Butler University Institutional Policy Proposal

Butler University Gift Acceptance & Naming Policy

Responsible Office: University Advancement

Effective Date: June 1, 2026

POLICY

Butler University recognizes that philanthropic support is essential to advancing its educational mission and sustaining excellence in teaching, scholarship, and student experience. All gifts must align with and advance the University's mission, priorities, and strategic objectives and directly benefit Butler's students, faculty, programs, or institutional initiatives.

The University retains full authority over all academic and institutional matters, including curriculum, research, appointments, and programmatic direction, and will not accept gifts that compromise this independence. Butler is committed to the highest standards of integrity, transparency, and stewardship and reserves the right, in its sole discretion, to decline, not pursue, or return any gift that presents undue financial burden, legal risk, operational complexity, or reputational concern. Nothing in this policy shall limit the University's discretion in matters of gift acceptance or naming. The University will exercise such discretion in a manner that is consistent, equitable, and aligned with its fiduciary and stewardship responsibilities.

STATEMENT *of* PURPOSE

This policy establishes the principles and governance framework for the acceptance of charitable gifts and the naming of academic and physical entities at Butler University. It provides a structure for honoring donor intent while preserving institutional authority over the administration and use of all gifted funds, in accordance with applicable law and informed by relevant industry standards, including those recognized by CASE, AASP, ADRP, and the Donor Bill of Rights.

SCOPE

This policy applies to all philanthropic contributions made to Butler University and to all stakeholders involved in fundraising, gift acceptance, donor stewardship, and naming recognition.

Campaign counting, crediting, and reporting practices are governed by the Boldly Butler Campaign Counting Policy. Any material changes to counting methodology will be communicated to appropriate University leadership.

DEFINITIONS

Key terms used in this policy are defined in **Appendix A.**

IMPLEMENTATION

The Office of University Advancement administers this policy and oversees all philanthropic activity, ensuring compliance with institutional standards and maintaining official records.

Governance and Oversight

Final decision-making authority resides with the Board of Trustees, President, or Vice President for University Advancement, as appropriate.

- Board of Trustees: Approval of naming for major academic and physical entities and matters of significant institutional impact
- President: Approval of major gifts and naming actions as required or delegated
- Vice President for University Advancement: Approval of standard gift acceptance and minor naming opportunities

The Philanthropic Governance Committee (PGC) provides institutional oversight for complex, non-standard, or high-risk gifts and naming opportunities.

Gift Classification

Contributions are evaluated and classified as charitable gifts, grants, sponsorships, or sponsored projects based on applicable legal standards. Only qualifying charitable gifts are recorded as philanthropic contributions. Certain gift types—including real estate, closely held securities, intellectual property, and other complex assets—require additional review to ensure the University's capacity to manage associated risks and obligations. Detailed operational standards, including gift acceptance criteria, valuation methods, and compliance procedures, are maintained in supporting appendices and administrative guidelines, which are reviewed regularly and aligned with this policy.

Donor Intent

The University is committed to honoring donor intent as documented in its official record, including fully executed gift agreements and other approved written documentation, consistent with applicable law and institutional priorities. The University conducts ongoing stewardship and periodic review to ensure compliance and appropriate use of funds.

Naming Governance

Naming recognition is granted at the discretion of the University and must be approved in accordance with established authority levels. All naming commitments must be formalized through executed written agreements prior to public recognition.

POLICY PROVISIONS

I. Gift Acceptance Standards

Butler University accepts a broad range of philanthropic contributions provided they comply with applicable laws and institutional standards. Gifts that involve unlawful discrimination, impermissible private benefit, or conditions inconsistent with the University's mission will not be accepted. Gifts presenting reputational, legal, or financial risk will be evaluated using established review processes, including referral to the PGC when appropriate. Charitable gifts are considered irrevocable. In rare circumstances where a gift cannot be used as intended, the University will seek to modify its use consistent with donor intent and applicable law. Return of funds will be considered only when required by law or explicitly provided for in a written agreement.

II. Donor Intent and Institutional Authority

The University's ethical and legal obligation is to honor donor intent as expressly documented in a fully executed written agreement. Accordingly, the University will administer and use gifted funds in strict accordance with the donor's documented restrictions and will steward each gift to ensure ongoing compliance with those restrictions. Donor intent will be implemented to the fullest extent permitted by law and consistent with the University's mission and fiduciary obligations and shall not be altered for reasons of administrative convenience. The University retains ultimate authority over the administration and use of all gifted funds and does not delegate academic, personnel, or operational decision-making to donors. If a restriction becomes unlawful, impossible, or impracticable to fulfill, the University may seek to modify the restriction in a manner that most closely effectuates donor intent, consistent with applicable law; when feasible, the University will notify and consult with the donor or the donor's authorized representative before implementing a material modification.

III. Naming Philosophy

Naming is a form of recognition intended to honor significant contributions or service. It is not an entitlement conferred by the act of giving and is granted at the discretion of the University based on alignment with institutional priorities and long-term impact. All naming decisions will reflect Butler University's values, uphold its reputation, and be evaluated with careful consideration of their lasting impact on the institution.

IV. Naming Governance and Approval

Naming authority is determined by the nature and prominence of the entity. Naming of **major** academic or physical entities—including schools, colleges, and significant facilities—requires approval by the President and the Board of Trustees. Naming of **minor** entities may be approved through the execution of a formal gift agreement, with oversight by the Vice President for University Advancement.

Naming decisions consider factors such as the magnitude and structure of the gift, strategic importance, sustainability, and benefit to the University community; these are generally aligned with established thresholds unless otherwise justified. Naming in honor of current or former employees or affiliates requires presidential approval, reflecting the need for careful consideration of institutional relationships, reputational review, and legacy.

