

College Donor

QUARTERLY

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

A Gift by Any Other Name

by Emily Koons Jae, Director

Donors—and nonprofits—had cause to celebrate this June when the Supreme Court upheld donor privacy. In the 6-3 decision, *Americans for Prosperity Foundation v. Bonta*, the court struck down a California law requiring nonprofit organizations to provide the state with a list of their donors' names and addresses.

The American Council of Trustees and Alumni (ACTA) applauds the decision. Though the court's vote fell along ideological lines, support for the plaintiff came from a broad and diverse base. Hundreds of nonprofits—including the U.S. Chamber of Commerce, the Cato Institute, and the NAACP Legal Defense and Educational Fund—submitted amicus briefs advocating for donor privacy.

Forcing nonprofits to disclose a list of their donors could have a chilling effect on giving, as many donors prefer to keep their giving private. "Anonymous" can be found at the top of donor rolls for nearly every nonprofit, including colleges and universities. Indeed, earlier this year, anonymous donors gave \$550 million to Western Michigan University—the largest

single donation in history to an American public university.

Choosing to remain anonymous has its strategic benefits, beyond keeping a donor's name out of the headlines. Philanthropists who wish to provide "seed funding" can leave naming rights open for another donor in order to attract additional investors.

For other donors, naming rights are of paramount importance to their giving. Many choose to name their donation in honor of a loved one or to imprint their legacy at an institution they hold dear. Higher education affords nearly endless naming opportunities—faculty chairs, fellowships, scholarships, buildings, and classrooms, to name a few.

A gift by a high-profile name may bring attention to a program that alumni are unaware of. At my own alma mater, Davidson College, NBA star Stephen Curry and his wife Ayesha made a gift to Lula Bell's Resource Center, a space on campus where students can find food, textbooks, hygiene products, winter coats, and professional clothing. The couple's

continued on 2

WHAT'S INSIDE

Oasis Profile

John W. Altman Institute for Entrepreneurship at Miami University | 2

Donor Tips

Clearly Communicate Your Philanthropic Vision | 3

About FAR | 4

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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.

Oasis Profile: John W. Altman Institute for Entrepreneurship at Miami University

ACTA's Fund for Academic Renewal is pleased to recognize the John W. Altman Institute for Entrepreneurship at Miami University in Oxford, Ohio, as an Oasis of Excellence for its outstanding work at the intersection of the liberal arts and entrepreneurship.

Alumnus John Altman became an owner, founder, or partner of six different businesses before returning to Miami University as a professor in 1992. At the time, less than 100 universities taught entrepreneurship, considering it to be an inherent ability, not a learned skill. Almost three decades later, the Altman Institute has been ranked among the top 10 schools for entrepreneurship studies for 13 consecutive years by *Entrepreneur Magazine* and the *Princeton Review*.

Through the institute's innovative, interdisciplinary curriculum, students study opportunity creation and entrepreneurial thinking along with impact investing, corporate innovation, venture capital, and social entrepreneurship. Students are also taught the value of service. Dr. Altman explains that the institute was founded on "a paradigm of entrepreneurship that began with creating



John Altman cuts the ribbon in the naming ceremony of the John W. Altman Institute for Entrepreneurship. Dr. Timothy Holcomb, far left, directs the institute. Photo by Jay Murdock, used with permission.

opportunity at one end and giving back at the other."

In recognition of Dr. Altman's contributions to Miami University as a professor, long-time board member, and donor, the school named the John W. Altman Institute for Entrepreneurship in his honor in 2019.

Dr. Timothy Holcomb has served as director of the program since 2018, and his expert leadership through the

continued on 3

A Gift by Any Other Name, from page 1

gift brought the work of the resource center to the attention of other Davidson alumni.

Donors who choose to retain naming rights should make certain that their gift agreement clearly spells out the finer details. Moreover, all named donors should retain the right to withdraw their name at their discretion.

A naming rights clause in a gift agreement should answer the following questions:

1. How and when will the university announce the gift and its naming?
2. Will the donor be able to review

and approve this announcement?

3. Where will the university display the name, either on campus or in publications?

“There are strategic advantages both to anonymous giving and to disclosing your identity. Whatever you decide, it should be a personal choice and not a government mandate.”

4. What circumstances would cause the donor or institution to revoke the name?
5. If the name is changed, would the funds remain at the university or be returned to the donor or foundation?

