

UNIVERSITY OF CALIFORNIA, RIVERSIDE

**ENDOWED CHAIRS:
ESTABLISHMENT, ADMINISTRATION,
and APPOINTMENT OF FACULTY**

**ROLES AND RESPONSIBILITIES,
PROCEDURES AND POLICIES**

University Advancement

Approved June 15, 2006

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EXECUTIVE SUMMARIES

WORKFLOW, ROLES AND RESPONSIBILITIES

EXECUTIVE SUMMARIES

ESTABLISHING ENDOWED CHAIRS

1. WORKFLOW

1. Director of Development (DOD), Dean, Donor discussion.
2. DOD completes and sends *Initial Request to Name* form with dean's signature to Associate Vice Chancellor for Development (AVCD).
3. Gift Agreement in process (DOD, AVCD, Gift Document Review Committee).
4. Draft Gift Agreement/*Initial Request to Name* to Vice Chancellor University Advancement who consults with Executive Vice Chancellor and Provost (EVC/Provost) or designee.
5. EVC/Provost or designee consults with Vice Chancellor for Academic Planning & Budget who instructs Director Donor Research & Relations to send proposed endowed chair documentation to Chair, Academic Senate for recommendation.
6. Senate Chair recommendation memo sent to EVC/Provost's office within two weeks.
7. DOD gets Gift Agreement signed.
8. Director Donor Research & Relations writes Office of the President (UCOP) *Item for Action* and letter of transmittal for Chancellor, and gets complete chair packet to EVC/Provost or designee.
9. EVC/Provost signs and dates *Item* and gives packet to Chancellor's Office for transmittal to UCOP.
10. Chancellor's Office sends signed letter, chair packet to UCOP.
11. Chancellor's Office distributes approval letter from UCOP.

2. ROLES AND RESPONSIBILITIES FOR ESTABLISHING, ADMINISTERING AND APPOINTING ENDOWED CHAIRS

Executive Summary: Section III. ESTABLISHING ENDOWED CHAIRS

CHANCELLOR'S OFFICE

Naming

- Sends approval/transmittal letter with naming packet to UCOP
- Distributes UCOP approval letter to EVC/Provost, VCUA, AVC Development, Vice Provost for Academic Personnel, and appropriate Dean/Chair.
- Sends original documents to University Advancement, Office of Finance and Administration for permanent archives.

EXECUTIVE VICE CHANCELLOR AND PROVOST OR DESIGNEE

Naming

- Reviews and approves recommendations in consultation with Chancellor and Vice Chancellor Academic Planning and Budget.
- Signs and dates UCOP *Item for Action* with background information and sends to Chancellor for submission to UCOP President.

VICE CHANCELLOR ACADEMIC PLANNING AND BUDGET

- With EVC&P or designee, reviews proposed chair documentation.
- Once approved, instructs Director, Donor Research and Relations to forward proposed endowed chair documentation to the Chair of the Academic Senate.
- Facilitates review of proposed chair by Academic Senate Committee on Planning and Budget.

DEAN OR DEPARTMENT CHAIR AND UNIT DEVELOPMENT OFFICER(S)

In coordination with the Development Office:

- Works with donors.
- Identifies a faculty FTE for the proposed chair.
- Consults with and gets approval from affected faculty.
- Completes the *Initial Request to Name* form.
- Prepares proposal and draft gift agreement.
- Sends completed packet to Director, Donor Research & Relations, Development Office for Gift Review Committee.
- Is prepared to address Academic Senate committee questions regarding proposed chair and its place in the unit's long-term plan.

ACADEMIC SENATE CHAIR AND APPROPRIATE COMMITTEES

Naming

- Reviews documentation.
- Sends recommendation memo to EVC/Provost or designee with cc: to Vice Provost-Academic Personnel and Director, Donor Research & Relations.

UNIVERSITY ADVANCEMENT

Associate Vice Chancellor Development or designee

- Coordinates all contacts and discussions with prospective donors.
- Signs and secures VCUA signature on *Initial Request to Name* and forwards it and proposal to EVC&P to review with Vice Chancellor Academic Planning and Budget.
- Obtains signatures on final gift agreement, attaches copy to proposal, forwards to EVC/Provost.

Director, Donor Research & Relation, Office of Development

- Coordinates the naming process through campus.
- Drafts UCOP *Item for Action* proposing the endowed chair with information from dean.
- Drafts transmittal letter for the Chancellor to UCOP.
- Sends proposal packet (*Item for Action*, copy of the signed gift agreement, *Initial Request for Naming* form, and other pertinent documentation) to the EVC/Provost's office.

University Advancement Finance & Administration

- Maintains files of all original documentation of gifts.