Due diligence is conducted in accordance with University standards. Due diligence protocols, including reputational and compliance review standards, are maintained and periodically updated by the Office of University Advancement.

V. Eligibility and Restrictions for Naming

Naming recognition is generally associated with significant philanthropic contributions that meet or exceed established minimum thresholds. These thresholds vary by entity type and scale and are intended to ensure that named programs and facilities are adequately supported over time.

The University will not grant naming rights for facilities or programs based on revocable deferred gifts. Bequests and other planned gifts may be considered for naming only when they are irrevocably documented and meet institutional standards for recognition.

The University may, in its discretion, approve naming recognition for a physical or academic entity in connection with a gift that supports other institutional priorities rather than the named space or entity directly, provided the gift is of sufficient significance, the rationale for the naming is documented, and the naming is approved through the applicable authority process. In such cases, the governing gift agreement must clearly distinguish the purpose of the gift from the recognition granted and must not imply that the gift is restricted to the named space unless expressly stated.

VI. Gift Levels and Financial Expectations
Minimum gift levels for naming recognition are established as guidelines and may be adjusted at the discretion of the University based on the scale, visibility, and strategic importance of the entity. Thresholds serve as standard benchmarks and deviations are evaluated based on strategic and financial considerations. Academic naming opportunities are typically supported through endowments designed to generate annual distributions sufficient to provide ongoing support for the annual needs of the named area or program, while physical naming opportunities are generally aligned with a significant portion of the cost of construction, renovation, or replacement. Minimum funding levels are periodically reviewed to ensure long-term financial sustainability and alignment with peer institutions.

VII. Naming Duration and Stewardship
Naming recognition is generally intended to endure for the useful life of the named entity or for as long as the entity continues to serve its original purpose; exceptions may be made for corporate term naming opportunities. However, Butler University reserves the right to reevaluate naming recognition in the event of significant changes, including demolition, substantial renovation, or a change in the use or function of the space or program. In such cases, the University may, at its discretion, consider alternative forms of recognition or the continuation of the name in another context, though it is not obligated to do so.

All physical naming includes University-approved signage. The University retains control over design, placement, and content of all recognition materials to ensure consistency with institutional standards. Butler University retains sole discretion over the timing, content, and manner of any public announcement related to a philanthropic gift or naming commitment. The University reserves the right to allocate a reasonable portion of a naming gift toward the design, production, and installation of recognition signage.

VIII. Revocation of Naming
Butler University reserves the right to revoke naming recognition at its discretion, subject to approval by the Board of Trustees for major entities. Circumstances that may warrant revocation include, but are not limited to, failure to fulfill financial commitments, legal violations associated with the name, or actions by the donor that result in significant reputational harm to the University. In the event of revocation, previously contributed funds will not be returned, and the University may use available funds to cover reasonable costs associated with renaming.

PROCEDURES

The following procedures summarize the standard process for gift acceptance, naming approval, and related stewardship actions under this policy:

1. **Gift Submission and Initial Review**
   All gifts are submitted through the Office of University Advancement and reviewed for alignment with institutional priorities and policy requirements.
2. **Due Diligence and Risk Assessment**
   Appropriate due diligence may be conducted based on the nature, size, and complexity of the gift. Complex or high-risk gifts may be referred to the Philanthropic Governance Committee (PGC).
3. **Gift Acceptance Determination**
   Gifts are approved or declined by the appropriate authority level.
4. **Gift Documentation**
   Gifts may be formalized through written agreements outlining purpose, restrictions, payment terms, and recognition provisions.
5. **Naming Review and Approval**
   Naming opportunities may be evaluated and approved according to established authority levels.
6. **Recording and Receipting**
   Gifts are recorded in official systems, and acknowledgments are issued in compliance with legal and institutional standards.
7. **Stewardship and Recognition Implementation**
   Donor recognition, including signage and communications, is coordinated by the Office of University Advancement.
8. **Monitoring and Compliance**
   The University monitors fulfillment of commitments and adherence to agreement terms.
9. **Modification or Revocation**
   Changes to gift use or naming are reviewed and approved in accordance with this policy.

POLICY COLLABORATORS

- Office of University Advancement
- Office of the General Counsel
- Finance Office

APPENDICES *and* RESOURCES

Detailed operational standards, gift acceptance criteria, naming thresholds, and compliance procedures are maintained in appendices and supporting guidelines. Substantive changes to governance or financial thresholds will be communicated to the Board of Trustees.

- **Appendix A:** Definitions and Glossary
- **Appendix B:** Philanthropic Governance Committee (PGC)
- **Appendix C:** Gift Types and Acceptance Guidelines
- **Appendix D:** Naming Opportunities and Minimum Gift Thresholds
- **Appendix E:** Due Diligence and Risk Review
- **Appendix F:** Gift Documentation and Agreements
- **Appendix G:** Financial Administration and Stewardship
- **Appendix H:** Recording, Receipting, and Reporting + Pledge Management

HISTORY/REVISIONS

This policy supersedes all prior policies governing charitable gift acceptance and naming at Butler University. It will be reviewed in even numbered years and updated as necessary to reflect changes in law, industry standards, and institutional priorities. Butler University reserves the right to interpret and apply this policy in a manner consistent with its mission, values, and fiduciary responsibilities. In circumstances not explicitly addressed herein, the University retains full discretion to make determinations regarding gift acceptance, naming, and related matters. Final authority for interpretation and application of this policy rests with the President and the Board of Trustees.

Appendix A: Definitions and Glossary

For purposes of this policy, the following definitions apply:

Academic Entities:

- **Major Academic Entity:** Refers to the most prominent and formally established academic units that define the University's core educational structure. These include all Colleges and Schools, as well as high-impact, university-wide Centers or Institutes that require formal approval by the Board of Trustees or the Indiana Commission for Higher Education.
- **Minor Academic Entity:** Refers to established academic or administrative sub-units that operate within or across the larger major entities. Examples include individual departments, clinical programs, laboratories (as organizational units), administrative divisions, and named faculty positions such as Professorships or Deanships.

