Making Gift Agreements

Friendly and Feasible

Debbie Meyers, Carnegie Mellon University

Third Annual ADRP
New York City Regional Conference
What we’ll cover today

1. Donor motivation and mindset
2. Legal considerations
3. Function
4. Form
Donor motivation and mindset

Basic premises about donors:

- They have good hearts and noble intentions
- They want to leave a legacy
- They want to pay back for help they received
But sometimes…

- They have little knowledge of or interest in how we function
- They have unrealistic expectations
- They request preferences that are illegal or want to be active in administering their funds
So, we invoke the universal cure for most problems:

• Education

• Awareness
Donor motivation and mindset

Start with education

• Manage expectations before starting the gift documentation process

• Make gift officers and donors aware of legalities and practicalities

• Keep gift officers up to date on current legislation and social reform
Donor motivation and mindset

More education

- Know and preach what your institution allows and doesn’t allow
- Have a good working relationship with your legal counsel
- Recommend few preferences, if any; do not offer restrictions
- Remember, endowments are forever
Legal Considerations

What’s legal

- Socio-economic status
- Major, class level, GPA
- First generation to attend college
- Fluency in or primary language other than English
- Residency in a particular area (city, county, state)
- Growing up in single-family household
- Graduating from particular high school or school district
- Demonstrating commitment to working with historically underprivileged or underrepresented populations
- Disabilities or having overcome specific challenges
Legal Considerations

What’s illegal

• Race or color
• Religion
• Citizenship or national origin
• Athletic participation
• Narrow exception under Title IX for gender-restricted gifts in wills, trusts or bequests if pooling used
Legal Considerations

Applicable Laws Regarding Students And Prospective Students

• Title VI of Civil Rights Act of 1964
• Title IX of Education Amendments of 1972
• Age Discrimination Act of 1975
• Section 504 of Rehabilitation Act of 1973 and Title III of the Americans With Disabilities Act
• 42 U.S.C. Section 1981
Legal Considerations

What’s legal but not feasible

- Subjective characteristics
- Selection by essay, a process or committee
- Anything your institution is unable to track now or will be unable to track 100 years from now
- Restrictions
Other considerations:

- Front page of the newspaper test
- Donors holding strings on their gifts
- Quid pro quo
- Sponsored research vs. a charitable contribution
- Endowment is forever
- Providing for pledge payments in wills
Legal Considerations

“This evening’s concert is made possible by a grant from Stutz Beer.”
Why document?

For donors
- To ensure donor intent
- To make the donor feel good

For your institution
- Track payment and administration preferences
- To keep out of court
Hey, I didn't mean to cause a big scene
Just give me an hour and then,
I'll be as high as that Ivory Tower that you’re living in…
Function

Must-have elements

- official donor
- gift type, amount and payment schedule
- fund name, purpose and who administers it
- recognition elements, if applicable
- standard administration language
- out clause
- signature
Tools

- Informative brochure
- Checklist
- Handbook
- Templates
- Process flow chart

Also, be open to suggestions from gift officers and donors
FORM SUBMITTED BY
Name:  Phone: 412-364-   Email: @andrew.cmu.edu

DONOR NAME AND ADDRESS INFORMATION
Donor Name:  (How the name appears here is how it will appear in all donor recognition vehicles.)
Advance ID:

Does the donor have an existing outstanding pledge:

Please list who should receive stewardship reports:  (include donor children if appropriate)

COMMITMENT DETAILS
Personal Commitment
Expectancy Commitment (DAF, DDF, MG)
Total Commitment
Payment Schedule
(five year maximum)
First Payment (use last day of calendar year if unknown)

DESIGNATION DETAILS
Funding Initiative
  Faculty Support  Full professorship  Center Support  Other Faculty Support
  Student Support  Endowed Scholarship  Graduate Fellowship
  Financial Aid Scholarship  Merit-based Scholarship  Prize/Award  Student Programs
  Athletics  College/Department/Unit Unrestricted Support
Fund Name  Fund Preferences
  Yes (if more than one, indicate priority order)
      1.  2.  3.

Donor Motivation for this gift (short summary that will be incorporated into agreement)

Has the donor expressed interested in making gifts toward this pledge through a donor advised fund or family foundation?
  Yes  No
  If yes, who?

SIGNING
How quickly do you need this agreement approved and signed by UA leadership?

New Commitment Flow

Color Key
- gift officer
- author
- exceptions
- reviewers

Gift officer discusses new gift with donor and gathers documentation information, then fills out new commitment checklist.

For new funds, a gift agreement will be drafted. Information from the checklist is routed to the author, Donor Relations, Gift Administration and Campaign Reporting.

For gifts to existing funds, the gift officer fills out the pledge form, which goes to the donor for signature then to Gift Administration.

At the gift officer’s request, major gifts to existing funds can be formatted like a gift agreement.

Author drafts agreement and distributes it by email for review.

For gifts that deviate from template structure or language,
- Donor Relations seeks approval from Legal Counsel for minority, gender, religious or citizenship issues
- Author seeks approval from AVP Development for extended pledge payment periods.

After receiving approval, OR if a straightforward gift, author reviews draft with gift officer and
- Donor Relations, for appropriate acknowledgment and administration
- Gift Administration, for compliance with legal and accounting issues
- Campaign Reporting, for internal reporting issues

After first draft is reviewed, author forwards to gift officer to share with donor.

Author handles donor edits, consulting with Donor Relations and Gift Administration for technical questions.

After the donor approves agreement, Advancement Communications reviews as final set of eyes.

Author emails administrative assistants for the Vice President or AVP Development for signature. Admin provides copies to gift officer to mail to donor.

Gift officer mails to donor, who returns one signed original agreement to university and keeps one signed copy.
Ways to make donor feel good

- Signatory – highest person possible
- Legacy box or certificate
- Nice paper
- Photograph when signing
- News release
Language –

- Refer to “XYZ” scholars or professor
- Add donor bio (“legacy statement”)
- No legalese, particularly out clause
- Reassure that your institution is committed to following donor intent as much as possible
Keep it legal!

Debbie Meyers
Carnegie Mellon University

dkmeyers@andrew.cmu.edu
(412) 268-6585