, who has final approval for naming all facilities, except for naming a building for a living person. Naming a building for a living person must be approved by the Oregon University System Chancellor after receiving the approval of Portland State’s President.1

Buildings may be named in recognition of a benefactor of the University who makes a substantial contribution toward the cost of a building project. In lieu of naming a building or area for the benefactor, the donor may propose that another person be honored in this manner, subject to the concurrence of the University.

6.6 Administration

The name will generally remain on the building or outdoor area or space for the life of the building, area, or space. If at some future time the building or outdoor area or space is replaced (which may include a major reconstruction that substantially changes the function or appearance of a building's interior and/or

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1 Oregon Administrative Rules, Chapter 580-060-0055 "Naming Buildings," does not allow the naming of any building or structure after a living person. It allows "exceptions to this rule if a donor contributes a substantial share of the cost of construction or if other unusually meritorious reasons exist."
exterior), the use of the existing or a new name for the replacement facility will be subject to the approval of the President.

A named interior feature, object or space will not be exhibited on external building walls; the name will be located as close as possible to (and otherwise affiliated with) the funded feature, object or space.

As modifications are made to campus property over time, situations may occur where it is in the best interest of the University to relocate, modify or reallocate a named property. In the event modifications to a named property are required or recommended, appropriate deans and administrators will be involved in early planning. This is to ensure that the donor’s wishes are preserved as appropriate. Any such modification shall be reviewed by the Vice President for University Advancement.

Funds to support construction or renovation will be administered in accordance with all University policies.

VI. Links To Related Forms

Gift Agreement Template

VII. Links To Related Policies, Procedures and Information

PSU Foundation Gift Acceptance Policy

PSU Foundation Endowed Funds Guide

VIII. Contacts

If you have any questions regarding this policy, please contact Advancement Services at (503) 725-9881 or advserv@pdx.edu.

IX. Policy Adoption

Approved

PORTLAND STATE UNIVERSITY PRESIDENT

Date 1/29/13
X. History/Revision Dates

Origination Date: January 29, 2013

Next Review Date: January 29, 2017