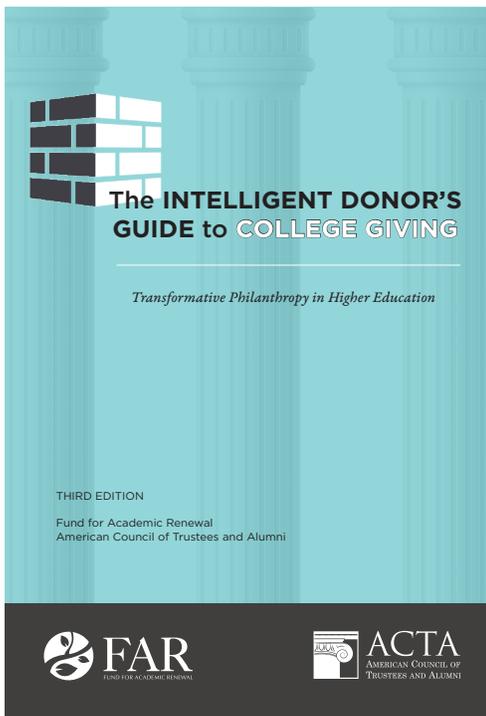


# College Donor

QUARTERLY

a publication of the **Fund for Academic Renewal**

## Intelligent College Giving: A Blueprint for Donors



Though much remains uncertain as the year winds to a close, it is clear 2020 will leave a lasting mark on our nation and on our institutions of higher education. Universities have demonstrated remarkable flexibility—pivoting to virtual learning in the course of a week—as well as remarkable hubris—many bringing students back to campus this fall only to close once again, and maintaining current tuition rates despite the changes to the student experience.

As institutions of higher education adapt and evolve to meet the current moment, philanthropists, too, have stepped in to help in new and diverse ways. This spring, donors big and small gave to support student emergency funds, helping students to navigate the last-minute transition home. Over the

summer, in the wake of widespread social unrest, donors made first-time, multi-million dollar gifts to historically black colleges and universities. This outpouring of support for students is an encouraging trend, especially as the pandemic and economic uncertainty make it more difficult than ever for families to afford high tuition rates.

Higher education has long been shaped by the generosity of alumni and donors, and wise giving will be even more urgently needed in years to come.

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FAR is a program of the  
**American Council of  
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**INTELLIGENT COLLEGE GIVING.** The Fund for Academic Renewal serves alumni and college donors who aim to support a renewal of the highest standards on college campuses through targeted philanthropy.

# Why the Fund for Academic Renewal?



Diana Davis Spencer

When the American Council of Trustees and Alumni was formed in 1995, Jerry Martin and Anne Neal had a vision for bringing academic excellence, academic freedom, and accountability to the nation's colleges and universities through the influence of trustees and alumni. Realizing the transformative potential of philanthropy, they created the Fund for Academic Renewal to advise donors to higher education and published the first edition of *The Intelligent Donor's Guide to College Giving* in 1998.

In 2016, the Fund for Academic Renewal was reinvigorated with a grant from the Diana Davis Spencer Foundation. Ms. Spencer recognized the need for donors to have a knowledgeable, trusted resource to turn to for advice when giving to higher education, and she wanted to ensure that future donors did not have a similar experience to her father, Shelby Cullom Davis, and his gift to Trinity College.

Mr. Davis donated \$750,000 to Trinity College in 1976. Five years later, the Davis fund had doubled in size and was large enough both to create the Shelby Cullom Davis Professorship of American Business and Economic Enterprise and to support associated endeavors such as bringing in speakers from the

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## **Intelligent College Giving**, from page 1

