Guidelines for the Administration of
Endowed Faculty Chairs and Professorships

Introduction

The University of Vermont encourages the establishment of endowed faculty chairs and professorships created by private gifts to the university through the UVM Foundation; such gifts recognize and augment support for outstanding faculty and academic units. This policy sets forth the principles that shall guide the establishment and activation of each endowment.

Executive Summary

1) An existing base salary line is required for all endowed faculty awards.
2) Base salary savings and/or salary supplementation should generally not exceed 50% of the annual endowment earnings; exceptions require the Provost’s approval. Salary savings resulting from an endowed faculty award accrue to the faculty member’s home school/college.
3) Funding not awarded as base salary or salary supplementation must be awarded to the recipient as flexible support for their teaching, research, and outreach activities.
4) The award, review, and evaluation of endowed faculty will follow University policies and procedures.

Policy Statement

Responsibilities

Responsibility for identifying endowment priorities lies with the departments and colleges. Responsibility for securing, managing and investing the endowments lies with the UVM Foundation. Responsibility for authorizing, awarding, and administering endowed chairs and professorships lies with the dean of the college and the Provost. Stewardship of the donors will be coordinated between the UVM Foundation and the University.

Purpose of Endowed Positions

Traditionally, faculty chairs and professorships are established as a means to honor and support the work of faculty pursuing scholarly activity in a particular field. An endowment also may be established to offer departments, colleges, programs, and institutes an additional source of unrestricted funds to support the activities of that unit by establishing an endowed chair for the administrator of that unit (ie: an endowed deanship or an endowed department chair). Endowed administrative chairs are awarded ex officio to the incumbent in an administrative post, and are not retained by the incumbent if s/he leaves their administrative post.
An endowed chair or professorship is generally intended to provide special recognition to the faculty member to whom the title is awarded. It is held for a specific term, and during that time, endowment earnings are used by the university to supplement the faculty member’s scholarship and responsibilities in teaching, research, outreach, and service. In addition, they may be used for graduate assistant stipends, secretarial assistance, travel expenses, research support, and for such other purposes as may be reasonably related to the purpose of the endowment. Endowed faculty awards require an existing base salary line. Unless explicitly precluded by the gift agreement, endowment earnings may also be used for part of the base salary, or for a salary supplement, subject to approval by their Dean, the Provost, and consistent with collective bargaining agreements and/or relevant governing documents. Salary savings achieved through the use of endowed faculty funds will accrue to the faculty member’s home college/school. To ensure that the incumbent has flexible resources to advance his/her teaching, research and outreach, base salary and/or salary supplementation should generally not exceed 50% of the total available annual endowment earnings. Exceptions to the 50% guideline require the Provost’s approval.

An endowed administrative chair (e.g., a department chair, the director of an academic program or an organized research unit, or a dean) is intended to support the scholarship, teaching, research, outreach, and public service activities of the department, research unit, program, or college. Such endowed positions generally are intended to support the work of the academic unit and not the work of the individual administering the unit; they are held ex officio by the administrator only while serving in that position.

Establishment of Endowments

In general, the UVM Foundation engages in the identification, cultivation, solicitation, receipt, and management of gifts that are used to establish the endowment.

The university controls the appointment of faculty to endowed chairs and professorships and manages oversight and review of faculty in these positions. The university sets the fundraising priorities, including those for endowed faculty positions, through an internal process requiring review and approval by the department chair, dean, Provost, and UVM President, and those priorities are transmitted to the UVM Foundation which then seeks to raise those funds.

Levels of funding needed for endowments

Funds to establish an endowed position are to be provided by a gift specific to that purpose, or from an identified university endowment fund appropriate for that purpose. The following minimum endowments are currently required, with these amounts to be periodically reviewed by the UVM President in collaboration with the UVM Foundation:

- Dean of a school/college: $5,000,000
- Administrator of a department, program, or institute: $3,000,000
- Faculty chair: $3,000,000
- Faculty professorship: $1,000,000
- Green and Gold Professorship: $250,000

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Donors may establish a named chair or professorship without endowing the position by creating a "current use" chair or professorship. A “current use” chair or professorship is established with an outright (current use) gift or pledge equal to the income that would be generated by the minimum required endowment. Current use chairs or professorships can only be established with a minimum term of five years. The professorship ceases to exist when the current use funding is exhausted.

