

Guide 4: Sample Calculations for Naming Facilities, Individual Rooms, & Units

A. Calculation method to be used to recommend an estimated naming value for physical spaces.

1. Facility (Existing):

Naming value =

- Multiply facility's insured replacement value (X) by 50% to get naming value (Y)

Examples:

- I. Kinard Hall (77,156 sq. ft., insured replacement value of \$17,678,160 or \$18M)¹

$$\$18,000,000 \quad \times \quad 50\% \quad = \quad \$9,000,000$$

\$9,000,000 Total naming value/endowment minimum

- II. Thurmond Hall (62,057 sq. ft., insured replacement value of \$14,402,714 or \$14.5M)¹

$$\$14,500,000 \quad \times \quad 50\% \quad = \quad \$7,250,000$$

\$7,250,000 Total naming value/endowment minimum

2. Renovation of room/spaces within an existing facility:

Naming value =

- Divide insured replacement value of facility (X) by total square feet of facility (Y) to get renovation cost/square foot value (Z)
- Multiply Z by total square feet of room/space renovation to get renovation value (A)
- Multiple renovation value (A) by 50% gift minimum to get naming value (B)

Examples:

- I. Room in Thurmond Hall (62,057 total sq. ft., replacement value of \$14,402,714) Conference Room 212 (713 square feet)¹

$$\$14,402,714 \text{ (X)} \quad / \quad 62,057 \text{ (Y)} \quad = \quad \$232 \text{ sq/ft. (Z)}$$

$$\$232 \text{ (Z)} \quad \times \quad 713 \text{ sq. ft.} \quad = \quad \$165,416 \text{ (A)}$$

$$\$165,416 \text{ (A)} \quad \times \quad 50\% \quad = \quad \$82,708 \text{ (B)}$$

\$82,708 Total naming value (minimum)

¹ Square footage and replacement values are provided by the Office of Facilities Management.

- II. MBB lounge in Coliseum (166,441 sq. ft., replacement value of \$69,764,040)
 Room being converted to MBB lounge (500 square feet)¹
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|------------------|---|-------------|---------------------|
| \$69,764,040 (X) | / | 166,441 (Y) | = \$419 sq./ft. (Z) |
| \$419 (Z) | x | 500 sq. ft. | = \$209,500 (A) |
| \$209,500 (A) | x | 50% | = \$104,750 (B) |

\$104,750 Total naming value (minimum)

University Advancement, per the policy may request to adjust the value of the naming value higher or lower, based on marketability of the space to be named.

- B. Calculation method to be used to recommend an estimated value for a college, school, or other unit.

Naming Value =

- Multiply unit's annual operating budget (X) by 3 to get base value (Y).
- Multiply Y by 50% to get endowment value (Z)

1. College of Business Naming minimum: \$12,000,000 endowment
 FY18 Operating Budget: \$8M

\$8,000,000 (X)	x	3	= \$24,000,000 (Y)
\$24,000,000 (Y)	x	50%	= \$12,000,000 (Z)

\$12,000,000 Total naming value/endowment minimum

\$12,000,000	x	4% ESR ²	= \$480,000 annual interest spend
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5% Unit General Fund/Budget Test

\$480,000	/	\$8M	= 6.00%
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2. College of Arts and Sciences Naming minimum: \$25,000,000 endowment
 FY18 Operating Budget: \$16.5M

\$16,500,000 (X)	x	3	= \$49,500,000 (Y)
\$49,500,000 (Y)	x	50%	= \$24,750,000 (Z)

\$25,000,000 Total naming value/endowment minimum

\$25,000,000	x	4% ESR ²	= \$1,000,000 annual interest spend
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5% Unit General Fund/Budget Test

\$1,000,000	/	\$16.5M	= 6.00%
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² Endowment Spend Rule