



Donor

Fund Compliance

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The Journey Ahead

- 01.** Introduction - Setting the Stage
- 02.** Defining Compliance & Why This Work Matters
- 03.** Illuminating the Data – Turning Insight into Action
- 04.** Building the Framework – Creating Standards That Stick
- 05.** Empowering the People – Tools + Training
- 06.** Building a Culture of Philanthropy



What is Donor Fund Compliance?

Ensuring the terms of a gift can be met ***BEFORE*** an agreement is signed



IRS
Regulations



UPMIFA
Guidelines



University
Policy



Ensuring the terms of a gift
are met ***AFTER*** a gift comes
in



Funds are being
spent



Spent according
to donor intent



Spent in a timely
manner

“Trust takes years to build,
and seconds to break”

MISSION CRITICAL



PHILANTHROPY POWERS OUR MISSION

Gifts fuel scholarships, research, and programs beyond tuition. They turn possibility into transformation and reflect donors' belief in our mission.



COMPLIANCE PROTECTS PHILANTHROPY

Protects donor intent. Prevents misuse. Builds trust. Aligns giving with mission.

Former Dispute

Doctor Awarded \$39M in Donation

By [Ryan Quinn](#)

A jury awarded over \$39 million last week to a former doctor who alleged that the university tried to redirect a \$10 million gift for his research into a general gift to a cancer center and retaliated against him when he spoke up.

Dr. Kevin Murphy, a former department vice chair, "has persistently asserted for the past seven years" that the "University of _____ attempted to steal" the money, according to a news release from a Murphy spokesperson.

"When he decided to speak out against these irregularities, he claimed that top officials initiated a public smear campaign against him, which has escalated," the release said.

donor alleges trustees misused some funds meant for Wharton scholarships

The lawsuit, filed by Saul B. Rosenthal, alleges trustees gave the business scholarships to student athletes.



The New York Times

When College Scholarship Programs Falter

Michigan AG's Office investigating complaint about finances

College

[DAVID JESSE](#) Detroit Free Press

The Michigan Attorney General's Office has been investigating a complaint about _____ College's finances for the past 10 months, according to documents obtained by the Detroit Free Press under an open records request.

Investigators have been looking into whether the small private college in mid-Michigan violated state laws around soliciting donations when it used money from its endowment and from various departmental gift accounts to help cover costs in its operating budget. The complaint also accused the college of violating laws mandating disclosure of financial difficulties to prospective donors and of violating laws capping the expenditures from the endowment at 7% per year.

WHAT'S AT STAKE

01.

Loss of Donor
Trust

Misused or idle
funds erode trust
and weaken future
giving.

02.

Reputational
Damage

Mismanagement can
become public fast,
damaging
institutional
credibility.

03.

Financial/Legal
Risk

Misuse or poor
tracking can lead to
audits, penalties, or
returned gifts.

04.

Loss of Non-Profit
Status

Ongoing
noncompliance can
threaten 501(c)(3)
status.

DONORS DEMAND TRANSPARENCY



#1
FACTOR OF A
DONOR'S
EXPERIENCE,
ENSURING GIFTS
ARE DISBURSED AS
DIRECTED



1:4
DONORS STOPPED
GIVING DUE TO A
LACK OF
TRANSPARENCY ON
HOW THEIR FUNDS
WERE USED

80%
OF DONORS WANT
TO SEE PROOF OF
IMPACT BEFORE
CONTINUING
SUPPORT



-FUNDMINE
R

DATA TO ACTION

Understanding Your Utilization Rate



Assess Current Position

Gauge where your institution stands with utilization across campus



Tell The Story

Present compelling data that demonstrates the issue



Measure Progress

Track year-over-year improvements and identify trends in spending patterns



Secure Resources

Use utilization metrics to justify additional staffing, systems, or operational support



Excessive Balances

Two to three years' worth of accumulated balances or distributions

Zero Expenditures

Endowed or current use funds with no spending activity during a fiscal year or over multiple years

Unawarded Student Aid

Available student aid funds that remain unawarded within the fiscal year

Vacant Faculty Positions

Endowed chairs or professorships that remain unfilled during the fiscal year or over multiple years

FUND REVIEW: MAPPING THE LIFECYCLE OF A GIFT



DISCUSSION BREAK

- WHAT IS COMING UP FOR YOU?
- WHERE IS YOUR INSTITUTION IN YOUR COMPLIANCE JOURNEY?
- WHAT IS KEEPING YOU UP AT NIGHT?