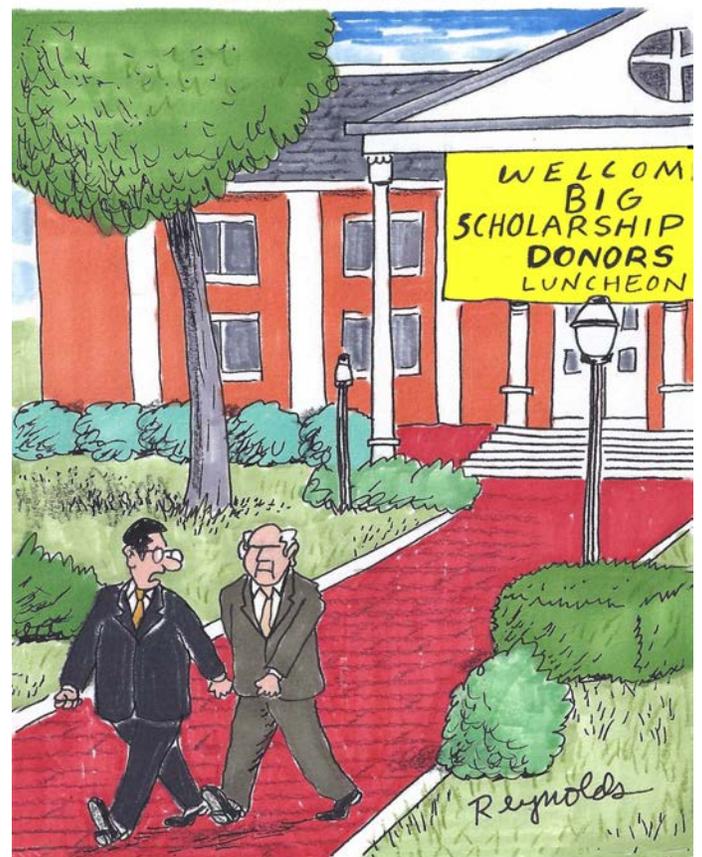
Though new trends in college philanthropy may emerge, the fundamental principles of good giving remain the same. Higher education is one of the most impactful investments in our nation's future that a donor can make, but to give well is challenging. Donors must navigate a large, complex bureaucracy that operates by its own, often esoteric, playbook.

To help donors through the giving process, we have updated our signature publication, *The Intelligent Donor's Guide to College Giving*. This publication walks donors through the process from start to finish, sharing timeless principles of wise giving and advice from other givers who have been there before. Our goal is to provide a blueprint for philanthropists seeking to make meaningful, lasting contributions to American colleges and universities.

As a preview, this special edition of the College Donor Quarterly features excerpts from this forthcoming guide, as well as a brief history of the Fund for Academic Renewal. Thanks to the generosity of the Diana Davis Spencer Foundation, we can offer this guide complimentary to all friends of ACTA. Contact us for your copy!

As always, if there is any way that we can be helpful to you in your higher education giving, please don't hesitate to reach out, either via email ([ejae@academicrenewal.org](mailto:ejae@academicrenewal.org)) or phone (202-467-6787). 🌱

**"It's a nice place to visit, but I wouldn't want to GIVE there."**



CartoonStock.com

# Adapted Excerpts from *The Intelligent Donor's Guide*

## ■ DEFINE YOUR GOALS

If you know where you're going, you are more likely to get there. The first step to intelligent giving is to define your goals: What do you care about most in higher education? What would you like to achieve? It is your money, and you have a right to invest in programs that reflect your interests and values.

Defining your goals may sound like a daunting task, but there is no right or wrong way to do it. Perhaps your goals are more general. Perhaps you care about students and about the quality of teaching, and you worry that students graduate without knowing the essentials. These priorities are somewhat vague, but they are sufficient for a beginning. As you move through the next few steps, you will find a range of options and a variety of resources to help you. Your goals will become clearer along the way.

Being able to articulate your goals is an essential step in the giving process. Donors and universities both benefit from clearly establishing donor intent in the gift agreement because it helps preclude potential misunderstandings about the purpose of the gift. Throughout the guide, you will see examples of how clearly articulating

donor intent, or failing to do so, has decided the success or collapse of a gift.

## ■ BE SPECIFIC

Once you have defined your philanthropic goals, being specific with your instructions is essential for achieving your vision for the gift. Often, even restricted gifts are made on little more than a smile and a handshake. The donor is given romantic descriptions of all that his or her gift will accomplish, but nothing is written down. Donors are later shocked to find that something quite different has been done with the money. It is quite likely that many major disputes over donor intent, including several on which FAR has advised, could have been easily resolved had the donors been clear about their intent in writing before finalizing the gift.

