Policy Title: Endowed Chairs: Establishment, Administration, and Appointment of Faculty

Policy Number: 500-15

Responsible Officer: Vice Chancellor-University Advancement
Responsible Office: University Advancement
Origination Date: 06/15/2006
Date of Revision: 07/01/2015
Date of Last Review: 07/01/2015
Scope: Provides General Guidance Related to Endowed Chairs

I. Policy Summary
This policy provides the guidance for the establishment, administration, and appointment of an Endowed Chair or professorships at the University of California, Riverside (UC Riverside). It includes any Endowment established by a Gift to the University of California Regents (The Regents) and those to the UC Riverside Foundation (Foundation).

II. Definitions (applicable to this policy)
- **Corpus**: The principal portion of funds derived from a gift, as distinguished from interest or profits.
- **Donor**: Individuals, trusts, estates, corporations, business and professional foundations, and other non-government agencies or organizations who give private support to the University.
- **Gift**: Funds that are voluntarily and legally transferred to the ownership and possession of the University, donative in intent, without any expectations of tangible compensation, awarded irrevocably, and for which contractual or grant requirements are not imposed.
- **Endowed Chair**: A perquisite that is supported by income from an endowment fund established by a gift or gifts from private sources and is made available for teaching, research, and service activities to a distinguished faculty member of the University. It may be campus-wide or assigned to a college, school, department, division, or organized research unit.
- **Endowment**: Funds derived from a gift or bequest, the terms of which stipulate that the fund principal must remain in violate in perpetuity and is invested for the purpose of producing present and future income that may be expended or added to the principal according to the wishes of the donor.
- **FTE (Full-Time Equivalent)**: A budget term used to describe a unit equal to a full-time (100%) position for one year.
- **Pledge**: A promise to make a gift or philanthropic grant, the amount to be paid subsequently by the donor, usually in installments.
- **Stewardship**: Ethic that embodies the act of conscientious management, protection, and care of valuable University resources.

1 Date of Previous Version
III. Policy Purpose
A Gift of private support endowed to fund scholarly activities, including research, is an essential catalyst for the recruitment and retention of outstanding faculty. An Endowed Chair is awarded to honor extraordinary academic achievement, as well as to recruit and retain the most distinguished scholars. Acceptance of such a Gift requires:

- Careful documentation of expectations with each Donor;
- Thoughtful deliberation of whether the Gift furthers the academic mission of the University;
- Thorough analysis and understanding of the guidelines and associated costs; and
- Shared commitment to fulfilling its intended purpose.

At the University, this process is necessarily shared among the UC Riverside Division of the Academic Senate, campus administration, and the Office of Development, all committed to the goals of:

- Furthering the University mission of research, teaching, and community service;
- Creating a host of revenue streams to support, promote, and foster excellence in faculty research;
- Responsively treating each Donor with respect and integrity; and
- Inspire a culture of philanthropy whereby benefits accrue to the UC Riverside students, faculty, programs, and facilities through the generosity of private support.

IV. Roles & Responsibilities
A. Deans, Department Chairs, and Faculty
- As appropriate, the aforementioned individuals identify a faculty FTE for the proposed Endowed Chair.
- The appropriate Dean and relevant Department Chairs responds to inquiries from the UC Riverside Academic Senate Committee regarding the proposed Endowed Chair throughout the review process.
- If a proposed Endowed Chair is to be named for someone other than the Donor, the appropriate Dean attests that the honoree or official representative of the honoree is willing to accept the honor.