Gift Document Review Committee: EVC/Provost designee, directors of University Advancement Finance & Administration, Donor Research & Relations and Gift Planning

- Review gift document and UCOP *Item for Action* for compliance with University policy.
- Provides UCOP, on a fiscal-year basis, a report that lists the status of all UCR endowed chairs to include
 - UCOP format chair name
 - Academic department ,
 - FTE codes for discipline,
 - Year approved,
 - Fiduciary, pledged amount, book value, market value, unexpended payout,
 - Chair status (filled or vacant, terms, etc.).

Note: CONSULTATION WITH ACADEMIC SENATE

On November 3, 2004, the Academic Senate's Committee on Academic Personnel (CAP) recommended to the Chair of the Academic Senate that there be College/Unit consultation, with review and approval by the faculty group with whom the named chair, facility, etc. is to be associated.

That these consultative processes have occurred has been added to the "INITIAL REQUEST FOR APPROVAL TO NAME/ESTABLISH AN ENDOWED CHAIR" form.

**Executive Summary –
Section II. D. Administration of Endowed Chairs**

UNIVERSITY ADVANCEMENT

At least once every five years, reviews terms of the endowment to ensure continuing fulfillment of UCR's legal obligations to use endowed chair income in a manner consistent with the donor's intent.

With EVC & Provost or designee, Vice Chancellor University Advancement or designee reviews the chair holder every five years based upon the criteria of the endowed chair gift agreement.

An *annual letter to the donor* outlining university and scholarly accomplishments for the past year as a result of the funding received from the chair's endowment will sent it to the donor by the VCUA or designee after review by dean, EVC&P and VCUA.

DEAN/CHANCELLOR OR DESIGNEE/EXECUTIVE VICE CHANCELLOR & PROVOST OR DESIGNEE

During any period when the chair is not permanently occupied while the search is in progress, the appropriate dean, after consultation with the relevant department(s), may request of the EVC & Provost or Chancellor to use the endowment's income to support research and teaching in the designated area of study.

Annually, via department chair, dean reviews chair holder's annual budget for use of the endowment payout for the coming year as well as an annual letter to the chair donor outlining university and scholarly accomplishments for the past year as a result of the funding received from the chair's endowment. The dean forwards the original letter to the EVC & Provost, Vice Chancellor of University Advancement and Associate Vice Chancellor for Development for review and to Director Donor Research and Relations in the Office of Development for transmission to the chair donor.

EXECUTIVE VICE CHANCELLOR & PROVOST OR DESIGNEE

If an established fully funded chair is vacant three or more consecutive years, or has accumulated payout for five years of payout, the EVC/Provost or designee, with the Executive Director, University Advancement Finance and Administration, reviews the fund's terms and history, determines the reason, and, for vacancies, takes appropriate corrective action.

CHAIR HOLDERS

Each chair holders must submit to the dean via department chair an annual budget for use of the endowment payout for the coming year. Also, each chair holder must submit annually to the Dean of his/her college, a letter to the chair donor outlining university and scholarly accomplishments for the past year as a result of the funding received from the chair's endowment. The letter should include research undertaken, participation in professional conferences and forums, honors, publications, etc. as these relate to the stated purpose of the chair. See Attachment 7 - sample letter.

ACADEMIC SENATE

The Academic Senate Committee on Academic Personnel review of scholarly achievement would be requested in the event of a quinquennial.

Executive Summary - III. B Search Procedures for Appointment to Endowed Chairs

Note: The procedure for appointing the endowed chair holder follows existing UCR faculty recruitment policy and procedures [<http://academicpersonnel.ucr.edu/FacultyToolkit/>].

CHANCELLOR:

Per UCOP policy, has final approval authority for appointment to an endowed chair.

EVC/PROVOST OR DESIGNEE:

For every appointment to an endowed chair, the EVC/Provost or designee consults with the Chancellor for final approval. The EVC/Provost or designee:

- Will approve campus level appointments for endowed chairs in consultation with the Chancellor, appropriate dean(s), vice chancellors, and Committee on Academic Personnel (CAP).
- For appointment of a faculty member who is already a member of the UC regular faculty ranks, will forward recommendation to the Committee on Academic Personnel and appropriate college or school dean for review and advice before making a recommendation to the Chancellor.
- Will review and approve all college-school-unit level appointments to endowed chairs that will be recommended by the dean of the college-school-unit.
- Will follow all normal review procedures for appointment of a faculty member who does not already hold a regular rank appointment. For new recruitments consults Committee on Academic Personnel (CAP) at time of appointment.
- Will notify appropriate office(s) of the appointment, including University Advancement Finance & Administration, Vice Provost for Academic Personnel, Dean, Department Chair, etc.
- Appointments will be renewable with a review every five years by the EVC/Provost or designee and Associate Vice Chancellor for Development for adherence to the terms of the endowment. Chair appointee will be informed of this policy during recruitment.