Physical Entities:

- **Major Physical Entity:** Refers to any large-scale facility or prominent campus space that serves as a primary landmark or hub for university life. This includes entire buildings, building additions, and high-visibility facilities that receive frequent public visits. It also encompasses "landmark spaces" such as main atriums, libraries, athletic playing surfaces, streets, plazas, and quadrangles.
- **Minor Physical Entity:** Refers to functional or interior spaces that are part of a larger facility and do not serve as a primary public landmark. Examples include individual classrooms, faculty or administrative offices, student lounges, physical laboratory spaces, and internal workspaces. This also includes service-level facilities designed for infrequent public use.

Charitable Gift refers to a voluntary, irrevocable transfer of assets to the University for which the donor receives no material benefit.

Philanthropic (or Charitable) Grant is classified as a grant for financial reporting purposes but is also eligible for philanthropic counting due to its charitable source, mission-aligned intent, and absence of material private benefit to the funder.

Current Use Fund refers to a fund intended for immediate expenditure, typically over a defined period.

Endowed Fund refers to a fund established with the intent that the principal be maintained in perpetuity, with annual distributions supporting a designated purpose.

Donor Intent is the expressed purpose or preferences governing the use of a charitable gift, as documented in the University's official record, including a written gift agreement or other approved written documentation, and honored in accordance with applicable law.

Outright Gift is a charitable contribution made to Butler University for which the donor relinquishes all ownership and control at the time the gift is made, including cash, securities, and gifts-in-kind.

Deferred (Planned) Gift refers to a charitable commitment in which Butler University's benefit is realized at a future date, including bequests, charitable trusts, gift annuities, life insurance designations, and retirement plan beneficiary designations.

- **Irrevocable Gift** refers to a completed transfer of assets that cannot be reversed by the donor.
- **Revocable Gift** refers to a commitment that may be altered or withdrawn by the donor, including most estate intentions.

Naming refers to formal, enduring recognition of a donor or honoree through association with an academic or physical entity.

Recognition refers to acknowledgments that do not rise to the level of formal naming (e.g., plaques, listings, or temporary acknowledgments).

Non-philanthropic Grant is an award of external funding provided to support a defined project or activity and subject to specific terms and conditions, including one or more of the following: a detailed budget, scope of work, reporting requirements, deliverables, intellectual property provisions, or a defined period of performance. Grants are recorded as grant revenue for financial reporting purposes. Because these arrangements involve a reciprocal exchange of value and constitute a contractual relationship, they are not considered charitable gifts and are not counted as philanthropic support.

Restricted Gift is a charitable gift designated by the donor for a specific purpose, program, or use, as opposed to an unrestricted gift.

Unrestricted Gift is a charitable gift that may be allocated by the university in support of its general mission and priorities, in accordance with established approval authority.

Appendix B: Philanthropic Governance Committee (PGC)

I. Purpose and Scope The philanthropic review process ensures that complex, non-standard, or high-impact philanthropic matters receive appropriate institutional oversight. The process is designed to safeguard fiduciary responsibility, donor accountability, and alignment with the University's mission, values, and risk tolerance, while maintaining an efficient workflow for standard gift acceptance.

II. Initial Review Screening The primary responsibility for identifying gifts or philanthropic matters requiring elevated review resides within the Office of University Advancement.

- **The Screener:** The Director of Fund Compliance & Gift Administration (or designee) serves as the initial point of review.

- **Threshold for Review:** The Screener assesses potential matters against the following criteria:
    - Gifts involving non-liquid, complex, or high-valuation assets.
    - Matters presenting potential reputational, legal, or financial risk.
    - Requests for significant policy exceptions or complex donor-imposed restrictions.
- **Escalation:** If the Screener determines a matter requires further institutional oversight—or is uncertain of the risk profile—they will consult with the Vice President for University Advancement to determine if formal escalation to the Philanthropic Governance Committee (PGC) is necessary.

III. PGC Executive Review When a matter is identified for further leadership review, it is brought to the PGC. This group is responsible for reviewing the framed situation and making a final institutional determination or recommendation to the President/Board of Trustees, if needed.

Membership:

- Vice President for University Advancement & Marketing
- Chief Operating Officer (COO) and/or Chief Financial Officer (CFO)
- Provost and Executive Vice President and/or Vice President for Academic Affairs
- General Counsel

IV. Process and Documentation

1. **Framing:** For any matter escalated to the PGC, the Office of University Advancement (via the Director of Fund Compliance) will frame the situation. This includes providing a concise summary of the gift structure, donor intent, identified risks, financial implications, and a preliminary recommendation.
2. **Review:** The group may meet ad hoc or review materials electronically to ensure the timely processing of philanthropic opportunities.
3. **Outcome:** The group will determine whether to accept, decline, or propose modifications to the gift/matter.
4. **Records:** The Office of University Advancement is responsible for maintaining records of these deliberations and final decisions to ensure consistency, transparency, and institutional memory.

V. Confidentiality All discussions and materials reviewed throughout the screening and decision-making process are considered strictly confidential and must be handled in accordance with University policies and applicable legal requirements.

Appendix C: Gift Types and Acceptance Guidelines

This appendix establishes the operational standards for evaluating, accepting, and administering specific categories of gifts and related funding arrangements. Gifts are be reviewed for donor intent, legal compliance, and administrative feasibility before acceptance and recording.

1. Gift Categories Accepted in the Ordinary Course Butler University may accept the following gift types in the ordinary course when they are otherwise consistent with this policy, applicable law, and the University's administrative capacity: cash and cash equivalents; publicly traded securities; routine current-use and endowed gifts supported by appropriate documentation; and other standard charitable contributions that do not create unusual restrictions, burdens, or risks.