Ultimately, when deciding whether to attach their name to a donation, donors should consider their philanthropic goals. There are strategic advantages both to anonymous giving and to disclosing your identity. Whatever you decide, it should be a personal choice and not a government

mandate. Most states, in fact, do not require as extensive of a disclosure as California tried to implement. The Supreme Court's ruling brings California back in alignment with widely accepted protections of donor privacy and ensures that donors have the option to give behind the scenes. 🌿

Donor TIPS

Clearly Communicate Your Philanthropic Vision

Communicating a philanthropic vision should be at the center of a donor's giving process. By clearly expressing their vision from the start, donors can avoid potential misunderstandings with the institution about the purpose of the gift. Colleges value understanding their donors' motivations up front and may bring forward new ideas if they are involved at the onset. According to Marla Conley, founding partner of Conley Law Group LLP, which focuses on serving nonprofit organizations and their donors, "The [college or university] should have a really strong understanding of the donor's particular philanthropic motivation. Considering, for example, how an entrepreneur accomplished success . . . and what related skills or resources he or she might bring to the table . . . are important aspects of the process."

So how is it done? Whenever possible, donors should communicate their goals in-person and meet with faculty members, administrators, and trustees. University officials will be encouraged to honor the gift agreement because they know the donor and his or her intent on a personal level.

Strong communication becomes even more important when unexpected circumstances arise. Ideally, gift agreements anticipate that circumstances may change and allow for some flexibility in the execution of the gift—within the bounds of the donor's intent. If the donor's vision becomes impossible to achieve, the donor and university should have an open and honest conversation about how to move forward.

The foundation of strong philanthropic partnerships is good communication. Donors should share their philanthropic vision at the beginning of the giving process to ensure that their goals are understood and honored. 🍃

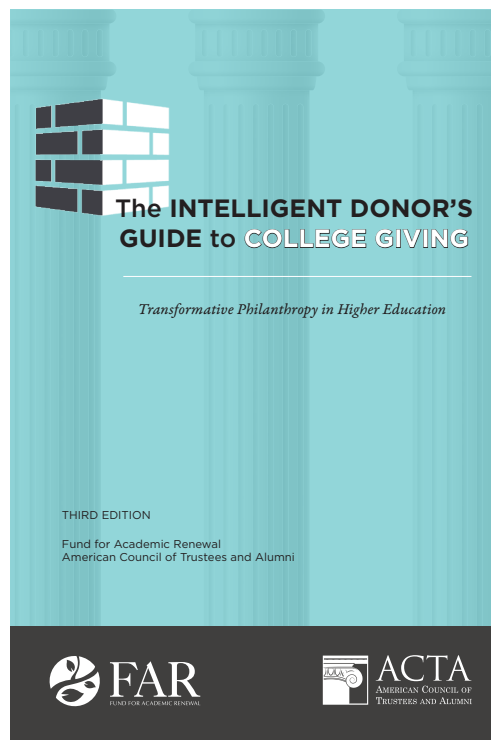
Oasis Profile, from page 2

COVID-19 pandemic earned the John W. Altman Institute the NASDAQ Center of Entrepreneurial Excellence Award in 2020.

ACTA's Oases of Excellence initiative highlights university programs across the country that, like the Altman Institute, are committed to educating students for informed citizenship in a free society. These programs maintain the highest academic standards, introduce students to the best of the liberal arts and sciences, and ensure free inquiry into a range of intellectual viewpoints. 🍃



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The Intelligent Donor's Guide to College Giving provides a blueprint for philanthropists seeking to make meaningful, lasting contributions to American colleges and universities. For more information, or to request your complimentary copy, please call FAR Program Associate Emily Rees at (202) 467-6787 or email at erees@AcademicRenewal.org.

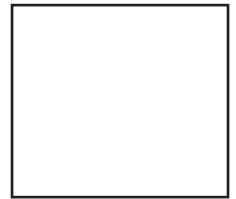


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Intelligent College Giving



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About FAR

A program of the American Council of Trustees and Alumni, the **Fund for Academic Renewal** (FAR) serves alumni and college donors who aim to support a renewal of the highest standards on college campuses through targeted philanthropy.

With access to a network of on-campus contacts, FAR assists donors in maximizing the impact of their investment by helping them craft gift agreements that are carefully tailored to achieve their goals. FAR has guided over \$170 million in gifts since 2016. Because every gift is different, FAR offers personalized guidance for individuals at every giving level.

Thanks to a generous grant from the Diana Davis Spencer Foundation, FAR provides these services, including legal consultation from Arnold & Porter LLP, at no cost to donors.



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