DEANS:

Where chair is held at college level, the dean recommends appointment to the EVC/Provost who consults with CAP at the time the appointment is being considered, and the EVC/Provost consults with the Chancellor for final approval. The area of study must be in accord with the mission of the University of California and the academic plan of the college/school and campus. The chair definition should be broad enough to allow new research directions and to ensure as broad a candidate pool as possible.

Summary of Reporting

University Advancement

- At least once every five years, reviews terms of the endowment to ensure continuing fulfillment of UCR's legal obligations to use endowed chair income in a manner consistent with the donor's intent.
- Provides UCOP, on a fiscal-year basis, a report that lists the status of all UCOP Officially approved UCR endowed chairs to include UCOP format chair name, academic department, code for discipline, year approved, fiduciary, pledged amount, book value, market value, unexpended payout, and filled or vacant.
- At least annually, University Advancement Finance & Administration will provide the Dean and/or EVC&P a report to include all UCR endowed chairs with academic department, code for discipline, year approved, fiduciary, pledged amount, book value, market value, unexpended payout, and filled or vacant.

Chair holder

As part of the annual planning and budget process:

- Must submit an annual budget to be approved by the department chair, appropriate dean, and/or vice chancellor. Use of funds will be reviewed annually by EVC&P and AVCD.
- Must submit annually to the Dean of his/her college, a letter to the chair donor outlining university and scholarly accomplishments for the past year as a result of the funding received from the chair's endowment.

**POLICY AND PROCEDURES
ON
ENDOWED CHAIRS AND
PROFESSORSHIPS**

UC Riverside, Campus Policy Number _____

Issuing Officer: Executive Vice Chancellor and Provost

Effective Date: June 15, 2006 _____

[UC Office of the President Policy on Establishment and Naming of an Endowed Chair in blue]

POLICY AND PROCEDURES ON ENDOWED CHAIRS AND PROFESSORSHIPS

I. UC OFFICE OF THE PRESIDENT POLICY GUIDANCE

APM-191, Establishment and Naming of an Endowed Chair, 5/21/98

APM-265, Policy on Presidential Chairs

Sample format for Submission of Proposals (Item for Action) May, 1996

II. UCR POLICY FOR THE ESTABLISHMENT AND ADMINISTRATION OF ENDOWED CHAIRS

A. Definition and Authority

1. Policy: This policy is in accordance with University of California policy and shall guide the establishment of all endowed chairs and professorships, including those established by gift to the UC Regents or to the UC Riverside Foundation. Endowed Chairs are awarded to honor extraordinary academic achievement and to recruit and retain the most distinguished scholars.
2. Definition: An endowed chair is a perquisite that is supported by income from an endowment fund established by a gift or gifts from private sources and is made available to a distinguished faculty member in support of his/her teaching, research, and service activities. An endowed chair may be assigned to a department, organized research unit, division, or school.
3. Approvals: The establishment and naming of an endowed chair is subject to approval by the Office of the President ("UCOP") upon recommendation of the Chancellor. No commitment for establishing and naming a chair shall be made to a prospective donor prior to Presidential approval.

B. Required Minimum Levels for Endowed Chairs

1. Minimum Endowment Principal: The endowment principal shall be received and maintained, as set forth in the endowment required minimum levels approved by the Chancellor. (See Attachment 1 – *Required Minimum Levels for Endowed Funds, University of California, Riverside, February 2003*).
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 the chair. [Note: UCOP policy allows for use of endowment payout to support base salary unless expressly prohibited by the gift agreement.]

C. Establishment and Funding of the Endowed Chair

1. An endowed chair will be established only upon acceptance by the Chancellor of either (a) cash or a binding pledge that immediately or within a reasonable period of time will create a corpus in an amount sufficient to provide income adequate for meeting the purposes of the chair, or (b) a legally binding commitment to provide appropriate income at the end of each fiscal year from an equivalent corpus held inviolate by a trustee. In the latter case, see UCOP policy, APM-191, A.7. Following approval by the President, the Chair will be deemed "conditionally established" until full funding is achieved. [Note: UCOP policy provides for contingent approval of chairs to be funded through a bequest or deferred gift. See APM- 191, A.6,7; D.2,5.]
2. Associate Vice Chancellor Development or designee shall coordinate all contacts and discussions with prospective donors.

