DEVELOPING INSTITUTIONAL NAMING POLICIES

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LEARNING OUTCOME

After participating...

...you will be able to design a naming policy that accurately values your institutional space.

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CHAT

What are the big issues in naming for you and / or your institution?

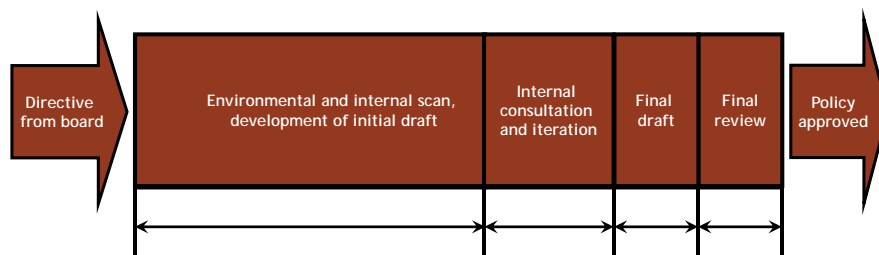**ai ACADEMIC IMPRESSIONS** 3

AGENDA

- Review: basics of developing naming policies
- Implementing naming policies
- Additional topics in naming
- Getting started in developing a naming policy

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REVIEW: BASICS OF DEVELOPING NAMING POLICIES

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POLICY CREATION TIMELINE: CRITICAL PATH

Directive from board → Environmental and internal scan, development of initial draft | Internal consultation and iteration | Final draft | Final review → Policy approved

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IMPORTANT POLICY ELEMENTS

- Value ranges to name new/renovated structures
- Value ranges to name components of new/renovated structures
- Duration of naming
- Ability to name without a gift (honorific naming)
- Criteria to address brand/naming conflicts
- Criteria on gifts from controversial sources
- De-naming/demolishment procedures

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RESOURCE

Policy Development Summary

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QUESTIONS

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IMPLEMENTING NAMING POLICIES

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IMPLEMENTING THE
NAMING POLICY

- Calculating space values
- Procuring board approval
- Marketing available opportunities

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OPPORTUNITIES
FOR DONORS

- Enduring recognition
- Support linked to interests
- Ability to honor others

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MEETING
FUNDRAISING GOALS

- Quantifiable opportunities
- Quantity of opportunities to meet/exceed fundraising goals

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BOARD GOVERNANCE
REQUIREMENTS

- Opportunities offered are in keeping with mission/vision of organization
- Planning process is done in advance of donors making commitments
- Value, quantity, quality, and 'appeal' of naming opportunities is sufficient to:
  - Meet/exceed fundraising goals
  - Exceed donor expectations

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CALCULATING SPACE VALUES: THE PROCESS

- Timing
- Gathering information
- Analyzing information
- Assessing/modifying results
- Presenting results to board
- Adapting results to a case for support

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TIMING

- Capital project approved
  - Project will proceed
- Functional design completed
  - Utility, size, location of spaces known
- Funding mix known
  - How much from fundraising?

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GATHERING INFORMATION

- Floor plans
- Size of spaces
- Utility of spaces
- Location of spaces
- Traffic/access for spaces

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EXAMPLE: BASELINE INFORMATION – UNIVERSITY OF ALBERTA

Functional Description	Utility	Location	Size (nasm)
Naming of the HRIF East Building	Special Space	All	NA
Lobby	Social Space	Level 1	250
Large Seminar Room (100 seats)	Teaching Space	Level 1	139
Seminar/Conference Room (20 seats)	Team Space	Level 1	40
Team Room	Team Space	Level 1	12
Reading Room	Staff Space	Level 1	40
Principal Investigator Research Labs	Wet Laboratory Space	Level 4	300
Large Animal Islet & Transplantation	Surgical Space	Level 5	150
Confocal Microscopy	Dry Laboratory Space	Level 5	25
FACS Facility	Specialized Equp. Space	Level 5	25
Reading Room	Staff Space	Level 5	40
Small Animal Surgery	Surgical Space	Level 5	25

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ANALYZING BASELINE INFORMATION

- Preparing information - What is known?
  - Size (i.e. square footage)
  - Utility
    - Theatre?
    - Classroom?
    - Laboratory?
    - Office Space?
  - Location (i.e. which floor)

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ANALYZING BASELINE INFORMATION

- Identifying special spaces
  - Public spaces
    - i.e. atriums, mezzanines etc.
  - Groupings of spaces
    - i.e. laboratories, project, or program spaces
  - Walkways
  - Entire floors or wings
  - Etc.

