

# BIG DONORS, BIG PROBLEMS

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A Review of Legal and Practical Issues

## The Old Problem:

How do we handle a named gift when  
the gift money is gone?

*i.e.* What do we call the Rockefeller  
Building after it's repaired with  
Bezos money

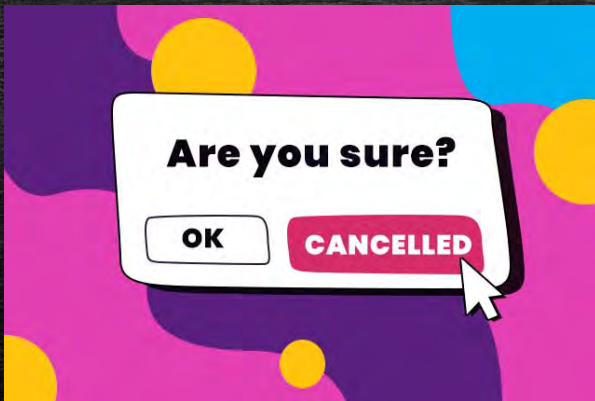
## The (REALLY) Old Principle:



Pecunia non olet

money  
does not  
stink

## The New Principle:



Call-Out Culture

= money stinks



## *Guardian: Elite universities are selling themselves*

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### WHAT THEY SAID

"When universities decide to sell themselves to the highest bidder, they become deaf to the interests of their students and the wider societies in which they operate. Subservience to war criminals and corporate overlords tends to follow."

### HOW THEY DESCRIBED WHAT THEY SAID

"We didn't want to do Saudi-bashing and engage in some kind of discussion of how MIT and Harvard are so pure, they shouldn't engage. Rather we wanted to point to the fact that these universities have all these secretive, dubious partnerships."

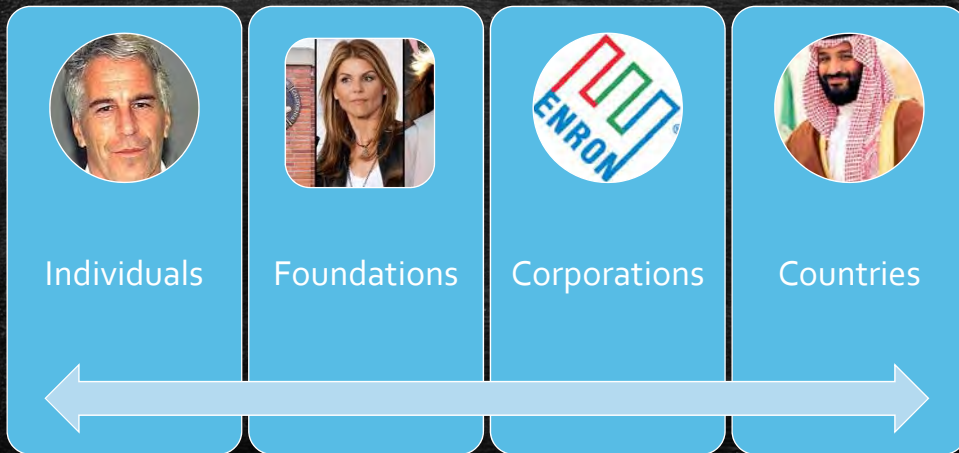
- Yarden Katz, Dept. Fellow Systems Biology, Harvard Medical School, and Grif Peterson; both affiliates of the Berkman Klein Center for Internet & Society at Harvard

## The New Problem:

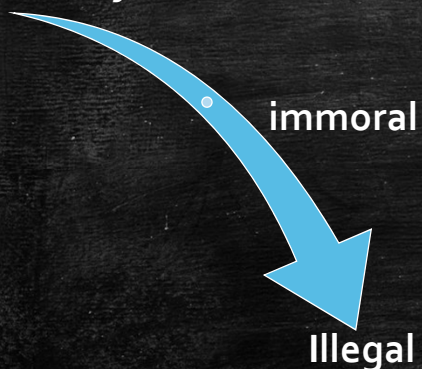
What do we do with the named gift  
when the name devalues the gift?

*And how do we prevent the new problem?*

Big Donors come in a variety of forms:



*Distasteful*



How and where do you  
draw the line?

“If you look at any university or college you can find donors who possibly made their money in ways that were distasteful to a lot of people. But that alone cannot be a criterion for exclusion because it makes it all political.”

- Thomas Cushman, sociologist, Wellesley College



## What is a GIFT?

“There are donors who confuse philanthropy with ownership, if you give money to the business school, that doesn't mean you get to pick the dean.”

- Mark Emmert, NCAA president; former President, University of Washington

“There's a huge difference between donating and bribing. .... Of course donors get recognition and special treatment, but there's a wall between that and the admission process.”

- Amir Pasic, Dean, Indiana University Lilly Family School of Philanthropy

## Culverhouse School of Law

Culverhouse: “You probably shouldn't put a living person's name on a building, because at some point they might get fed up and start talking.”



*How do you solve a problem like "tainted money?"*



Reputational  
Benefit to  
Donor

Reputational  
Harm to University

Enter: the "Gift Policy"

aka...





## THE (UK ACADEMY'S) STANDARD GIFT POLICY

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### Know the Source of Funds

Do the funds  
derive from illegal  
activity?

Convicted,  
Accused, or  
Speculated?

Do the funds  
derive from  
immoral activity or  
activity contrary to  
the university's  
values?

Rumor or fact?

What is the  
reputational risk of  
association with  
donor?

What is the public  
perception?