3. Pledges: A pledge to establish an endowed chair shall be in such form as to constitute a legally binding commitment by the donor. (See, III, A.2 for recommended elements to be included in gift pledges.) Pledges to the UCR Foundation shall be supported by a binding agreement by the Foundation to transfer endowment income annually to The Regents to fund the chair in accordance with UCOP Administrative Guidelines for Campus Foundations.
4. Provision for Alternative Uses: The endowed chair and the income from its endowment will be used for the designated area of study for as long as that area is a part of UCR's academic program. If the designated area of study no longer is a part of UCR's academic program, then the Chancellor may use the income from the endowment to support a chair in an area of study on the campus related as closely as possible to the donor's original interest and intent.
5. Naming and Campus Review: If desired, a chair may be named in honor of the donor or an honoree proposed by the donor, subject to approval of the President. Completed proposals are reviewed for campus approval as outlined in Section III. A.
6. 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 the campus. The chair definition should be broad enough to allow new research directions and to ensure as broad a candidate pool as possible.

D. Administration of Endowed Chairs

1. Use of the Endowment Income: Income from an endowed chair is to be made available to the faculty member appointed to the chair in support of teaching and research, in accordance with University regulations and according to a budget recommended annually by the chair holder to the department chair and approved by the appropriate dean and/or vice chancellor in the normal budgetary process. Use of funds will be reviewed annually by the EVC&P and Associate Vice Chancellor for Development.
 - a. The budget in any given year will not exceed the amount available from the existing endowment.
 - b. Base salary during the academic year and the budgeted position for the faculty member appointed to the chair shall be provided by general funds available to the campus and/or by the endowment payout.
 - c. The terms of the endowment shall be reviewed at least once every five years to ensure that the University is continuing to fulfill its legal obligations to use endowed chair income in a manner consistent with the donor's expressed intent.
 - d. During any period in which the chair is not permanently occupied while the search proceeds for a suitable candidate, the Chancellor or the EVC&P may authorize the appropriate dean(s), after consultation with the relevant department(s), to use the endowment's income in support of research and teaching in the designated area of study.
 - e. If an established, fully funded chair has remained vacant for a period of three consecutive years or more, or if the chair's accumulated income exceeds five years of payout, the office of the Executive Vice Chancellor and Provost, in consultation with the Executive Director University Advancement Finance and Administration, shall review the fund's terms and administrative history to ascertain the reason for the accumulation and take appropriate corrective action consistent with the terms of the gift agreement or consistent with the terms of the administrative allocation.

2. Addition of Unexpended Endowment Income to Principal: Provision shall be made in the gift document for addition of unexpended income to principal when circumstances warrant such action.

E. Appointment to Endowed Chairs

1. An endowed chair may be filled by one individual and is renewable with review every five years by the EVC & Provost or designee and Vice Chancellor University Advancement or designee based upon the criteria of the endowed chair gift agreement. As mandated by the state, the Academic Senate Committee on Academic Personnel will do an academic (quinquennial) review of the chair holder's scholarly achievements should s/he not make normal progress. The Chair appointee will be informed of this policy during recruitment. An endowed chair may be filled successively by a series of individuals appointed for prescribed periods, unless otherwise provided in the terms of the gift. An individual may simultaneously occupy more than one endowed chair at any given time.

2. Authority: The Chancellor has final approval authority for appointment to an endowed chair. If the proposed salary is above-scale, Regental authority is required for the salary. (For search procedures, see III.B. Summary of Search Procedures for Appointment to Endowed Chairs)

F. Annual Reporting

1. Each chair holder must submit annually to the Dean of his/her college, a letter to the chair donor outlining university and scholarly accomplishments for the past year as a result of the funding received from the chair's endowment. The letter should include research undertaken, participation in professional conferences and forums, honors, publications, etc. as these relate to the stated purpose of the chair. Copies of these letters should be retained by the chair or dean for use in preparing special reports on endowed chairs that may be needed from time to time. The dean will forward a copy of this letter to the office of the Executive Vice Chancellor and Provost, Vice Chancellor of University Advancement and Associate Vice Chancellor for Development. The chair or dean's office shall send the letter to the Director for Donor Research and Relations in the Office of Development for transmission to the chair donor. (See Attachment 7 - sample letter.)

2. Per UCOP policy, the Chancellor shall provide to the President on a fiscal-year basis, a report that lists the status of all endowed chairs. (see final page, last section - UCOP Policy/APM-191, G.2)

G. Disestablishment of an Endowed Chair

In the event that at least one of the following conditions occurs, the Chancellor, after consultation with appropriate committees of the Academic Senate, may recommend to the President that a chair should be disestablished:

1. If the chair endowment has not reached full funding either by the end of the specified pledge period, or
2. The chair remains vacant for a period of five years and the Chancellor, after consultation with the appropriate Dean and Department Chair, determines there is no likelihood of filling the chair and no alternative area of study was identified as outlined in section II C. 4. See APM-191.E, for details.