2. Cash, Cash Equivalents, and Standard Transfer Gifts The University accepts gifts of cash, credit cards, checks, payroll deductions, and wire transfers. Gifts are counted and credited at full value on the date of the gift. The University does not currently accept foreign currency or foreign checks without prior review and approval. Matching gifts are treated as gifts from the paying organization and may be credited for donor recognition purposes as appropriate but cannot satisfy an individual donor's personal pledge obligation.

3. Marketable Securities Butler University may accept publicly traded securities, including stocks, bonds, and mutual fund shares, when they can be transferred to the University's designated brokerage account. Unless otherwise approved for institutional reasons, marketable securities are generally liquidated as soon as practicable after receipt. Value is determined by averaging the high and low price of the security on the day it arrives in the University's account. Any difference between sales proceeds and initial valuation will be reflected in the designated gift account.

4. Gift Types Requiring Enhanced Review Certain gift types may require enhanced review before acceptance because they may involve valuation complexity, legal or regulatory issues, carrying costs, environmental exposure, liquidity limitations, or other material institutional risk. These categories include closely held securities, business interests, real property, significant gifts-in-kind, intellectual property, life insurance arrangements, gifts involving partial interests, and other non-standard or illiquid assets. Independent appraisals are required for non-standard assets. For closely held securities valued over $10,000, a qualified independent appraiser must be selected and paid for by the donor. Acceptance decisions must consider whether the University can prudently hold, manage, or liquidate the interest and whether ownership could expose the University to ongoing obligations or reputational risk. Such gifts must be reviewed in accordance with Appendix E and, when appropriate, escalated to the Philanthropic Governance Committee (PGC) before acceptance.

5. Real Property Butler University may consider accepting gifts of real property, including outright interests, retained life estates, and certain real estate interests associated with planned giving arrangements, only after enhanced review and approval. Review should address, as applicable, independent appraisal, title and encumbrance review, environmental assessment, carrying costs, marketability, zoning or use limitations, and the University's intended disposition strategy. Unless otherwise approved for institutional use, the University will generally seek liquidation of accepted real property as soon as practicable after receipt.

6. Gifts-in-Kind and Other Noncash Property Gifts-in-kind are noncash contributions of tangible or intangible personal property. Such gifts may be accepted when they further the University's mission, are usable by the institution, or can be liquidated without undue burden. Acceptance review should consider utility to the University, restrictions on use or disposition, storage or maintenance obligations, valuation requirements, and any legal or administrative issues associated with ownership or transfer. Donors are responsible for obtaining any appraisal needed for their tax purposes, and the University will issue receipts in accordance with applicable substantiation rules. Gifts over $5,000 require a qualified appraisal within 60 days of the gift to support IRS Form 8283.

Artwork is subject to any separate University art acceptance procedures. Cryptocurrency may be accepted only through an approved processing method and is converted to cash as soon as practicable after receipt unless otherwise approved. Contributed services, partial interest gifts, volunteer time, appraisal fees, and other non-transferable benefits are not charitable gifts to the University, although they may be recognized for stewardship purposes where appropriate.

7. Bequests and Deferred Gifts Butler University may accept a variety of planned and deferred gift arrangements, including bequest intentions, charitable trusts, charitable gift annuities, retirement plan beneficiary designations, and certain life insurance arrangements, subject to applicable law, administrative feasibility, and the University's ability to manage the associated obligations. Revocable planned gift commitments may be documented for stewardship or recognition purposes in accordance with institutional practice, but they do not create binding rights to naming and do not constitute irrevocable gifts until the University's interest becomes fixed and enforceable. Bequest intentions are only documented when the donor provides sufficient written evidence of the intended gift, such as a copy of the relevant testamentary provision, a beneficiary designation, or other approved written confirmation. Where the University is named only as a contingent beneficiary or the ultimate amount is uncertain, the University may record the intention in accordance with its documented counting and crediting practices, but such intentions remain subject to change until realized. Initial recorded estimates of deferred gifts are not increased due to market conditions unless the donor increases the documented commitment. When estate distributions are received, they will be recorded in accordance with the University's official record and applicable counting standards.

8. Charitable Trusts and Gift Annuities Butler University may consider serving as trustee, remainder beneficiary, or contractual obligor under charitable trust or gift annuity arrangements only when the proposed terms comply with applicable law and the University determines that it has the administrative capacity and risk tolerance to do so. Minimum funding levels, age requirements, outside administration, and valuation treatment for such arrangements must follow the University's documented procedures and any applicable legal standards. For Charitable Remainder/Lead Trusts: Minimum funding of $250,000; income beneficiaries must be at least 55 years of age. For Charitable Gift Annuities (CGA): Minimum funding of $50,000; recipients must be at least 55 years of age at the time payments begin. Third-party administered arrangements may be recognized when the University receives sufficient documentation establishing its beneficial interest.

9. Life Insurance Butler University may accept certain life insurance arrangements when the University is named as owner and beneficiary, irrevocable beneficiary, or beneficiary under another approved structure and when the policy can be administered without undue risk or cost. Acceptance review should consider policy type, premium obligations, cash value, encumbrances, and the University's intended disposition strategy. The University generally will not accept policy structures that create uncertain or ongoing obligations without an approved funding plan. Revocable beneficiary designations may be documented for stewardship purposes but do not, by themselves, create binding rights to naming or fund establishment. The University reserves the right to surrender any owned policy for its cash value at any time.

