Motion to Request Revision of the Donation Reinvestment Policy
Faculty Senate of James Madison University
April 30, 2015

Whereas the Faculty Senate understands the need for new development officers to increase JMU’s endowment and understands the implementation of the policy of redirecting 7% of donations to this purpose.

Whereas approximately 40% of JMU faculty and staff contribute almost $400,000 to University programs.

Whereas the reinvestment policy is causing undue financial hardship to some faculty members who have donated their own money to fund program expenses (e.g., fund student work-study experiences).

Whereas, according to the Code of Ethical Standards of the Association of Fundraising Professionals (AFP), members shall “ensure that … contributions are used in accordance with donors’ intentions.” (AFP Code of Ethical Standards, #14).

Whereas the National Council of NonProfits notes that “[p]ractices that demonstrate accountability and respect for donors include respecting restrictions on donors’ gifts…. Respecting a donor’s intent is an ethical issue and also a legal matter. A verbal agreement between a donor and a charity to use the gift in a certain way can be enforceable. When donors provide a contribution for a specific purpose this is referred to as a “restricted gift.” Clarifying how a contribution will or will not be used and respecting a donor’s intention about the use of a gift … is a basic tenet of ethical fundraising and accountability” (“Ethical Fundraising,” https://www.councilofnonprofits.org/tools-resources/ethical-fundraising).

Whereas the policy has damaged faculty good will and caused some faculty members to stop contributing to the University altogether because they believed that their targeted donations were restricted in nature and should not have been redirected to another, albeit important, purpose.

Be it resolved that the Faculty Senate requests that the reinvestment policy be changed to apply only to unrestricted donations to the University.