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EXAMPLE: SPECIAL SPACES – UNIVERISTY OF ALBERTA

Functional Description	Utility	Location	Size (nasm)
HRIF East Building Naming	Special Space	All	0
HRIF West Building Naming	Special Space	All	0
Teaching and Learning Centre Naming	Special Space	Level 1	600
Bridge Pedway #1	Special Space	Level 2	0
Institute of Biomolecular Design Naming	Special Space	Level 4	0
Molecular Modelling/Bioinformatics Group Naming	Special Space	Level 4	0
Bridge Pedway #2	Special Space	Level 4	0
Viral Hepatitis Centre Naming	Special Space	Level 6	0

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ANALYZING BASELINE INFORMATION

- Removing spaces with little or no 'value'
  - Washrooms
  - Communications closets
  - Storage spaces

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ANALYZING BASELINE INFORMATION

- Establishing the base value
  - 'Actual cost' of each space ($$/sq. ft.)
  - 'Actual cost' of entire facility (total $$/facility)
  - Fundraising goal of entire project
- Duckworth's preferred method: Fundraising goal of entire project

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ANALYZING BASELINE INFORMATION

$$\frac{\text{Fundraising Goal}}{\text{Total Space (Fundraising Space Only)}} = \text{Base Value}$$

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ANALYZING BASELINE INFORMATION

$$\frac{\$25,000,000 \text{ (Fundraising Goal)}}{10,000 \text{ sq. m. (Total Naming Space)}} = \$2,500 \text{ per square meter}$$

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ANALYZING BASELINE INFORMATION

Base value   **X**   Size of space   =   Base space value

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ANALYZING BASELINE INFORMATION

$2,500 per square meter	X	250 square meters (lobby)	=	$625,000

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EXAMPLE: BASE $$ VALUES

Functional Description	Size (nasm)	Base Space Value (BSV)
Lobby	250	625,000
Large Seminar Room (100 seats)	139	347,500
Seminar/Conference Room (20 seats)	40	100,000
Team Room	12	30,000
Reading Room	40	100,000
Suite of PI Research Labs	300	750,000
Large Animal Islet & Transplantation	150	375,000
Confocal Microscopy	25	62,500
FACS Facility	25	62,500
Reading Room	40	100,000
Small Animal Surgery	25	62,500

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POLL

Your capital project is $45 million. Government is contributing $15 million towards this project and you will be fundraising for the remaining $30 million. The size of the total namable space is 150,000 square feet.

What is the recommended base value in $/sq. ft.?

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QUESTIONS

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ANALYZING BASELINE INFORMATION

- Developing key weighting indexes
  - Utility index
  - Location index

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ANALYZING BASELINE INFORMATION

- Utility index
  - Key concept: spaces with higher 'utility' have higher value
    - Public spaces worth more than private spaces
    - Student/patient/customer/patron spaces worth more than researcher/clinician/staff spaces
    - Laboratory/program spaces worth more than office spaces

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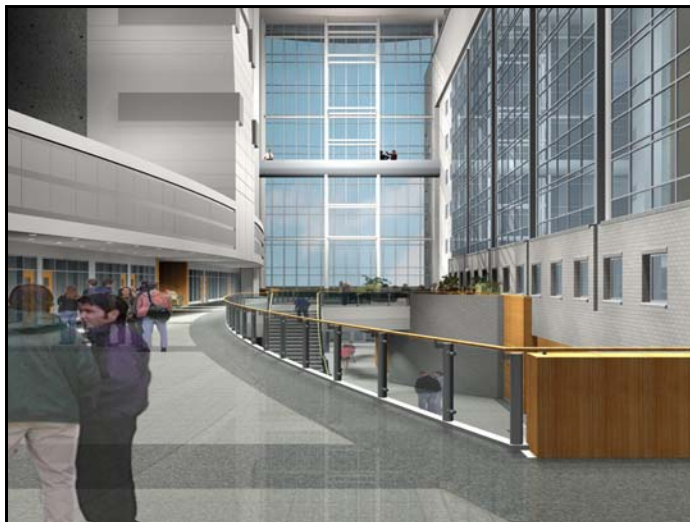
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EXAMPLE: UTILITY INDEX –
UNIVERSITY OF ALBERTA

Utility	Utility Index (UI)
Dry Laboratory Spaces	1.00
Social Spaces	2.00
Special Spaces	NA
Specialized Equipment Spaces	0.75
Staff Spaces	1.50
Student Spaces	2.00
Surgical Spaces	0.75
Teaching Spaces	2.00
Team Spaces	2.50
Wet Laboratory Spades	1.50

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ANALYZING BASELINE INFORMATION