10. Donor-Advised Funds, Private Foundations, and Qualified Charitable Distributions Butler University may accept grants and gifts from donor-advised funds, private foundations, and qualified charitable distributions when the proposed payment complies with applicable law and institutional policy. Payments from donor-advised funds and private foundations may be credited for recognition purposes as appropriate, but they may not be used to satisfy an individual donor's personal pledge obligation. Donor indications that they intend to recommend a future donor-advised fund grant may be tracked in accordance with the University's documented procedures but do not create a binding pledge. Qualified charitable distributions must comply with then-applicable legal requirements and may not be used when the donor receives prohibited benefits.

11. Student Organizations and Special Institutional Considerations Contributions intended to support student organizations or other institutionally affiliated activities may be treated as charitable gifts only when the recipient activity is recognized by the University and the gift can be accepted, administered, and documented through approved institutional channels. Such gifts must be processed in accordance with University procedures governing recognized student organizations and related funds. Multi-donor or consortium-style gift arrangements require prior approval and must be supported by a documented governance structure, an identified administrative owner, and written documentation sufficient to establish donor intent and recognition terms.

12. Distinguishing Charitable Gifts from Grants, Sponsored Projects, and Corporate Sponsorships Charitable gifts are voluntary and irrevocable transfers for which the donor receives no material return benefit and no enforceable deliverables. Some grants may be treated as philanthropic gifts when they originate from charitable sources, support the University's mission, and do not impose contractual performance obligations inconsistent with gift treatment. By contrast, sponsored projects, contracts, and funding arrangements that include a defined scope of work, reciprocal benefit, detailed deliverables, intellectual property terms, or other contractual obligations are not charitable gifts and must be handled through the appropriate non-gift administrative channels. Government awards are not counted as philanthropic gifts under the University's documented counting standards. Corporate sponsorships that confer substantial advertising, marketing, or promotional benefit are likewise not charitable gifts. Per CASE standards, a sponsorship is not a charitable gift if it includes: qualitative or comparative language promoting a product, price information or endorsement, or incentives to purchase specific products or services.

13. Unrestricted Gift Allocation The allocation of unrestricted gifts will follow the authority levels established by the University for institutional discretionary funds. Unrestricted gifts of $1,000,000 or more will be presented by the President to the Board of Trustees for approval. Unrestricted gifts between $250,000 and $999,999 will be allocated upon presidential approval following recommendation by the Vice President for University Advancement. Unrestricted gifts under $250,000 may be allocated by the Vice President for University Advancement in accordance with institutional priorities. The allocation of all unrestricted gifts of $250,000 or more received during a fiscal year will also be reported to the Board annually.

Appendix D: Naming Opportunities and Minimum Gift Thresholds

Minimum gift levels for naming recognition are guidelines rather than entitlements and may be adjusted by the University based on the scale, prominence, visibility, strategic significance, and financial needs of the opportunity. Any deviation from standard thresholds should be supported by documented institutional justification and approved through the applicable naming authority process.

Naming opportunities are reserved for significant academic programs, positions, and physical spaces that advance the University's mission and warrant durable institutional recognition. Butler University generally will not offer naming recognition for highly temporary or small-scale elements such as benches, bricks, landscape features, or similar items, unless expressly approved through an alternative recognition program. This approach helps preserve the significance, consistency, and long-term integrity of naming recognition across campus.

Academic naming opportunities are generally supported by endowed funds structured so that annual distributions, calculated under the University's endowment spending policy, are sufficient to provide ongoing support for the annual needs of the named area or program. Depending on the actual cost of sustaining the named activity, the required funding level may exceed the minimum threshold listed below.

- **Schools or Colleges**: $20 million+
- **Departments**: $8 million+
- **Centers or Institutes:** $5 million+
- **Endowed Deanships**: $5 million+
- **Endowed Professorships**: $2 million+
- **Endowed Funds:** $100,000+
- **Endowed Scholarships:** $100,000+

Naming opportunities associated with new construction, renovation, or existing facilities are subject to financial and operational review to confirm feasibility, appropriate cost recovery, lifecycle implications, and alignment with the University's capital and operating plans.

Physical naming opportunities are typically aligned with a significant portion of the project cost or value:

- **New construction (defined as within 5 years):** approximately one-third of the total project cost
- **Renovations:** approximately one-third of the renovation cost
- **Existing facilities (defined as older than 5 years):** approximately one-third of replacement value

A portion of naming gifts may be allocated to an endowment to support long-term maintenance and operations.

These thresholds are intended as flexible guidelines and do not guarantee naming approval. Naming commitments through bequests or other deferred gifts must be irrevocably documented and otherwise satisfy University requirements before approval. In exceptional circumstances, the University may approve naming recognition independent of a philanthropic contribution in honor of individuals who have made extraordinary contributions to the institution; such decisions require approval through the applicable naming authority process, including Board approval when required.

Appendix E: Due Diligence and Risk Review

This appendix establishes the operational requirements for due diligence and risk review associated with proposed gifts, naming opportunities, and related philanthropic commitments. Its purpose is to support consistent review, document institutional decision-making, and identify legal, financial, operational, and reputational risks before a gift is accepted or a naming commitment is approved.

1. Roles and Responsibilities University Advancement is responsible for initiating and coordinating due diligence review for proposed gifts and naming opportunities that require assessment under this appendix. The Philanthropic Governance Committee (PGC) serves as the primary cross-functional review body for matters that present elevated or non-standard risk. Final decision-making authority remains with the appropriate approving authority under this policy, even when the PGC provides review or recommendations.

2. Standard Due Diligence Review Due diligence review should be proportionate to the size, complexity, source, restrictions, visibility, and anticipated institutional impact of the proposed gift or naming opportunity. At a minimum, review should confirm the identity of the donor or funding source, the charitable nature and structure of the proposed contribution, any material restrictions or conditions, and whether the gift is consistent with the University's mission, values, and applicable policy requirements. Review findings should be documented sufficiently to support the acceptance decision and any required follow-up actions.