B. Associate Vice Chancellor of Development (AVC-D) or Designee
- Coordinates contacts and discussions with each prospective Donor;
- Completes the Initial Request for Approval to Name/Establish and Endowed Chair form;
- Prepares proposal and draft Gift Agreement; and
- Submits all original documents to the Associate Vice Chancellor of Advancement Administration (AVC-AA) or designee

C. Associate Vice Chancellor of Advancement Administration (AVC-AA) or Designee
- Completes University of California Office of the President (UCOP) Item for Action form;
- Drafts UC Riverside Office of the Chancellor Request for Approval to Establish an Endowed Chair Transmittal Letter to UCOP;
- Coordinates the review, approval, and signature process for all documents requiring attention from the:
  - UC Riverside Division of the Academic Senate;
  - Provost and Executive Vice Chancellor (P&EVC) or designee;
  - Vice Chancellor of Planning and Budget (VC-PB); and
  - Vice Chancellor of University Advancement (VC-UA);
- Upon receipt from the Chancellor or designee of the UCOP response, distributes, as applicable, the UCOP Letter of Approval to the:
  - P&EVC;
  - VC-UA;
  - AVC-D;
  - Vice Provost for Academic Personnel; and
  - Appropriate Dean and, as applicable, relevant Department Chairs; and
V. Procedural Steps

A. Initial Processing of a Proposed Endowed Chair

1. To begin the Endowment process, the AVC-D or designee, the appropriate Dean, and the Donor meet to negotiate the terms of a Gift proposing the establishment of an Endowed Chair. Upon all involved arriving at a mutual understanding, the AVC-D drafts a Gift Agreement and an Initial Request for Approval to Name/Establish and Endowed Chair form. At a minimum, each Gift Agreement must include the following elements:

   • The addition of payout to principal;
   • Alternative uses by the University of the payout during the period prior to the full funding of the Endowment or when the Endowed Chair is vacant;
   • The reallocation to alternative uses by the University if:
     o the minimum funding level is not ultimately realized; or
     o if the subject area ceases to be consistent with the mission of the University and academic plan of the campus; and
   • The disclosure of campus administrative fee practices.

2. Within five days of the proposal being approved by the VC-UA, the AVC-D or designee, executes an Initial Request for Approval to Name/Establish and Endowed Chair. This document, along with the Gift Agreement is submitted to the AVC-AA or designee.

3. Within five business days of receipt, the AVC-AA or designee routes the proposed Endowed Chair documentation to:
• P&EVC or designee;
• VC-PB; and
• Academic Senate.

4. Within 30 business days of the Academic Senate receiving the proposed Endowed Chair documentation, the Executive Council forwards an overall recommendation to the P&EVC or designee, as well as the AVC-AA or designee. The appropriate Dean and relevant Departments Chairs may also provide comment and recommendations during this period.

5. Upon approval of the proposal,
• The AVC-AA:
  o Completes a UCOP Item for Action form;
  o Drafts a UC Riverside Office of the Chancellor Request for Approval to Establish an Endowed Chair Transmittal Letter to UCOP;
  o Obtains approval signatures on the Gift Agreement from all involved parties; and
  o Sends these documents to the P&EVC.
• The P&EVC or designee, within five business days of receiving all documents from the AVC-AA, signs and dates the completed UCOP Item for Action form and, with all applicable documentation for the proposed Endowed Chair, sends the naming packet to the Office of the Chancellor.

6. Within three business days of receiving the naming packet, the Chancellor or designee sends the proposed Endowed Chair packet to UCOP for review and approval.

7. Immediately upon receiving the UCOP Letter of Approval, the Chancellor or designee will forward the documentation to University Advancement.

8. Immediately upon receiving the documentation from the Chancellor or designee, the AVC-UA or designee will distribute the UCOP Letter of Approval to the:
• P&EVC;
• VC-UA;
• AVC-D;
• Vice Provost for Academic Personnel; and
• Appropriate Dean and, as applicable, relevant Department Chairs.

B. Required Levels for an Endowed Chair

1. Minimum Endowment Principal: The Endowment principal must be received and maintained, as set forth in the Campus Endowed Fund Minimum Amounts instructions approved by the Chancellor.

2. Faculty and Salary Provision: Prior to any commitment on the part of the University, the campus must have available and must commit, if necessary, the general fund faculty provision and salary for the holder of Endowed Chair.

Note: UCOP policy allows for the use on an Endowment payout to support base salary unless expressly prohibited by the Gift Agreement.