III. PROCEDURES FOR ESTABLISHING ENDOWED CHAIRS

The Chancellor, in consultation with the Executive Vice Chancellor and Provost and the Vice Chancellor University Advancement, will review proposals concerning establishment of an endowed chair according to the following review procedure.

Summary Of Procedure For Establishing And Naming A New Endowed Chair

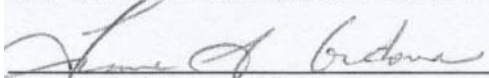
1. Department chair (if applicable) and Dean, having identified a faculty FTE, in coordination and consultation with the appropriate development officer and Development, prepares a proposal that meets UCR required minimum levels for endowed chairs, that includes the *Initial Request to Name/ Establish an Endowed Chair* form with all appropriate signatures (see Attachment 3), and a draft gift agreement.
2. University Advancement *Gift Document Review Committee* (EVC/Provost designee, directors of F&A, Gift Planning and DR&R) reviews the gift document for compliance with University policy. The gift document should include the following elements: the addition of payout to principal; alternative University uses of payout during the period prior to full funding of the endowment or when the chair is vacant; and reallocation to alternative University uses if the minimum funding level is not ultimately realized, or if the subject area ceases to be consistent with the University's mission and academic plan of the campus. (See Attachment 4 - *Chair Gift Agreement Sample Doc*). Full disclosure of campus and recurring administrative fee practices shall be made in writing to the donor, prior to or at time of gift (see Attachment 5A-C: UCR Gift Policy and Procedure Administrative and Gift Service Fee Information/ UCR Policy on Gift Service Fee/UCR Policy on Administrative Service Fee).
3. The University Advancement Gift Document Review Committee transmits the form and draft gift agreement to the Vice Chancellor University Advancement or designee who consults with Executive Vice Chancellor and Provost and Vice Chancellor Academic Planning and Budget.
4. Following review and approval the Vice Chancellor Academic Planning and Budget instructs Director of Donor Research & Relations, Office of Development to forward proposal packet to Academic Senate Chair for review and recommendation. The Director of Donor Research & Relations monitors progress.
5. Development obtains signatures on the final gift agreement, attaches copy to proposal and forwards to the Executive Vice Chancellor and Provost's office. The Executive Vice Chancellor and Provost sends the original proposal with recommendations to the Chancellor's Office for final recommendation.
6. If proposal is recommended for approval, Director Donor Research & Relations:
 - a. Drafts the UCOP "*Item for Action*" proposing the endowed chair with input from the divisional dean (see Attachment 6 – UCOP Chair/Facilities "*Item for Action*" forms).
 - b. Drafts the transmittal letter for the Chancellor to UCOP, and,
 - c. Sends the proposal packet (UCOP *Item for Action*, copy of the signed gift agreement, UCR Academic Senate Chair approval memo, *Initial Request for Naming* form, other pertinent documentation, and the Chancellor's transmittal letter) to the Executive Vice Chancellor and Provost's office.
7. Executive Vice Chancellor and Provost reviews the proposal package, signs and dates the UCOP Chair *Item for Action*, and passes the packet to the Chancellor's office.
8. The Chancellor signs the transmittal letter and the Chancellor office forwards the proposal packet to UCOP.
9. The UC President signs the proposal and if approved, returns the approved proposal to the Chancellor's office. (The appointment process can begin after approval by the President, and once the chair is fully funded).

10. The Chancellor's office distributes copies of approval letter to the Executive Vice Chancellor & Provost, Vice Chancellor University Advancement, Associate Vice Chancellor Development, appropriate Dean/Chair, and Vice Provost for Academic Personnel. Original documents are sent to University Advancement, Office of Finance and Administration for permanent archives.

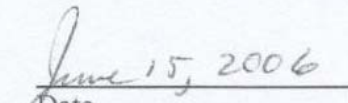
B. Summary of Search Procedures for Appointment to Endowed Chairs