3. Risk Factors Assessed Due diligence review may include, as appropriate, assessment of donor reputation and public profile; legal, regulatory, or sanctions-related concerns; source-of-funds issues; alignment with the University's mission, values, and strategic priorities; financial and operational implications of accepting, administering, or naming the gift; potential academic freedom or governance concerns; and the likelihood of public visibility, controversy, or reputational impact. The scope of review may vary depending on the donor, gift type, and proposed recognition.

4. Enhanced Review Triggers and Escalation Enhanced review is required when a proposed gift or naming opportunity involves complex assets, unusual restrictions, significant public visibility, potential reputational concern, material legal or regulatory issues, substantial financial or operational obligations, non-routine payment structures, or any facts that fall outside standard policy guidance. Corporate, organizational, international, anonymous, or intermediary-related gifts may also warrant enhanced review depending on the circumstances. Matters meeting these criteria should be escalated to the appropriate institutional reviewers before final acceptance or approval.

5. Decision Outcomes and Conditions of Acceptance Due diligence review may result in a recommendation to proceed as proposed, proceed subject to specified conditions, defer pending additional information, escalate for further review, or decline the gift or naming opportunity. Conditions of acceptance may include completion of legal review, revised agreement terms, valuation or appraisal requirements, clarification of donor restrictions, approval of naming language, or implementation of additional financial, operational, or reputational safeguards. Any conditions attached to acceptance must be documented and communicated to the appropriate administrative stakeholders before implementation.

6. Documentation, Confidentiality, and Record Retention University Advancement will maintain due diligence records, review summaries, approvals, and related supporting materials in accordance with University record retention practices. Documentation should identify the nature of the review performed, material findings, any escalation or consultation undertaken, and the final recommendation or decision. Due diligence records may contain confidential or sensitive information and must be handled in accordance with applicable University policies and legal requirements, with access limited to those with a legitimate business need.

7. Ongoing Review for Naming and Long-Term Commitments The University may conduct additional or renewed due diligence when material new information arises after acceptance of a gift or approval of a naming commitment, particularly where the matter involves a prominent naming opportunity, a long-term relationship, or a significant risk of reputational harm. Additional review may also be appropriate before public announcement, at the time of major agreement amendment, or when circumstances materially change. Nothing in this appendix limits the University's discretion to revisit a proposed or existing gift or naming arrangement in light of new facts, policy concerns, or institutional risk.

Appendix F: Gift Documentation and Agreements

This appendix establishes the operational requirements for documenting philanthropic gifts, pledges, naming commitments, and related agreements. Its purpose is to ensure that donor intent is documented clearly, institutional obligations are reviewed and approved before commitment, and the University maintains complete, consistent, and auditable records of gift-related agreements.

1. Documentation Required by Gift Type A written gift agreement or other approved written documentation is required for gifts that create restrictions, naming rights, endowment obligations, pledge commitments, multi-year payment obligations, new funds, planned gift administration obligations, or other continuing institutional responsibilities. Unrestricted outright gifts and routine annual gifts may be documented through standard gift records and donor correspondence unless a formal agreement is otherwise required by University practice. Where a full gift agreement is not required, the documentation retained must still be sufficient to establish donor intent, fund designation, payment terms if any, and any applicable recognition commitments.

2. Minimum Required Elements of Gift Agreements Gift agreements must clearly state, as applicable, the donor identity, gift amount or funding commitment, fund designation, purpose and restrictions, payment schedule, pledge duration, endowment or current-use status, naming provisions, stewardship or reporting commitments, and any conditions governing use of the funds. Agreements must also identify the University unit responsible for administration of the fund and include language addressing modification or alternative use if the original purpose becomes unlawful, impossible, impracticable, or wasteful. Agreements should be drafted with sufficient specificity to support fund setup, financial administration, stewardship reporting, and future compliance review.

3. Drafting, Review, and Internal Approval University Advancement is responsible for coordinating the drafting of gift agreements and related documentation. Drafts must be reviewed internally by the appropriate administrative, academic, financial, and legal stakeholders based on the nature of the proposed gift, the existence of restrictions, the creation of financial or operational obligations, and any naming or reputational implications. Agreements requiring creation of a new fund, ongoing budget support, special administration, student support restrictions, or non-standard terms must complete the applicable internal review before they are shared with the donor in final or near-final form. Internal approvals must be documented in a manner that can be retained for audit and institutional reference.

4. Signature Authority and Execution Standards Gift agreements may be executed only by University officials with delegated signature authority for the applicable type of agreement and level of institutional commitment. No employee may bind the University through side correspondence, draft language, oral commitments, or execution of an agreement outside delegated authority. Final agreements must be approved for signature before execution, and the University's authorized signature must be obtained in accordance with institutional practice. A gift agreement is not considered final or operationally effective until it has been fully executed and retained as the official institutional record.

5. Prohibited Terms and Institutional Safeguards Gift agreements must not grant donors authority over academic, personnel, admissions, contracting, investment, or other operational decisions reserved to the University. Agreements must not include unlawful restrictions, terms inconsistent with University policy, undocumented side commitments, or obligations the University has not reviewed and approved. Donor stewardship, reporting, and recognition commitments must be described accurately and must not promise results, appointments, admissions outcomes, or other matters outside the University's control. When a proposed agreement includes unusual restrictions, complex assets, reputational considerations, or potential ongoing liabilities, the matter must be elevated for additional review under applicable institutional procedures.

6. Amendments, Restatements, and Side Agreements Material changes to an executed gift agreement, including changes to purpose, restrictions, payment terms, naming provisions, or administrative responsibilities, must be documented through a written amendment or restated agreement approved through the same or equivalent review process required for the original agreement. The University will not rely on informal side letters, email exchanges, or oral understandings to alter the operative terms of an executed agreement. Any amendment affecting donor intent or fund administration must be retained with the original agreement and reflected in the University's official records and, where applicable, financial system setup.