C. Establishment and Funding of an Endowed Chair

1. An Endowed Chair may be established only upon acceptance by the Chancellor of either:
   a. Cash or a binding pledge of funds that immediately or within a reasonable period of time creates a Corpus in an amount sufficient to provide income adequate for meeting the purposes of the Endowed Chair; or
   b. A legally binding commitment to provide appropriate income at the end of each Fiscal Year (FY) from an equivalent Corpus held inviolate by a trustee.

In the latter case, per UCOP APM-191: Policy on Endowed Chairs and Professorships, §B.7., following approval by the President, the Endowed Chair is deemed “conditionally established” until full funding is achieved.

Note: APM-191 provides for contingent approval of Endowed Chairs to be funded through a bequest or deferred gift.

2. Pledges to the Foundation must be supported with a binding agreement by the Foundation to transfer Endowment income annually to The Regents for the purposes of funding an Endowed Chair in accordance with UCOP Administrative Guidelines for Support Groups.
the Donor defaults on the Pledge provided, the Chancellor determines the disposition of the Endowed Chair.

3. Compliance with Academic Plan: The area of study must be in accord with the mission of the University of California and the academic plan of UC Riverside. The Endowed Chair definition should be comprehensive enough to allow for new directions in research and to identify as inclusive a pool of candidates as possible.

4. Provisions for Alternative Uses: The Endowed Chair and the annual income produced must be used for the designated area of study as long as that area is within the UC Riverside academic program. If the designated area of study no longer is a part of the UC Riverside academic program, the Chancellor may use the income from the Endowment to support and Endowed Chair in an area of study on the campus related as closely as possible as the original interest and intent of the Donor. After consulting with the relevant Department Chair and the school/college executive committee, the appropriate Dean is to identify the potentially affected academic units. The alternative use of an Endowment may only occur after full consultation with the faculty of the potentially affected academic units and, when possible, the Donor or a family member representing the Donor, or an officially designated representative of the Donor.

5. Naming and Campus Review: If desired, an Endowed Chair may be named in honor of the Donor or an honoree proposed by the Donor, subject approval of the President. The process detailed in Section V.A., above, is to be followed when proposing the naming of an Endowed Chair.

D. Use of Endowment Income
The use of funds for an Endowed Chair are used in a manner consistent with the intent of the Donor, balancing the goals of the appointed faculty member with the needs of the University. Income from an Endowed Chair is made available to the appointed faculty member in support of teaching and research per applicable University regulations. The annual budget for the Endowed Chair is collaboratively developed by the appointed faculty member, the related Department Chairs, and the appropriate Dean and/or Vice Chancellor prior to the normal campus budgetary process. The use of funds for each Endowed Chair is reviewed annually by the P&EVC and the AVC-D. Other considerations to be aware of in the use of funds for an Endowed Chair include but are not limited to:
1. The budget for an Endowed Chair in any given year may not exceed the amount of available funds from the associated Endowment.
2. The base salary during an academic year and budgeted position for the faculty member appointed to the Endowed Chair must be provided by general funds available to the campus and/or the Endowment payout.
3. Provisions must be made in the Gift Agreement for the addition of unexpended income to the principal at the discretion of the P&EVC when circumstance warrant.

E. Appointment of Endowed Chair
The Chancellor or designate appoints each Endowed Chair held at the campus-level. The appointment is made after consulting with the appropriate Dean or Vice Chancellor and members of the Academic Senate Committee on Academic Personnel.

For an Endowed Chair to be held at the College or school level, the appropriate Dean recommends an eligible faculty member for appointment. Prior to submitting the recommendation to the P&EVC, the appropriate Dean consults with the Chair of the College Executive Committee to identify each Department affected by the appointment and then meets for discussions with and input from faculty members of the affected Departments.

The P&EVC:
- Before making an Endowed Chair appointment of a candidate who is already a member of the University regular faculty ranks, forwards a recommendation to:
  - Academic Senate Committee on Academic Personnel;
  - The home Department of the candidate; and
The Applicable College or school Dean for review and advice.