ENGAGING STAKEHOLDERS: DISMANTELING SILOS





EVERYONE HAS A PIECE A OF THE PUZZLE

- Donor CRM
- Finance
- Fund Managers
- Student Beneficiaries
- Schools/Colleges

DEVELOPING A WORKING GROUP, COMMITTEE OR TASK FORCE



Ensure
effective and
efficient use
of available
resources



Streamline
processes and
clarify
roles to ensure
aligned, timely
fund manage
ment



Build a culture of
philanthropy
with
shared responsibilit
y
in managing
donor funds

GWU COLLABORATION TIMELINE 2025

JAN



Campus-
Wide
Listening
Tour

FEB



University
President
Presentation

MAR



Finance
Director's
Meeting

MAY



Advanceme
nt/
Provost
Office

AUG



Provost
Office
Compliance
Request

OCT



New VP of
Advanceme
nt
/University
President

POLICIES + PROCEDURES

UTILIZATION

Donor Fund Spending

Define spending expectations + accountability

MODIFICATIONS

Amendments & Fund Changes

Request, documentation, and responsibility roles

MAINTENANCE

Closing Funds

Fund closure timing & process

WORKFLOWS

Roles & Responsibilities

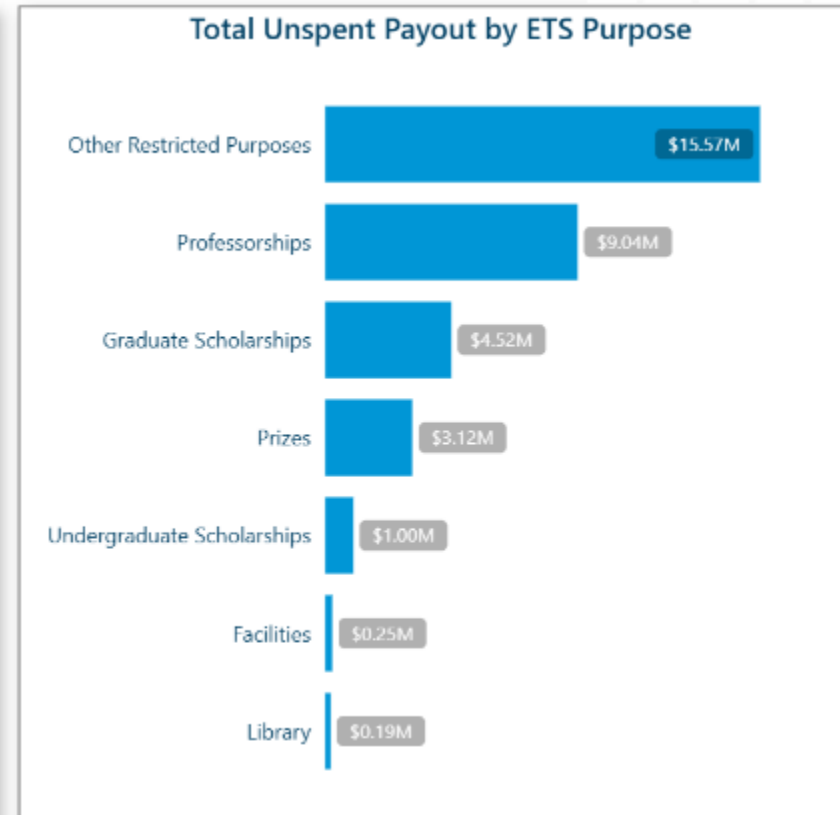
Process for compliance review, legal review, amendments, or court actions

REPORTING TOOLS

How much do I have to spend?

What can I spend it on?

SAMPLE





TRAINING



Onboarding

Required training for new fund managers



Annual

One-hour virtual training for new and existing fund managers/
Advancement



Focused

Training that is school/college/
unit-focused based on their
specific challenges

■ COMPLIANCE PROGRAM



Fund Audits & Reviews

Focused fund audits at key times of the year



Data Integrity & Hygiene

Are fund details the same in your CRM and University system?



Reporting & Transparency

Reports that give a full fund picture and guide future action



Utilization & Improved Metrics

Running your metrics every year to track year-over-year improvements

Please reach out!



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