Example 1: A donor can establish a current use named Green and Gold Professorship with an annual gift of $12,500 (approximating the income generated from a $250,000 endowment) payable in five annual installments totaling $62,500.

Example 2: Donors may endow a named chair or professorship using a bequest or other deferred commitment, and make current use gifts equivalent to what that endowment would generate so that the University can appoint a faculty member to the named position during the donor’s lifetime.

If an endowed position is to be funded from unrestricted endowment funds (ie: the original donors established a general endowment but the Dean wants to permanently allocate a portion of the endowment to support a chair or professorship), the full amount of the required minimum endowment must be separated from the unrestricted funds and placed in a separate account specifically designated for the proposed administrative or faculty endowment and maintained there for the duration of its existence.

Memorandum of Agreement

All endowed faculty positions that are supported by private funds will have a memorandum of agreement that governs the use of the private dollars. The UVM Foundation will work with donors, the heads of academic units, and the Provost to establish these memorandums of agreement.

Management of endowed funds

The UVM Foundation manages all endowed funds according to an investment policy established and monitored by the Finance and Investment Committee of the UVM Foundation Board of Directors. The investment policy calls for a percentage of the earnings on endowment funds to be available for annual spending. The percentage is based on the average market value of the endowment over a three-year period.

Spending of endowment earnings

Spendable earnings are available to be spent by the faculty member who holds the endowed position using normal university expenditure systems. The administrator of an academic unit who holds an endowed administrative chair will provide oversight to the spending of endowment earnings using normal university expenditure systems. The use of private gifts to support endowed positions is governed by University and UVM Foundation disbursing guidelines and by the memorandum of agreement established with the donor.
Stewardship of the donors

The UVM Foundation coordinated with the campus community to provide stewardship activities that recognize donor gifts. Stewardship typically occurs at the time a gift commitment is made, but also continues indefinitely through such forums as invitations to Foundation Leadership Council, Ira Allen Society, and other events, as well as through an annual endowment report detailing the fund’s financials and the impact of the fund on the faculty member’s scholarly activities.

The UVM Foundation will coordinate all gift announcements, events, and press releases.

The university will facilitate the ongoing stewardship of donors through regular contact with donors by the faculty members who benefit from the donor support, and also by the appropriate department chair and dean. These stewardship contacts should be coordinated with the UVM Foundation.

Activation and Continuation of Endowed Positions

Designated titles

It is the prerogative of the university to designate the endowed position, which will generally use one of the following formats:

- [Name selected in consultation with benefactor] Chair in [field]
- [Name selected in consultation with benefactor] Dean of the [College/School]
- [Name selected in consultation with benefactor] Professorship in [field]
- [Name selected in consultation with benefactor] Green & Gold Professorship in [field]

An alternative title may be established by the university following consultation with the benefactor, the Provost, and President of the UVM Foundation.

Appointment: All appointments for a chair or professorship are recommended by the dean and approved by the Provost, in according with the “Process for Appointment to a Named University Professorship” established June 2011 and amended thereafter.

Search: When the endowed position is not awarded to an existing faculty member, the department/school/college will conduct a search for the chair or professorship consistent with existing university practices and policies.

Selection of position holder: The holder of a professorship or chair must normally be a tenured (or equivalent appointment) full-time member of the university faculty at the rank of associate professor or higher. Awards may be extended to a distinguished visiting faculty member if permitted by the endowment agreement, recommended by the Dean, and approved by the Provost.
Qualifications: The holder of a professorship or chair will be an outstanding scholar whose contributions to knowledge and leadership are recognized nationally and/or internationally. The endowed professorship or chair will recognize a faculty member who has an excellent record of academic achievement and whose future contributions to the field are equally promising.

