



Naming Policy

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| Responsible Office | University Advancement | Effective Date | June 4, 2012 |
| Responsible Official | Vice President, Advancement | Last Revision | |

Purpose of Policy

Fairleigh Dickinson University seeks to appropriately recognize donors by providing opportunities to name proposed and existing buildings, facilities, colleges, schools, scholarships, endowments and campus areas in honor of a naming donor, a member of a naming donor's family, a company or organization, an honored member of the University or other worthy individual. Gifts from these naming donors should have an extraordinary impact on the University and be approved by the Gift Acceptance Committee in accordance with the existing Gift Acceptance Policy.

The minimum gift levels listed in this Fairleigh Dickinson University Naming Policy ("Policy") are subject to periodic adjustment, and Fairleigh Dickinson University retains the right to make changes to this policy or change the minimum gift levels.

The Office of University Advancement recommends that the following guidelines be adhered to when discussing naming opportunities with prospective donors.

These gift naming guidelines are necessary to:

- Provide guidance to prospective donors and University staff about the size and structure of gifts for particular naming opportunities.
- Promote uniform naming levels.
- Ensure that permanent endowments will fully support the desired purposes of the University and the donors.
- Provide the mechanism of gift agreements to evaluate proposed major naming opportunities with prospective donors.

Naming of Buildings or Physical Spaces

Commitments to name a building or physical space should be related to contributions in cash, cash equivalents, marketable securities, or enforceable pledges to be paid in full within five years. Planned commitments, with the exceptions of charitable lead trusts, which should be funded with cash or marketable securities, may not be considered opportunities to name buildings or physical spaces unless the commitment is legally irrevocable.

The following guidelines should be met for a naming opportunity to be offered to a donor for a building or physical space:

- For new construction, the gift should be not less than **25%** of total project costs or **25%** of the fund raising goal, whichever is appropriate. Whenever possible an additional gift should be included to create an endowment that will support not less than 10% of the anticipated annual operating costs of the new facility. The operating cost endowment will be determined in consultation with Facilities Management and using the established University endowment distribution formula.
- For renovation of an existing structure, the gift should not be less than **20%** of the total project costs. There is no necessity for an operating endowment provided the renovation does not materially increase operating costs.
- For an existing structure with no related construction, the gift should be not less than 20% of replacement value of the structure. There is no requirement for an operating endowment.
- The University recognizes that some University owned buildings generate a clearly defined revenue stream that can be used to reduce the cost of construction and/or the ongoing operational costs associated with the building; for example, residence halls, clinics and research facilities. The Board of Trustees reserves the right to reduce the minimum amount required from a donor to name a building that has a clearly defined revenue stream, but in no event should the minimum be less than **20%** of total project costs.
- Buildings or facilities may be named for non-human entities (“Entities”), if the Entity’s overall history and activities are consistent with the values of Fairleigh Dickinson University. When naming buildings and facilities for Entities, the appropriateness of the Entity’s name in a public context should be taken into consideration. Ordinarily, a building or facility named for an Entity would retain that Entity’s name as long as that Entity remains in existence. If the name of a business entity changes, or the entity is acquired by another entity, after a University building or facility is named, the name of the University building or facility would not change unless a change is recommended by the President and approved by the Board of Trustees in accordance with these guidelines.

- If the University enters into a contractual agreement giving a party legal entitlement to name a tax-exempt bond-financed facility, or portion thereof, after a for-profit entity, such contract may give rise to private business use (PBU) with respect to the named space. Private business use is generally defined by the Internal Revenue Service as “direct or indirect use in a trade or business carried on by any person other than a governmental unit.” The following naming opportunity will **not** be treated as PBU: if a facility is named for an individual or nonprofit entity whose name does not overlap with the name of a for-profit entity with which the person or nonprofit is associated.

University Advancement will identify all naming opportunities that do not fall within the exclusion described above and will refer them to the Finance Division for review and approval prior to any final decision or the execution of any enforceable agreement. Any approved PBU naming opportunities will be tracked by the Finance Division.

Naming Physical Spaces

Naming opportunities for labs, lecture halls, seminar rooms, etc. in new construction will be determined as the design and construction work allow and will be considered in accordance with other naming opportunities existing within the structure, and with the approval of the Gift Acceptance Committee.

Naming opportunities for labs, lecture halls, seminar rooms, etc. in existing structures will be considered in accordance with other naming opportunities within the existing structure, and with the approval of the Gift Acceptance Committee.

Naming opportunities for labs, lecture halls, seminar rooms, etc. in renovated structures will be considered in accordance with other naming opportunities within the existing structure, and with the approval of the Gift Acceptance Committee.

Required gift levels for naming defined areas of any building, i.e., labs, lecture halls, seminar rooms, etc., will be recommended to the President by the Gift Acceptance Committee in consultation with the Dean(s) or other senior administrator(s) whose program occupies the space. Minimum gift levels will take into consideration the visibility of the defined area, the nature of the activity housed in the named area, the attractiveness and location of the area, and an evaluation of the cost of building or replacing the space to be named.

