



# 10 RULES

# Every Major Donor Should Follow

Making a gift requires writing a check. Making a *difference* requires careful, thoughtful and strategic planning. Here are 10 rules to help keep major gift-giving on track.

1

Use a gift agreement drafted by your lawyers and advisors, not the agreement offered by the charity.

2



In the gift agreement, specify how any unused funds will be handled if, for example, the project you are supporting comes in under budget.

3

Indicate how any disagreements will be resolved. Everyone may be better served by agreeing to mandatory arbitration instead of ending up in court.

4



Clearly state all of your expectations and requirements in the agreement.

That is, do not rely upon oral assurances given by staff people who may not be there five years from now.

5

If a naming gift is at issue, give some thought to putting a time limit on the naming right. Perpetuity turns out to be a long time. Do you really want the nonprofit to be hamstrung by this gift 100 years from now? Fifty years is often a productive length for a naming gift. [See Avery Fisher Hall, now David Geffen Hall.]

6



Consider whether your gift should include some support for operations and/or endowment. If you believe

deeply in the organization, you might want to make part of your gift in support of present and future operations.



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**Personal pledges can have unintended consequences.** For example, a personal pledge cannot be paid by your private foundation. Also, if you plan to pay the pledge over time, the obligation may unexpectedly be a debt of your estate or your heirs.

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**You may love the project, but be sure to assess the health and stability of the larger organization, including its leadership and finances.** If you are interested in supporting a specific CEO or doctor or professor, remember that they could leave or retire in the months or years to come.

9



**You may have some thoughts about how your gift should be used or how you want to restrict your gift.**

This is your right. However, the nonprofit may not tell you if it has concerns about the use or restrictions. Consider using a third-party advisor to help ensure that your gift will be as successful as possible and not be hampered by an ill-advised restriction.

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**The nonprofit may wish to publicize your gift.** To what extent will you allow this? For example, you may allow them to publicize it to their internal audiences but not to the general public.

## Consider your legacy: a major gift can be like a tattoo.

It may seem like a good idea at the time, but it can have some permanency. Is this gift something that you and your family will be comfortable with, even proud of, 30 or 409 years from now? We have seen buildings with a family's name in dire need of repair, or even abandoned, many years later. By following these 10 rules, you will stand a much greater chance of making a gift that results in a positive impact over the long term, and that serves as a legacy to your family for generations to come.