- Location index
  - Key concept: spaces with higher traffic and public exposure have higher value
    - Locations accessible to the public worth more than private or secure spaces
    - Lower floors generally worth more
    - Spaces adjacent/visible from high traffic locations worth more

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EXAMPLE: LOCATION INDEX – UNIVERSITY OF ALBERTA

Location	Location Index (LI)
Level 1	2.00
Level 2	2.00
Level 4	1.00
Level 5	0.75
Level 6	0.75

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CALCULATING THE RESULTS

Base space value (BSV)	**X**	Utility index (UI)	**X**	Location index (LI)	**=**	Naming value for development

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CALCULATING THE RESULTS

$625,000	**X**	2.00	**X**	2.00	**=**	$2,500,000

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ASSESSING THE RESULTS

Functional Description	Base Space Value (BSV)	Utility Index (UI)	Location Index (LI)	Naming Value for Development - NVD (NVD=BSV x UI x LI)
Lobby	625,000	2.00	2.00	2,500,000
Large Seminar Room (100 seats)	347,500	2.00	2.00	1,390,000
Seminar/Conference Room (20 seats)	100,000	2.50	2.00	500,000
Team Room	30,000	2.50	2.00	150,000
Reading Room	100,000	1.50	2.00	300,000
Suite of PI Research Labs	750,000	1.50	1.00	1,125,000
Large Animal Islet & Transplantation	375,000	0.75	0.75	210,938
Confocal Microscopy	62,500	1.00	0.75	46,875
FACS Facility	62,500	0.75	0.75	35,156
Reading Room	100,000	1.50	0.75	112,500
Small Animal Surgery	62,500	0.75	0.75	35,156

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MODIFYING THE RESULTS

- The art of determining value
  - Calculated values vs. standard giving chart
  - Are spaces available for special donor groups (i.e. reunion classes)?
  - "Gut" test
  - Is the total value of all spaces significantly greater than fundraising goal (3:1 is a good ratio)

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EXAMPLE: CHART OF GIVING

Development Value Range	Total Value	% of Total Value	Number	% of Number
$10M - $15M	40,000,000	45.77%	3	2.50%
$4M - $6M	10,000,000	11.44%	2	1.67%
$2M - $3M	15,000,000	17.16%	6	5.00%
$1M - $1.5M	7,000,000	8.01%	6	5.00%
$400K - $600K	4,000,000	4.58%	8	6.67%
$300K - $350K	3,700,000	4.23%	11	9.17%
$250K	3,000,000	3.43%	12	10.00%
$150K	2,550,000	2.92%	17	14.17%
$50K - $100K	1,250,000	1.43%	19	15.83%
$25K	900,000	1.03%	36	30.00%
Totals	87,400,000	100.00%	120	100.00%

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EXAMPLE: FINAL NAMING VALUES

Functional Description	Naming Value for Development - NVD	Final Naming Values
Naming of the HRIF East Building	0	15,000,000
Lobby	2,500,000	3,000,000
Large Seminar Room (100 seats)	1,390,000	2,000,000
Seminar Room (20 seats)	500,000	150,000
Team Room	150,000	50,000
Reading Room	300,000	25,000
Principal Investigator Research Labs	1,125,000	1,000,000
Large Animal Islet/Transplantation	210,938	150,000
Confocal Microscopy	46,875	50,000
FACS Facility	35,156	25,000
Reading Room	112,500	25,000
Small Animal Surgery	35,156	25,000

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POLL

What are the three most
important qualities associated
with a physical space in terms of
naming?

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**DETERMINING THE
NAMING VALUES FOR
ACADEMIC ENTITIES**

- Endowed chairs
- Professorships
- Programs
- Centres, institutes, etc.

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ENDOWED CHAIRS & PROFESSORSHIPS

- Typical <u>cost</u> components for endowed chairs & professorships:
  - Chair holder salary
  - Research funding
  - Graduate student support
  - Other...

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ENDOWED CHAIRS & PROFESSORSHIPS

- Endowment means:
  - Principal is held in perpetuity
  - Annual disbursement (typically 5%) is used to fund the objectives (i.e. costs) of the endowment
- At a 5% annual disbursement, endowments need to be 20 times the costs to function properly
  - $5 million endowment: $250,000 in income annually
  - $3 million endowment: $150,000 in income annually

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ENDOWED CHAIRS & PROFESSORSHIPS

- Value ranges
  - Endowed chairs: $2 million-$10 million
  - Endowed professorship: $500,000-$4 million

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PROGRAMS & CENTERS

- Benefits of naming a program or center
  - Significantly boosts profile of program or center
  - Offsets but does not (usually) cover the full costs associated with a program
  - Naming gift is often fully or mostly endowed

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TAKEAWAYS

Programs & Centers

Beginning point for naming a program, center or school should be a gift that totals **3 times** the operating budget with approximately **2/3 endowed**.