Term of award: The award of a chair or professorship should normally be for a fixed term, generally five years, rather than an indefinite length, unless the endowment stipulates otherwise. The chair or professorship may be renewed for a second five-year term if the holder of the chair or professorship continues to fulfill the high expectations for the chair or professorship, as determined by the dean or department chair. A chair or professorship held by a junior faculty member or by visiting faculty should normally not exceed five years in total. In the final year of the appointment the dean will coordinate, or delegate to the chair, a review of the endowed position. With the approval of their dean, faculty may retain an endowed position during a regularly approved sabbatical.

Communication with donor: Deans and department chairs should coordinate with the UVM Foundation to communicate the awarding of a chair or professorship with the donor (or donor’s representatives) and provide opportunities for the faculty member and donor to meet when possible and appropriate. The UVM Foundation will request information from the awardee regarding the impact of the endowed position on the incumbent’s teaching, research and outreach activities for use in annual stewardship communication with the donor regarding the accomplishments and activities of the chair or professorship.

Award and appointment: The award of a chair or professorship shall be made by the Provost upon recommendation of the Dean of the appropriate college. In all regards, the recommendation shall be consistent with the conditions and purposes of the endowment agreement. In the event the award of a chair or professorship is to coincide with an offer of appointment to the faculty, the appointment shall have followed university search procedures.

The appointment of an individual to fill an endowed administrative chair will follow the normal process for selecting and appointing unit administrators and is supervised by the Provost and UVM President.

Unawarded chairs and professorships

The UVM Provost and the UVM Foundation President (or their designees) shall review endowed chairs or professorships that remain vacant for a period of three consecutive years to ensure that the university is meeting its obligation to fulfill the terms of the gift, including the expenditure of endowment revenues in support of the donor’s intent. Normally, endowment income shall not be permitted to accumulate for more than five years.

In the event an established, fully funded chair or professorship has remained vacant for three years or more, or should the income accumulate for more than five years, the Provost shall ascertain the reason and take appropriate corrective action consistent with the terms of the gift instrument or the administrative allocation. Such action may include:
• Implementing a new expenditure plan designed to fill the chair or professorship or to utilize the spendable earnings fully.
• Seeking authorization of the UVM Foundation Board, with concurrence of the donor, if available, to reallocate the endowment's spendable earnings to an alternative purpose consistent with the existing terms of the gift.
• Seeking authorization of the UVM Foundation Board, with concurrence of the donor, if available, to redesignate the purpose of the chair or professorship.
• Seeking authorization from the UVM Foundation Board, with the concurrence of the donor if available, to add the accumulated unspent earnings to the fund principal in conjunction with a new expenditure plan.
• Redesignating the purpose of the chair or endowment in a manner authorized by the UVM Foundation Board and prescribed by law.

Changed conditions and alternate use of endowment

Evolution in academic objectives and organization, and in the scholarship, research, teaching, outreach and public service emphases are part of the normal life of a university. The scope of permissible activity under Board of Trustees policy and applicable law is also characterized by occasional change. For this reason, it may rarely occur that the spendable earnings of an endowment should best be used to support a different area of scholarship, research, teaching, outreach or public service than originally intended or that administrative restrictions contained in a gift instrument reasonably need to be amended.

In the event that changes in the endowment emphases are necessary, the UVM Foundation must ensure that absent unusual circumstances, the gift instrument contains the donor's recognition and permission for alternate use of the endowment and payout funds. The UVM Foundation will develop appropriate processes and language to accomplish this purpose. The UVM Foundation President and Board will be informed by the UVM President and Provost of any requested change to the use of an endowed fund. The UVM Foundation will then contact the donor or representatives of the donor, when possible, to formally amend the memorandum of agreement.

David Rosowsky, Provost and Senior Vice President
Richard Bundy, President and CEO of The UVM Foundation
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