7. Official Recordkeeping and Retention University Advancement will maintain or link the final executed version of each gift agreement, pledge document, naming agreement, amendment, and other governing documentation as part of the official institutional record. Supporting drafts, approval records, and related correspondence should be retained in accordance with University record retention practices to document review and execution history where appropriate. Documentation used to establish or modify funds must be accessible to Advancement Services, Finance, and other authorized offices as needed for administration, stewardship, compliance review, and audit. No new restricted fund, naming commitment, or pledge record requiring formal documentation should be implemented without sufficient documentation in the official record.

Appendix G: Financial Administration and Stewardship

This appendix establishes the operational requirements for creating, administering, monitoring, modifying, and closing philanthropic funds. It is intended to ensure that financial administration and stewardship practices are documented, consistently applied, and auditable, and that all funds are managed in accordance with donor intent, applicable law, University policy, and Board-approved financial practices.

1. Roles and Responsibilities University Advancement is responsible for initiating requests for new gift funds, maintaining the official gift agreement and stewardship record, and coordinating donor-facing communications related to fund purpose, restrictions, and reporting. The Business Office is responsible for establishing approved funds in the University's financial system, applying the correct accounting treatment, and maintaining financial records for those funds. The responsible unit leader or budget manager is accountable for recommending expenditures, administering the fund in accordance with documented restrictions, and retaining supporting business documentation for all disbursements. Finance, Advancement Services, and other designated administrative offices share responsibility for monitoring compliance with donor restrictions, applicable law, and institutional policy.

2. Fund Establishment and Minimum Funding Standards New donor-funded gift accounts must be initiated through University Advancement and approved for creation in the University's financial system by the Business Office. Unless otherwise approved through the appropriate authority process, the minimum funding level for a new current-use donor-funded fund is $50,000 and the minimum funding level for a new endowed fund is $100,000. To establish a new restricted fund, the University must have sufficient documentation describing the fund purpose, applicable restrictions, awarding criteria where relevant, administrative unit, and any material conditions governing use or distribution. Internal departmental or programmatic gift funds that are not established through a lead donor gift must be approved by the applicable budget manager, the relevant dean or vice president, University Advancement, and the Business Office before creation.

3. Documentation and Approval Requirements All new funds involving donor restrictions, naming, endowed support, or other continuing obligations must be supported by a written agreement or other approved institutional documentation before the fund is established. Draft agreements must complete required internal review and approval before they are shared with donors for feedback. Final agreements must be approved and signed in accordance with University signature authority before they are released for donor signature or implemented operationally. No expenditures may be made from a newly established restricted fund until the fund has been created in the financial system and the applicable purpose, restrictions, and administrative ownership have been documented.

4. Endowment Administration Endowed funds are administered in accordance with UPMIFA, applicable Indiana law, and the University's Board-approved endowment spending policy. Endowment management must balance preservation of long-term purchasing power with support for current programmatic needs. Annual distributions are calculated under the University's approved spending methodology and may be used only for the documented purpose of the fund. If an endowed fund has not reached any required funding threshold or is otherwise not available for expenditure under institutional practice, distributions may be deferred until the fund is fully established for spending.

5. Stewardship, Oversight, and Compliance Monitoring The University will monitor philanthropic funds on an ongoing basis to confirm that receipts, distributions, and expenditures are consistent with donor intent, fund documentation, institutional policy, and applicable law. Restricted funds are subject to periodic review by University Advancement, Finance, Advancement Services, and other designated offices as appropriate. Supporting documentation for expenditures must be retained in accordance with University record retention practices and made available for internal review or audit. Exceptions, variances, or potential misuse of funds must be escalated promptly to the appropriate administrative offices for review and corrective action. Stewardship reporting to donors or donor representatives must reflect the documented purpose and use of the fund and should be coordinated through University Advancement. Gifts from University trustees, deans, faculty, staff, or other institutional insiders to funds or accounts they administer, oversee, or may directly benefit from must be reviewed for potential conflict of interest, private benefit, and appropriate segregation of duties. Such gifts may be accepted only when the charitable purpose is clearly documented, the donor does not retain unilateral control over expenditures, and fund use is subject to independent review and approval consistent with University policy.

6. Fund Modification, Inactivity, and Closure The University's first obligation is to administer funds in accordance with donor intent as documented in the governing gift agreement or other approved fund documentation. A restricted fund may be modified only when its purpose becomes unlawful, impossible, impracticable, or wasteful, and any modification must be handled in a manner that most closely effectuates donor intent and complies with applicable law. When required or appropriate, the University will follow applicable Indiana statutory requirements, including any notice or approval requirements associated with older, restricted, or institutional funds. Small-balance, inactive, or administratively dormant funds may be reviewed for consolidation, repurposing, or closure only through an approved process that documents the basis for the action and preserves alignment with donor intent to the fullest extent permitted by law.

7. Multi-Donor Fund Governance Multi-donor funds require prior approval by University Advancement and must have a clearly documented solicitation and governance structure before commitments are accepted for the fund. The University must identify the fund purpose, administrative owner, approval pathway, and the documentation that will govern donor restrictions and recognition. Where a lead donor structure is used, the lead donor relationship and any associated commitments must be documented in writing; however, no individual donor may be granted authority to direct fund administration outside the terms of an approved written agreement. Contributions from multiple donors must be administered under a consistent set of documented rules to ensure that expenditures, stewardship, and any future modifications can be reviewed and audited against a single governing framework.

Appendix H: Recording, Receipting, and Reporting + Pledge Management

This appendix defines the operational and control requirements for gift and pledge recording, receipting, deposits, and reporting. These requirements are intended to maintain a complete audit trail, ensure compliance with applicable tax and legal standards, and support accurate donor reporting and institutional financial reporting.