Approval Process

When a facility or area is named in recognition of a donor or a non-donor honoree, that name will generally be effective for the useful life of the facility or the designated use of the area. If a facility's useful life expires and/or it must be replaced or substantially renovated, or the use of an area re-designated, it may be named for a new donor, subject to the specific terms and conditions set forth in any gift agreement with the donor related to the prior naming action.

The Fairleigh Dickinson University Board of Trustees retains final approval for all naming opportunities at the University. However, to expedite the approval process the Board of Trustees authorizes the President and the Vice President for University Advancement to jointly make decisions regarding gift agreements and naming designations for gifts of less than \$1,000,000 and to inform members of the University community affected by such gifts. The President will report such actions to the Board at least once per fiscal year.

The President may also delegate the coordination of gift agreements and naming designations for any gifts of less than \$250,000 to the Vice President for University Advancement. All gift agreements involving naming opportunities must be approved and co-signed by the Vice President for Finance.

For gifts of \$1,000,000 or more, the President will make recommendations to the Gift Agreement Committee and the Board of Trustees with regard to any offer to name a program, scholarship, physical structure, facility or other purpose.

No commitment regarding naming shall be made to a donor or a non-donor honoree prior to approval of the related proposal for naming.

Naming Endowment Funds

Donors of significant gifts may be offered the opportunity to provide a name for a variety of endowed funds at the University, including:

A. Endowed Faculty Positions

An endowed faculty position may be established with the completion of an endowment agreement endorsed by the donor(s), the President of the University, the University Provost, the Vice President for Finance and the Vice President for University Advancement. The agreement should include the purpose of the proposed faculty position, a general description of the faculty member's activities, the administration of the endowment, and expectations for stewardship and accountability. In the event the donor is endowing a new academic program, an approval process led by the University Provost must occur prior to final acceptance of the gift.

Earnings from endowed faculty positions may fully or partially fund the occupant's salary and may also be used to provide related program funding, professional development, continuing education, release time for research and writing, and other needs. The required corpus for an endowed faculty position will be discussed with the donor at the onset of gift negotiations and may be adjusted based upon the objectives of the University and the donor.

B. Endowed Student Scholarships

Scholarships may be awarded based on academic merit, diversity, financial need or other criteria agreed to by the donor(s) and the President consistent with the University's mission and/or strategic plan. While specific criteria for eligibility for scholarships may be established, flexibility in the gift agreement will be encouraged to allow the University to be most successful in recruiting students with the greatest potential. Donors shall be informed of the option to place scholarship gifts in one of several existing endowed scholarship programs or to create new permanent scholarships according to the minimum gift requirements outlined herein.

The Financial Aid Office, in consultation with other appropriate officials, will conduct the process for selecting scholarship recipients. Donors may request that a particular member or members of the University community be involved in the selection process; however, in no cases may the donor participate in that process.

C. Endowed Program Funds

Endowed program funds will be referred to by the name established by the donor, in support of academic programs, co-curricular or extra-curricular programs, classroom or technology enhancements, research, faculty development, or faculty and staff awards. The amount required to name a specific endowed program will be determined by University officials in consultation with the President, University Provost and appropriate College dean, and the amount will be based upon the scope and actual cost of the program in question. The resulting endowment agreement will be signed by the appropriate officials, as well as the Vice President for University Advancement and the Vice President for Finance.

Gift Agreement

Notwithstanding the limits set forth in the Approval Process, any proposal to name a facility must have the prior approval of the President, the Board of Trustees and the Gift Acceptance Committee. Upon acceptance of the proposal the donor must sign a formal gift agreement, which details the amount of the gift, the schedule of payment, the proposed name of the building, physical space, college, school or endowment fund and a statement that the University reserves the right to remove the name of a donor from a building or physical space in accordance with the Removal of Name section of this policy. Said removal shall be by a majority vote of the Board of Trustees. If possible, gift agreements for the naming of buildings or physical spaces (before construction completion) should allow for unrestricted use of the donated funds by the University. This allows the University the flexibility to use bonds or other funding mechanisms for construction. The gift agreement shall be reviewed by General Counsel and co-signed by two officers of the University. Copies of the fully executed gift agreement must be kept on file in the Office of Finance, the Office of the General Counsel and the Office of University Advancement.

Financial Considerations Associated with Capital Projects

The University is aware that the costs associated with renovation of existing facilities and the costs associated with the construction of new facilities have a direct impact on University budget and an indirect cost to the University's most prized asset, its students, through the possibility of higher tuition and fees needed to offset these costs. In order to minimize these financial costs and their potential negative impact to the students, the following guidelines should be considered for a naming opportunity to be offered to a donor for a structure.

- The construction project must be approved by the Board of Trustees through the University's established capital project approval process.
- Prior to the public announcement of the University's intent to construct and/or renovate a building the University and donor (s) shall have executed a Gift Agreement.
- Prior to ground breaking and/or commencement of construction the University shall have received from the Naming donor an amount equal to not less than **(20% to 50%)** of the anticipated total project costs or fundraising goal. The specific percentage shall be at the discretion of the Board of Trustees.
- Written funding commitments from the naming donor shall be for a term of five years or not more than the anticipated time for the completion of the construction and/or renovation of the facility; and, shall be secured by a binding commitment from the naming donor's estate.