1. Campus or college-specific appointments to named chairs: The Executive Vice Chancellor/Provost or designee will appoint a search committee in consultation with the appropriate Dean(s) and the Academic Senate. Searches follow normal campus/college search procedures.
2. Department specific appointments to named chairs: For recruitments and appointments of external candidates, searches follow normal procedures at the department or school level. Recommendation will be sent to Executive Vice Chancellor/Provost after consultation with the Committee on Academic Personnel (CAP), and then to Chancellor for final approval. For internal appointments, the dean of the college/school sends recommendations to the Executive Vice Chancellor/Provost, who, in consultation with CAP, recommends approval to the Chancellor. Any agreed upon terms and conditions specified in the gift agreement shall be at all times be adhered to and respected.
3. Presidential Chair appointments:
 - a. For appointments of internal candidates to the Presidential Chair, the Executive Vice Chancellor/Provost, after consultation with the dean in the affected college/school, sends recommendation to the Committee on Academic Personnel (CAP), and then to Chancellor for final approval.
 - b. For recruitments and appointments of external candidates, searches follow normal campus procedures. Recommendation will be sent to Executive Vice Chancellor/Provost after consultation with the Committee on Academic Personnel (CAP), and then to the Chancellor for final approval.
4. In carrying out the search for candidates, attention shall be paid to the campus affirmative action goals and policies.

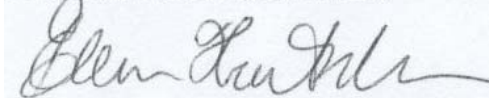
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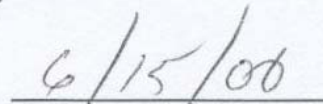
France A. Córdoba, Chancellor



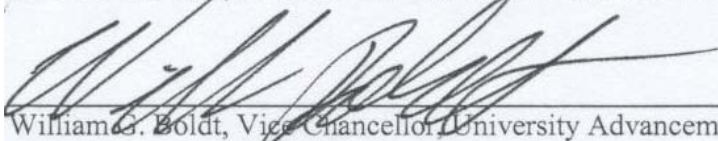
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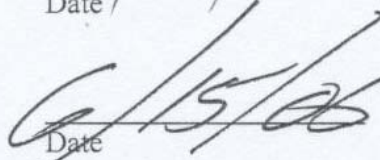
Ellen A. Wartella, Executive Vice Chancellor and Provost



Date



William G. Boldt, Vice Chancellor University Advancement



Date

ATTACHMENTS

- Attachment 1 – Required Minimum Levels for Endowed Funds, University of California, Riverside, February 2003
- Attachment 2 – UCOP Fund Review form
- Attachment 3 – Initial Request to Name/Establish an Endowed Chair
- Attachment 4 – Endowed Chair Gift Agreement Sample Doc
- Attachment 5 – UCR Administrative Fee and UCR Foundation Gift Fee Practices
- Attachment 6 – Chancellor’s Cover letter and UCOP Endowed Chair “Item for Action” forms
- Attachment 7 – Sample Chair letter to the chair donor

**RECOMMENDED MINIMUM LEVELS FOR ENDOWED FUNDS
UNIVERSITY OF CALIFORNIA, RIVERSIDE**

Approved February, 2003

The University of California, Riverside is grateful for charitable gifts, and seeks to honor leading donors to university programs. One significant way to pay tribute to generous supporters is to name the program or facility that has benefited from the donor. Each of the endowments listed below provides an opportunity to permanently associate the donor's name with UC Riverside while enhancing the quality of the University's research and scholarship. These dollar figures reflect the minimum amount necessary for *adequate funding*; all of these endowments would be enhanced by a gift in excess of the minimum.

All minimum endowment levels may increase for funds established in future years (such as through planned gifts or by bequest.) Reference to this possibility will be noted in planned giving or bequest language. *"UCR is deeply grateful for gifts that establish named endowment funds--such beneficence provides support for generations to come. Minimum levels necessary to establish endowments are subject to change. If, at the time of distribution to the University, the amount is not sufficient to establish an endowment, the funds will be used to establish a current restricted fund for purposes so designated in this document."*

Named Endowment Minimums

<i>Named Endowed Chair Minima</i>	
Distinguished Professorship	\$ 1,500,000+
Endowed Chair/Sciences, Engineering, Business	\$ 1,000,000+
Endowed Chair	\$ 500,000 -750,000+

<i>Named General Endowment Minima</i>	
Visiting Professor	\$ 350,000+
Faculty Research & Teaching Fund	\$ 100,000-200,000+
Graduate Fellowship	\$ 200,000+
Athletic Scholarship	\$ 150,000+
Undergraduate Scholarship:	\$ 75,000 –100,000+
Distinguished Lecturer Fund	\$ 100,000+
Library Collection Endowment Fund	\$ 50,000+
Dean's Fund for Academic Leadership	\$ 50,000+
Departmental Fund for Academic Excellence	\$ 25,000+
Named Awards/Prizes	\$ 25,000+