- Reviews and approves each recommendation for an Endowed Chair Appointment submitted by a Dean.
- Follows the normal review process for an Endowed Chair appointment of a University faculty member who does not already hold a regular rank appointment. This includes consulting with the Academic Senate Committee on Academic Personnel for new recruitments.
- Upon the appointment of a faculty member to an Endowed Chair, notifies the:
  - VC-UA;
  - Vice Provost for Academic Personnel;
  - Appropriate Dean; and
  - Relevant Department Chairs.

An Endowed Chair may be filled with the appointment of only one faculty member at a time. The position is renewable with a review of the Endowment every five years by the P&EVC or designee and the VC-UA or designee. Each review is based upon the criteria of the Gift Agreement. In the absence of continued merit and promotional advances (e.g., Professor, Step V and above), the Academic Senate Committee on Academic Personnel performs an academic quinquennial review of the scholarly activities of the faculty member appointed as the Endowed Chair. This information is shared with each faculty member identified as a candidate for the Endowed Chair during the recruitment process. Unless otherwise provided in the terms of the Gift Agreement, an Endowed Chair may be filled successively by a series of eligible faculty members, each appointed for a prescribed period of time.

F. Unfilled Endowed Chair
During any period when an Endowed Chair is not occupied by an appointed faculty member, including while a search of a candidate is in progress, the appropriate Dean, after consultation with the relevant Department Chairs, may request of the P&EVC or designee or the Chancellor of designee the use of spendable Endowment income. The proposed use of these funds must be to support research and teaching in the designated area of study.

If an established and fully funded Endowed Chair is vacant three or more consecutive years or has accumulated the equivalent of five years of spendable payout, the P&EVC or designee initiates discussions with the applicable Dean to implement an appropriate action plan to ensure that the University meets its legal obligation under California trust law.

G. Disestablishment of an Endowed Chair
Per UCOP APM-191, the Chancellor may recommend the disestablishment of an Endowed Chair to the President. Any such recommendation is done after consulting with the Academic Senate.

H. Stewardship
At least once every five years, the VC-UA or designee reviews the Endowment terms of an Endowed Chair to verify that UC Riverside continues to fulfill its legal obligations to use the income in a manner consistent with the intent of the Donor. Additionally, the VC-UA or designee, along with the P&EVC or designee, confirms, at a minimum every five years, that the appointed faculty member meets the criteria of the Endowed Chair Gift Agreement.

Every year, each Endowed Chair must, via the relevant Department Chairs, submit to the appropriate Dean:

- A budget identifying the proposed uses of the Endowment payout for the upcoming year; and
- A letter to the Donor outlining the University and scholarly accomplishments for the past year as a result of the funding received from the Endowment.

The appropriate Dean forwards the original letter to the P&EVC for informational purposes and
to the VC-UA, and the AVC-D for review and transmission to the Donor.

Annually, the AVC-AA provides UCOP a FY report that lists the status of each approved UC Riverside Endowed Chair. The report, at a minimum, also includes the following information for each Endowed Chair:

- Name of Endowed Chair;
- Relevant Departments;
- Code for discipline;
- Year approved;
- Fiduciary;
- Pledged amount;
- Book value;
- Market value;
- Unexpended payout; and
- Status (filled or vacant).

A copy of the report is also provided to the P&EVC and the appropriate Dean.

VI. Forms/Instructions
- Initial Request for Approval to Name/Establish and Endowed Chair Form
- UCOP Item for Action Form
- UC Riverside Office of the Chancellor Request for Approval to Establish an Endowed Chair Transmittal Letter to UCOP Template
- Campus Endowed Fund Minimum Amounts Instructions

VII. Related Information
- UCOP APM-191: Policy on Endowed Chairs and Professorships
- UCOP Administrative Guidelines for Support Groups

VIII. Revision History
This policy is reviewed and updated as needed by the VC-UA or designee, but no less than every three years from the last effective date.

IX. Review and Approval Authority

________________________________________________________________________
Kim A. Wilcox, Chancellor
Date

________________________________________________________________________
Paul J. D’Anieri, Provost and Executive Vice Chancellor
Date

________________________________________________________________________
Peter A. Hayashida, Vice Chancellor-University Advancement
Date