Administrative/Commemorative Naming

Any proposal to name a building or an area within an existing building to commemorate an individual for his or her loyalty, dedication, and/or service to the University must have prior approval of the President before discussing with the honoree or the family of the honoree; and, is subject to approval by the Board of Trustees. All buildings or areas within an existing building named pursuant to this section may, upon approval by the Board of Trustees, be renamed for any reason.

The proposed honoree shall have achieved distinction in one or more of the following ways:

- While serving the University in an academic capacity, the individual has demonstrated high scholarly distinction and has earned a national or international reputation.
- While serving the University in an important administrative capacity, the individual has rendered distinguished service that warrants recognition for exceptional contributions to the University.
- The individual has contributed in truly exceptional ways to the welfare of the University or achieved unique distinction as to warrant recognition.

Removal of Names

Given the perpetual nature of the University, it is likely that a named building or area within an existing building will someday be either demolished or substantially remodeled to improve its function and/or to create a completely new use of the space. All donors to the University should be made aware of this possibility. Should such an event occur, the University will review the circumstances and attempt to find a way to recognize the donor in a way that is consistent with his or her original intent. In the event a named building or area within an existing building is destroyed by fire or an act of God, the University is not required to rebuild the building or area within an existing building. However, if the University uses insurance proceeds to reconstruct the building or area within an existing building and the proceeds exceed 66% of the expense for such reconstruction, then the University shall maintain the name of the donor on the building or area within an existing building.

The University reserves the right to remove the name of the building or area under the following circumstances: In the event the donor fails to fulfill their full pledge to the University; the donor or honoree is found guilty of, or pleads No Contest to any criminal code violation; the donor or honoree enters into a settlement agreement with any government agency or authority to avoid governmental prosecution; or by majority vote of the Board of Trustees if the donor or honoree has engaged in conduct that besmirches the reputation or goodwill of the University.

Inventory and Signage

The Office of University Advancement is charged with maintaining an inventory of naming opportunities and working in cooperation with Facilities Planning to design and install donor naming-related signage consistent with established campus design standards.

Exceptions

Exceptions to contribution levels may be made by the President and The Gift Acceptance Committee under extraordinary circumstances where funding for new construction is obtained from non-donor sources or for naming existing buildings.

CONCLUSION

These guidelines will govern the naming of endowments and major facilities at Fairleigh Dickinson University. Any questions concerning the process by which names are given to Fairleigh Dickinson University facilities or endowments should be directed to the Office of University Advancement. The President and the Vice President for Advancement will review these guidelines with the Gift Acceptance Committee periodically to ensure that they are meeting the needs of the University community, its academic units, and its generous donors. Any changes to this policy suggested by said group shall be submitted to the Board of Trustees for approval.

APPENDIX

Naming Opportunities

All amounts listed are minimum amounts required, unless an exception is made by the President and approved by the Board of Trustees.

A. Endowed Chairs, Professorships, etc.

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| Endowed (Faculty) Chair | \$2,500,000 |
| Endowed Research Center | \$2,000,000 |
| Endowed Professorship | \$1,500,000 |

The University allows donors to upgrade their endowment projects over time, inclusive of final bequest amounts. For example, a donor may first designate an endowment for a professor before finally growing the fund to support an endowed chair as an ultimate gift.

B. Faculty and Course Development Endowments

These endowments allow for faculty research during the academic year and summertime. Professors may continue their professional development and create courses that will attract top students to the University. Opportunities include curriculum and instructional development and general faculty research.

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| Faculty Development Endowment | \$1,000,000 |
| Course Development Endowment | \$500,000 |
| Endowed Research Fund | \$500,000 |
| Endowed Equipment Fund | \$250,000 |
| Lecture Series | \$100,000 |

C. Endowed Scholarships

These gift opportunities allow a donor to fund a full or partial scholarship, in perpetuity, for deserving students.

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| Fully Endowed Named Scholarship Fund | \$600,000 |
| Endowed Named Scholarship Fund (Partial) | \$50,000 |

D. Annual Scholarships

An annual scholarship is not endowed. Rather, the funds given are used during the year they are given. Annual scholarships may be named. However, unless funded annually, or converted to an endowed scholarship, these named funds will not live in perpetuity

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| Full Tuition Annual Scholarship | \$30,000 |
| Partial Tuition Annual Scholarships | \$1,000 (or greater) |

E. Colleges, Campuses and Programs

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| College at Florham Campus | \$50,000,000 |
| Metropolitan Campus | \$50,000,000 |
| FDU- Vancouver Campus | \$15,000,000 |
| Wroxton College Campus | \$15,000,000 |
| University College | \$10,000,000 |

F. Various Schools such as:

Hotel, Restaurant, Hospitality and Tourism Management or

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| School of Natural Sciences | \$5,000,000 |
|----------------------------|-------------|

G. Centers and Institutes \$1-2,000,000