Specific instructions do not imply that you mistrust the university. Instead, clarity speaks to the value you place on your gift and on your relationship with the school. It also helps guide the university in implementing the gift appropriately for many years in the future. The fact is that a college can only honor donor intent if the donor is upfront about the vision of his or her gift. As attorney Richard S. Gallagher puts

it: "If the donor chooses to accomplish his or her intent through a restricted gift . . . he needs to make his intent so clear and unambiguous that there will never be any challenge, even when circumstances change."

In addition to communicating donor intent, articulate any conditions that, in your mind, must be met for the program to succeed and to fulfill your vision. Focus clearly on the issues that matter to you, but do not include aspects that are not really essential. Sometimes, it is helpful to specify an alternative recipient, should the primary recipient prove unable or unwilling to honor the terms of the gift.

How specific should instructions be? When Abraham Lincoln was asked how long a man's legs should be, he is said to have answered, "Long enough to reach the ground." Restrictions should be specific enough to do the job—to make it clear to the grant recipient what would and what would not fulfill your intent. If you want to give money to the classics department with no strings attached, go ahead—but understand, too, that saying your gift is "to strengthen the classics program" does not offer anything in the way of a clear directive about your wishes. 🍃

## Why the Fund for Academic Renewal?, from page 2

business community. Economics professor Gerald Gunderson was awarded the professorship in 1981, and the Davis fund continued to grow.

Over the years, Professor Gunderson grew concerned that Trinity was violating Mr. Davis's intent. He informed the Connecticut attorney general. A review revealed that Trinity had for some time been drawing on the Davis endowment to fund an internship program for which approval had never been granted. Professor Gunderson asked that the money be returned, and, some six months later, as the *Wall Street Journal* undertook an investigation, Trinity reimbursed the endowment fund for the amount it inappropriately withdrew.

This experience inspired the expansion of FAR. Helping donors protect their intent, as Professor Gunderson did, is at the core of FAR's mission to renew American higher education. Diana Davis Spencer writes, "If colleges like Trinity undermine donors' confidence that they will respect their wishes, they place at risk the generous support they receive from our foundation and so many others—and the benefits that inure to millions of students from this largesse." Higher education is worth the investment – with FAR's help, donors can be confident that their gift is making a difference. 🍃



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FUND FOR ACADEMIC RENEWAL

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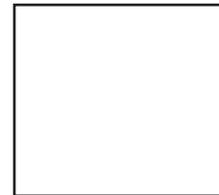
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[www.AcademicRenewal.org](http://www.AcademicRenewal.org)

**Intelligent College Giving**



RETURN SERVICE REQUESTED

# Donor TIPS

## Request Your Copy of *The Intelligent Donor's Guide*

This special edition of the *College Donor Quarterly* features the history of the Fund for Academic Renewal as well as excerpts from our upcoming signature publication *The Intelligent Donor's Guide to College Giving*. Higher education giving is complicated, even for experienced philanthropists. Yet, as John Walters, president emeritus of The Philanthropy Roundtable, says, "Donors who thoughtfully target their giving give twice: their ideas as well as their money." We believe your ideas matter.

In this third edition, we feature straightforward advice based upon ACTA's quarter century of experience in reforming our nation's colleges and universities. With updated profiles of thriving academic centers, lessons donors can learn from past philanthropic endeavors, and steps that reflect a commonsense approach to giving

well, we hope that this publication serves to guide donors through the giving process with confidence.

If you are interested in learning more about philanthropy and college giving, *The Intelligent Donor's Guide* includes a list of recommended books and resources on both topics. You may want to consider joining Philanthropy Roundtable, a DC-based organization that connects donors to each other and to best practices. FAR director Emily Koons Jae also regularly contributes to *Philanthropy Daily*, an online news outlet for trends and issues in the world of giving.

The guide will be released in early November. For more information, or to request your complimentary copy, please call FAR program associate Rebecca Richards at (202) 467-6787 or email at [r-richards@academicrenewal.org](mailto:r-richards@academicrenewal.org). 