



## **EXPENDITURE GUIDELINES FOR ENDOWED/NAMED CHAIRS AND PROFESSORSHIPS**

**Office of the Provost  
University of Vermont Foundation**

July 1, 2023

### **INTRODUCTION**

The full utilization of donor endowments and gifts for their intended purposes demonstrates careful stewardship, recognizes faculty achievement, furthers the work of the university, and contributes to an ‘all funds’ budgeting approach that supports financial sustainability. It is the university’s expectation that annual endowment income will be fully expended each year.

These expenditure guidelines apply to named Deanships, Chairs, Professorships, Green and Gold Professorships, and Administrators.

If these expenditure guidelines are inconsistent with the donor agreement or board resolution, then the donor agreement or board resolution supersedes these guidelines.

Eligibility and process requirements for appointing holders are governed by the [Guidelines for the Appointment of Endowed/Named Chairs and Professorships](#).

### **SPENDING**

Annual endowment income and current use gifts (“funding”) pay for the holder’s scholarly activity as well as the holder’s salary and fringe, which will be allocated in the following manner:

- a) For funding of more than \$120,000, the holder may use for scholarly activity the greater of \$25,000 or 20% of funding.
- b) For funding of \$40,000 to \$120,000, the holder may use for scholarly activity the greater of \$15,000 or 30% of funding.

- c) For funding of \$12,000 to less than \$40,000, the holder may use for scholarly activity the greater of \$10,000 or 50% of funding.
- d) For funding under \$12,000, the holder may use for scholarly activity 100% of funding.
- e) The Dean may authorize a holder to use more funding for scholarly activity.
- f) Any funding not used for the holder's scholarly activity will be used for the holder's salary and fringe. If a faculty member's grant or other salary support precludes the distribution of salary to the endowment, other expenditures should be identified and allocated to the endowment.<sup>1</sup>

## BALANCES

- a) Balances resulting from unspent annual funding may accumulate from year to year only based on a plan approved by the Dean and the Provost.
- b) The Dean will allocate up to 100% of the holder's salary and fringe in order to reduce unapproved spending account balances.
- c) The central administration will process expense adjustments annually at year-end to reduce balances unless an approved plan is in place.
- d) Balances may be reinvested to the endowment's principal only with approval of the Provost, in consultation with UVM Foundation's President/CEO and, when practicable, the donor.

## STEWARDSHIP

Faculty chair and professorship holders play an important role in donor stewardship and must provide annual reports detailing the fund's impact on their scholarly activities around May 1 as requested by the Foundation.

## KEY DATES

**September 30** – The Foundation and the Provost's Office will review spending and encumbrances; any underspending will be flagged and the Dean's Office will be asked to employ spending strategies.

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<sup>1</sup> This could include, but is not limited to, salary/fringe support for any administrative or technical staff, undergraduate or graduate students, or post docs working with the holder; equipment for the holder's lab or department; technology replacement for the holder or those working with the holder; salary/fringe of junior faculty 'partnering' with the holder; the holder's sponsorship of a lecture, visiting scholar, or other enrichment activity; the holder's general supplies, research supplies, furniture, and travel.

**February 15** - The Foundation and the Provost's Office will review spending and encumbrances; any underspending will be flagged and the Dean's Office will be asked to employ spending strategies.

**May 15** – Plans proposing the use of unspent funding in a future year must be submitted for the Provost's review and approval.

**June 15** – Expenses will be adjusted centrally to ensure full expenditure of the annual funding unless an approved plan is in place.