1. Roles, System of Record, and Segregation of Duties Advancement Services is the administrative owner of the University Advancement database of record and is responsible for establishing and maintaining official gift and pledge records, producing gift receipts/acknowledgments, and retaining (or linking) supporting documentation for audit purposes. Units outside University Advancement may accept gifts only as an intake function and must promptly forward all gifts and original donor correspondence to Advancement Services for processing; no other University unit is authorized to issue charitable gift receipts. To strengthen internal control, responsibilities for (a) physical receipt of funds, (b) data entry/record creation, (c) deposit preparation, and (d) reconciliation should be assigned to different individuals when staffing permits, with documented supervisory review when separation is not feasible.

2. Gift Intake, Safeguarding, and Deposits All charitable funds received by the University must be safeguarded and deposited into University bank accounts within 48 hours of receipt. Any funds not deposited on the day of receipt must be secured in the University Advancement safe or another approved secure storage location. Gifts received outside University Advancement must be transmitted to Advancement Services as soon as possible and no later than the next business day, together with all original donor correspondence and any documentation identifying donor intent or restrictions. Advancement Services must maintain a documented intake and deposit trail sufficient to reconcile gifts received to deposits and to recorded gift transactions.

3. Recording Standards and Date-of-Gift All philanthropic gifts, pledges, and related transactions must be recorded in the University Advancement database of record with complete and accurate coding for fund designation, restriction status, recognition/crediting, and any benefits provided to the donor. The gift date is the date the donor relinquishes control of the contributed asset to the University; relevant supporting evidence accompanying the gift will be used to determine this date. Records must include, at minimum, donor identity, amount/value, gift type, gift date, fund designation, restriction language (or reference to the governing agreement), and documentation sufficient to support receipting and audit review.

4. Receipting and Acknowledgments Advancement Services will issue written gift receipts/acknowledgments within three business days of receiving a gift when practicable, and in all cases in compliance with applicable legal and tax requirements. Receipts must be generated from the database of record and must accurately reflect the gift date, the amount/value as recorded, the fund designation, and any goods or services provided (including the fair market value of benefits, when applicable) in accordance with IRS substantiation rules. For noncash gifts, receipts must describe the property contributed without assigning a value unless required by law or institutional practice. All receipts and related donor communications must be retained or linked to the gift record to preserve a complete audit trail.

5. Commitments and Pledge Management The recommended pledge payment period is five years or less. In rare instances, pledges of $1 million or more may be paid over more than five years with prior approval from the Vice President for University Advancement (or designee). Pledges must be supported by documentation sufficient to evidence the donor's intent and payment terms (e.g., executed agreement, signed pledge form, or other approved written confirmation). Advancement Services is responsible for establishing pledge records, applying payments, maintaining pledge schedules, and documenting and approving pledge adjustments. Increases to a pledge amount will be recorded as a new, separate pledge at the time the increase is documented by the donor. Decreases will be recorded by reducing the original pledge to the revised amount, with appropriate documentation retained. Pledges may be inactivated (written off) only when determined to be uncollectible through an approved review process; in such cases, only amounts actually received will be counted and credited. Unpaid balances must be evaluated and revisited on a regular basis.

The University may document certain donor expressions of intent that do not meet the definition of a legally enforceable pledge. These are referred to as non-binding intentions (NBI). Non-binding intentions are used in situations where a donor indicates an anticipated level of support, but the commitment cannot be formalized through a signed gift agreement or otherwise does not constitute a binding obligation. Common examples include, but are not limited to Donor-Advised Fund (DAF) recommendations or other circumstances where the donor does not retain control over the fulfillment of the gift. When included in fundraising totals, non-binding intentions may be counted at full face value.

Unlike pledges, non-binding intentions do not create a legally enforceable obligation to the University, are not supported by fully executed gift agreements or other binding documentation, and are not recorded by Finance as receivables because they do not meet the criteria for recognition as commitments under generally accepted accounting principles (GAAP). This distinction reflects institutional policy requiring formal execution of agreements for binding commitments, as well as industry standards that differentiate between enforceable promises and donor intent.

6. Matching Gifts, Donor-Advised Funds, and Other Third-Party Payments Matching gifts, donor-advised fund (DAF) distributions, and private foundation payments are recorded as gifts from the paying organization in accordance with institutional counting and crediting standards. Such payments may be credited for recognition purposes as appropriate but may not be used to satisfy a donor's personal pledge obligation. When a donor indicates that a portion of a pledge may be supported by an employer match, the donor's portion will be recorded as the pledge, and any potential match may be tracked as an anticipated match; matching amounts are not included in pledge totals until received. Any benefits associated with events or memberships must be evaluated to ensure compliance with applicable rules governing DAF grants and other third-party payments.

7. Funds Awarded to Students (Operational Controls) The Internal Revenue Service (IRS) dictates the tax treatment of student payments. Scholarship and fellowship amounts used for qualified education expenses (tuition, fees, books, supplies, and required equipment) are generally non-taxable; amounts exceeding qualified expenses are taxable. To support compliance with federal law and U.S. Department of Education requirements, units administering donor-funded scholarships, prizes, awards, or other student support must coordinate with the Office of Financial Aid on award eligibility, packaging, and reporting, and must retain documentation demonstrating that each award complied with donor restrictions and institutional criteria.

8. Reporting, Reconciliation, and Record Retention Advancement Services will support internal and external reporting by maintaining complete gift and pledge records and by performing periodic reconciliations between gifts recorded in the database of record, deposits, and other financial records as required by University practice. Exception items (e.g., unidentified funds, returned payments, disputed transactions, or inconsistent restrictions) must be investigated and resolved in a documented manner. Gift documentation, receipts/acknowledgments, pledge records, and supporting materials must be retained in accordance with University record retention requirements and made available for audit or regulatory review.