

# ***The “Daily Plan-It™”***

*SHUMATE BROKERAGE CORP.*

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## **Charitable Givers Beware**

One of the greatest pleasures of accumulating wealth is the opportunity to enhance the charity of your choice. Universities are often the beneficiaries of such donations, which are frequently given with specific guidance dictating how the funds should be used. But can you truly trust the university to use the money for your intended purposes?

### **No princes at Princeton**

Charles Robertson donated \$35 million to Princeton University back in 1961. He did so with a specific purpose in mind (and on paper): “to strengthen the government of the United States and increase the ability and determination to defend and extend freedom throughout the world by improving the facilities for the training and education of men and women for government service.” The goal of the program was to support students in the Woodrow Wilson School of Public and International Affairs who wanted careers in public service after they were graduated, especially in international matters.

Although Princeton was aware of the purpose for the donated funds, they used some of them for other purposes. They allocated money to their general endowment, and funneled it towards other projects, including the Wilson School’s Center for Research on Child Wellbeing. They also covered general tuition for students outside the Wilson School.

### **Not taking it anymore**

William Robertson, son of the original donor, decided to do something about it. He’s currently embroiled in an unprecedented court battle with Princeton, which could have important implications in dictating how donated money will be used and accounted for in the future.

### **Misallocation loves company**

Princeton is not the only charitable recipient which

has encountered issues of integrity. Yale University was forced to return a \$20 million gift by Lee Bass in 1995 that was earmarked for funding a program in Western civilization that never got off the ground. And Henry Ford II resigned from the board of the Ford Foundation because he felt that they had strayed too far from his grandfather’s original goals.

### **Trusting your charity**

If you have philanthropic leanings, it’s important to continue donating to the charity of your choice. However, it may not be the wisest decision to make unrestricted gifts to endowments. Instead, let your wishes be specifically known. Clearly identify and write down exactly how you want the money to be spent. Then follow-up. The best way to make sure that your wishes are respected is to be specific. Spell out exactly how you want your gift used, and your wish will become their command.

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