How You Can Establish an Endowment for Student Support

Type of Support	Minimum Gift	Pledge over Five Years	Approximate Annual Value to Student
General Student Support/Awards/Prizes	\$25,000 to \$50,000+	\$5,000 to \$10,000 per year/five years	\$875 to \$1750
Undergraduate Scholarship	\$75,000+	\$15,000 per year/five years	\$2,625
Athletic Scholarship	\$150,000+	\$30,000 per year/five years	\$5,250
Graduate Fellowship	\$200,000+	\$40,000/per year/five years	\$7,000

NAMED ENDOWMENTS DESCRIPTIONS

Named Endowed Chair Minima

Funds contributed to establish a chair support the University's effort to attract and retain scholars of national or international acclaim. A named chair must be consistent with the mission of the University and be made in accordance with established Regental and Campus procedures. A chair may be named in honor of the donor or at the donor's direction, subject to the prior approval of the appropriate Campus authorities and UC Office of the President.

◆ **Named Distinguished Professorship -- \$1,500,000**

The Distinguished Professorship honors one who is among a handful of the most distinguished academicians who is or will be appointed to the UCR faculty. The chair holder could be a master professional or one who has made nationally or internationally recognized contributions to his/her field.

◆ **Named Endowed Chair/Sciences, Engineering & Business -- \$1,000,000+**

An endowed Chair in the Sciences, in Engineering and in Business serves to retain and recruit faculty members of the highest quality, and includes funding to provide for laboratory equipment and expenses associated with scientific, technical and financial research and projects.

◆ **Named Endowed Chair -- \$ 500,000-750,000**

This endowment level provides funding for endowed chairs in other academic or program areas. The endowment serves to honor an outstanding faculty member and to recruit equally outstanding faculty to the University. Additional funding may be required in specific cases.

A. General Endowment Minima

◆ **Named Visiting Professor -- \$ 350,000+**

This endowment provides funding necessary to bring prominent scholars or other leaders to campus annually, on a short-term, temporary basis to teach or undertake research.

◆ **Named Funds for Faculty Excellence in Research & Teaching -- \$ 100,000-200,000+**

An Endowment for Faculty Excellence enables distinguished senior faculty and promising junior faculty to pursue innovative teaching and research. Such endowed funds strengthen UCR's ability to conduct vitally important research in a variety of fields ranging from the molecular sciences to the humanities.

◆ **Named Graduate Fellowships -- \$ 200,000+**

Graduate fellowship endowments help to offset graduate students' educational expenses, enable UCR to attract promising scholars, and enhance UCR's ability to attract and retain faculty.

◆ **Named Athletic Scholarships -- \$ 150,000+**

The Athletic scholarship provides support to attract the most talented, and outstanding undergraduate student/athletes to UCR. The scholarship provides the additional funding necessary to recruit students from out of state.

◆ **Named Undergraduate Scholarships -- \$ 75,000 - \$100,000+**

Support for undergraduate scholarships not only helps to attract outstanding students to UCR, but also provides critically needed funding for students who may be unable to continue their studies without additional financial assistance.

◆ **Named Distinguished Lecturer Fund -- \$ 100,000+**

Endowed funds for lectures and colloquia facilitate the sharing and dissemination of information and research results among members of the academic community. Such funds can bring to the campus scholars and leaders of academic and professional achievement and may be used to enhance the University's outreach to the community as well.

◆ **Named Library Collection Endowment Fund -- \$ 50,000+**

With the increasing costs associated with the acquisition of books, periodicals, and electronic materials and information technologies, the Library Collection Endowment Fund is of critical importance to UCR's future. The Library system is, in many ways, the heart of a research university.

◆ **Named Dean's Fund for Academic Leadership -- \$ 50,000+**

The Dean's Fund provides unrestricted support for the excellence of a college, school or division. Funds are administered at the direction of the Dean.

◆ **Named Departmental Fund for Academic Excellence -- \$ 25,000+**

At the direction of the Department chair, these funds provide additional support for new initiatives and excellence.

◆ **Named Awards/Prizes -- \$ 25,000+**

This endowment will be used to recognize outstanding performance in areas such as scholarship, athletics, artistic endeavors, and research to name but a few possibilities.

Date _____

**ENDOWED or LOAN FUND PROPOSED FOR REVIEW
BY THE GENERAL COUNSEL**

*[Form to be completed for those funds under review, including those
whose terms have become difficult to administer]*

Name of Fund _____ Year Established _____

Campus(es) _____

Book Value \$ _____ as of _____

Market Value \$ _____ as of _____

Accumulated Payout \$ _____ as of _____

Estimated Annual Payout \$ _____ as of _____

1. Purpose of fund, including the donor's restrictions:
2. Fund record for the past five years (list fund expenditures):
3. Efforts to utilize the payout under the present restrictions:

For funds whose terms have become difficult to administer:

4. Factors which may have reduced the opportunities to use the payout from this fund:
5. Burden of administering the fund as currently restricted:
6. Proposed revision of the terms:
7. Reasons the proposed alternative would result in better utilization of the fund:

ATTACH COPY OF GIFT INSTRUMENT.

