



Office of University Development
General Policies, Procedures, and Guidelines
Policy and Procedure: Gift Modifications

INTRODUCTION

The Policy of the University of Michigan (“U-M”) regarding the wishes of donors is expressed in the Board of Regents (“regents”) in the [Regents Bylaw 3.05](#), which says: “Each gift is accepted subject to the general policy of the board that the wishes of the donor(s), with respect to their gifts, shall be loyally observed, so long as in the opinion of the board, such wishes do not conflict with the proper administration of the university under changes that may develop in the course of time.”

When donors’ expressed wishes conflict with the proper administration of the university or are otherwise impossible to honor, the university is committed to first consulting with the donor(s) about alternative uses for the gift within the university. If the donor(s) cannot be consulted, the university will use the gift in a manner that most closely satisfies the donors’ expressed wishes.

For the Procedure to request removing or changing names of buildings, refer to the Procedure on the [Office of the President’s website](#). For the Procedure to remove or change names of professorships, refer to the Procedure on the [Office of the Provost’s website](#).

PROCEDURE

The following Procedure applies when gifts can no longer be used in accordance with the donors’ wishes and such donor(s) cannot be consulted. *Note: modifications should be rare.*

1. Development staff should contact Office of the Vice President and General Counsel (“OGC”) attorneys Katie Murphy or Sam Nuxoll.
2. If OGC, following discussion with Development staff and others as needed, determines that the gift can be used in accordance with the donors’ expressed wishes, no further action will be taken. Some reasons that a modification request may be denied include, but are not limited to:
 - **Administrative inconvenience.** Many gifts, especially those designated for scholarships, include requirements that make the administration difficult, but not impossible. OGC will not recommend approval of requests to modify funds that the university is able, but staff finds difficult to administer.
 - **Change in leadership.** Occasionally new leadership wants to modify the terms of a gift fund established by a now-deceased donor to support new initiatives. But, the university is legally required to honor a donor’s expressed wishes during their life and following their death, unless the university is no longer able to accommodate

such wishes. OGC will not recommend approval of requests to modify funds that the university is able to administer, but leadership or other staff believe would be better utilized for other purposes.

- **Administration in Different Schools, Colleges, and Units (“SCUs”).** Due to the changing nature of the university, sometimes administration of the donors’ expressed wishes is no longer possible within the SCU that is currently responsible for administration. If another SCU can administer the gift fund in accordance with the donors’ expressed wishes, OGC will recommend transfer of the funds to that SCU prior to proceeding with a modification request.
3. If OGC, following discussion with the Development staff and others as needed, determines that the gift cannot be used in accordance with the donors’ expressed wishes, OGC will proceed with one of the following alternatives:
- a. If it is possible to find a purpose within the university that closely aligns with donors’ expressed wishes and the modification is not deemed controversial, OGC will work with the requester to prepare a memorandum seeking approval from the relevant dean or director, the vice president for development, and other executive officers as needed. The memorandum will include:
 - i. Background on the gift, including the donors’ names and LIDs, whether the fund is endowed, quasi-endowed, or expendable; total gift given value (“book value”), market value, and value of the expendable amount; and the documented intent.
 - ii. Reason why the fund cannot be used according to the donors’ expressed wishes.
 - iii. Proposed modification and justification, and supporting information, such as the family’s thoughts on the donors’ expressed wishes and proposed action.
 - iv. OGC’s recommendation or other notes.
 - b. If it is not possible to find a purpose within the university that closely aligns with the donors’ expressed wishes or the modification may be controversial, OGC may recommend to the vice president for development and other executive officers as needed, to take the modification request to the regents, the Michigan Attorney General and/or court for further approval.

ROLES AND RESPONSIBILITIES

SCU Leadership. Deans or directors sign memorandum approving the gift modification.

Vice President for Development. Signs memorandum approving the gift modification or determines that further action is needed.

Office of the Vice President and General Counsel. Reviews requests, and acts or recommends as noted above.