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SCHOOL OR PROGRAM NAMING

- Example: school of medicine
  - Operating budget = $35 million
  - Proposed value to name:
    - Approximately $105 million
    - Endowed = $70 million (interest income = $3.5 million)
    - Direct funding = $35 million

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? QUESTIONS

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PRESENTING RESULTS
TO THE BOARD

- Written rationale for naming values
  - Assumptions
  - Methodology for assigning value
  - Why values will meet/exceed fundraising goals
- Supplementary information
  - Level plans with value and space names assigned
  - Grid of value and space names

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ADOPTING RESULTS TO CASE FOR SUPPORT

- Color-coded floor plans
- Donor-friendly grid of naming options
- Marketing copy for all major space groupings

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EXAMPLE: COLOR-CODED FLOORPLANS – UNIVERSITY OF ALBERTA

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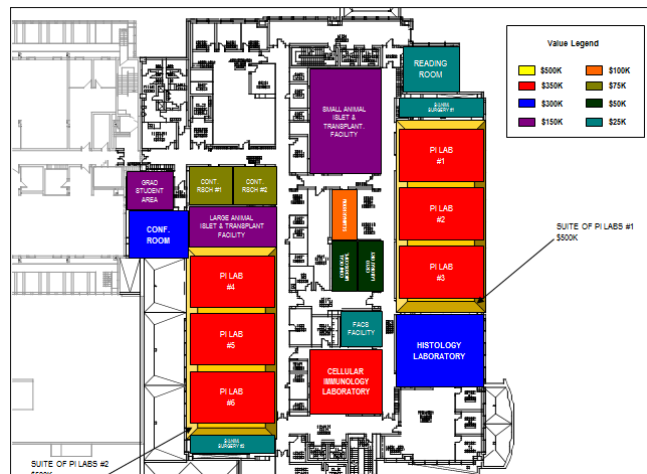
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ADDITIONAL TOPICS IN NAMING

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DURATION OF NAMING

- Expectations:
  - Gifts from individuals = Forever!
  - Gifts from corporations = Time-limited
    - 3 years, 5 years
- Market standards:
  - Gifts from individuals = Not forever in policy but "forever" in practice
  - Gifts from corporations = As with expectations (5 years is very common)

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DE-NAMING

- Expiration or lapse of time limit on naming
- Naming of facility previously named to honor individual or organization to **now** honor a donor
- Entity recognized by naming no longer meets the standards of an "acceptable" donor (i.e. Enron, WorldCom, etc.)

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ACTIVITY

Your institution has a reading room on campus that is well-used by students, faculty and visitors. This room was named for a respected former professor over 50 years ago. The professor has long since passed away, as have all of the original donors who made gifts to name the room.

In recent months, media stories have surfaced that the professor for whom the room is named was a vocal proponent of eugenics-based sterilization (a social philosophy advocating reduced reproduction of people with undesired traits) in the late 1930s.

Your institution is under significant pressure to remove the disgraced professor's name from the reading-room. You are charged with making a case for why or why not this should occur.

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FACILITY DEMOLISHMENT, REPURPOSING AND / OR REPLACEMENT

- It happens!
- How to manage relationships...
  - Communication and consultation are key
  - Find ways to honor donor to previous space in other ways:
    - Historical plaques in new location
    - Recognition in other spaces
    - Other creative solutions

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? QUESTIONS

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GETTING STARTED IN DEVELOPING A NAMING POLICY

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NAMING POLICY CHECKLIST

❑ Policy development team / committee in place
  ❑ Scope definition
  ❑ Champion
  ❑ Timeline
❑ Benchmarks unique to my institution:
  ❑ Duration of naming
  ❑ Approval bodies at various giving levels
  ❑ Other…
❑ Sample policy(ies) to work from

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🔑 TAKEAWAYS

- The development of naming policies is a consultative and collaborative process; it can take up to 10+ months to implement sound policies at a large institution
- When calculating space values, be sure to keep in mind the key rational factors:
  - Size (level area)
  - Utility (what is space going to be used for)
  - Location

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🔑 TAKEAWAYS

Base space value (BSV) **X** Utility index (UI) **X** Location index (LI) **=** Naming value for development

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TAKEAWAYS

- Prepare a market-ready list of naming opportunities
- Policies need to be in place addressing:
  - Duration
  - De-naming
  - Demolition/renovation of named spaces

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EVALUATION

Thank you!

Please remember to complete the event evaluation. Your comments will help us continually improve the quality of our programs.

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