Submitted by: _____

Title: _____

E-mail: _____

Telephone: _____

INITIAL REQUEST FOR APPROVAL TO NAME/ESTABLISH AN ENDOWED CHAIR

This form is to help review gifts for compliance with academic plans and priorities, and to facilitate campus review procedures for namings.

Upon completion of this request form, the Dean/Unit Head forwards it for signature to the Associate Vice Chancellor for Development and Vice Chancellor for University Advancement. The Request, with draft gift agreement and supporting documentation, is then submitted to the Executive Vice Chancellor and Provost and Vice Chancellor for Academic Planning & Budget for campus review. If approved for recommendation, the EVC&P's office follows the appropriate procedure for Endowed Chairs.

I. Background Information:

- A. Submitted by:
Name: _____
- Title, College/Unit: _____
- B. Type of Gift and Comments:
➤ Endowed Chair/Distinguished Professorship: _____
➤ Location of FTE: _____
- C. Proposed name (if any, involving gift): _____
- D. Honorific naming (no gift involved): _____
- E. Proposed use(s): _____

II. Academic Information: (please attach explanation)

- A. Academic Justification: Explain how the proposed gift or endowment fits into the College/Unit's Academic Plan.
- B. Resources: Describe the resources that will be necessary to support the proposed Chair (e.g., FTE and other funding.) Please refer to the College/Unit Academic Plan as appropriate.

III. Contribution Information:

- A. Total amount of private funds expected to be committed (or being discussed):
\$ _____.
- B. Form of private contribution (s):
☐ Outright Gift (Date: _____.)
☐ Written Pledge (Expected beginning date: _____ Fulfillment Date: _____.)
- C. Initial contribution/pledge payment expected \$ _____ by (date) _____.
- D. Source(s) of private contribution(s):
Donor(s) _____ Amount(s) _____
- E. Will this gift/pledge be anonymous, without publicity? ☐ Yes ☐ No

IV. College/UCR/UC Commitment:

- A. Will any **additional** college, campus-wide or system-wide resources be sought/required (e.g., space, special facilities, equipment, etc.)? How will they be funded?
- B. If Endowed Chair or Professorship, is this a ☐ New FTE ☐ Existing FTE?
If new, please give reference to your Academic Plan: _____.

V. College/Unit/Faculty/Academic Senate Consultation

This naming has been reviewed by and received approval from the faculty of the (specific department/school/unit) _____ affected by the named chair.

Submitted by:

Dean/Unit Head

Date

Associate Vice Chancellor, Development

Date

Vice Chancellor, University Advancement

Date

Send completed request form with:

- draft gift document and
- all supporting information

to Associate Vice Chancellor, Development, 257A Highlander Hall, Campus.

GIFT AGREEMENT SAMPLE
Gift Agreement Between [NAME]

The UC RIVERSIDE FOUNDATION
To Establish An Endowed Chair Fund

_____ [Name of Donor(s)] pledge(s) irrevocably to give the UC Riverside Foundation, a California non profit corporation, with the conditions and purposes contained in this document, cash or marketable securities having a fair market value on the dates of the gifts in the aggregate amount of \$_____ (“Gift Funds”) to establish the _____ Endowed Chair Fund (“Fund”).

[BACKGROUND INFORMATION ON DONOR MAY BE INCLUDED HERE.]

1.0 *ESTABLISHMENT OF FUND*

- 1.1 Subject to approval through the appropriate policies and procedures of the University of California, Riverside, and the Regents of the University of California, and pending receipt of funds equivalent to the minimum requirement for endowed chairs, the Chair will be named the _____ Endowed Chair.
- 1.2 [Pledge Schedule—to be completed within 5 years from date of pledge]
- 1.3 The unpaid balance of the total amount, if any, which has not been satisfied at Donor’s death, shall be binding on Donor’s estate.
- 1.4 Additional contributions may be made to Fund.

2.0 *PURPOSE AND USE OF ENDOWMENT*

- 2.1 The expendable distribution from this endowment will provide support for an endowed chair in [Name of Academic Area] under the direction of [Dean, etc.]
- 2.2 Other criteria regarding chair can be included here.
- 2.3 [Information about how payout from the endowment will be made available to the Department and Chairholder per governing authority policy.]
- 2.4 If, in the judgment of the [President/Chancellor], the designated use of endowment payout is impractical or impossible, then the [President/Chancellor] may use endowment payout for such other purposes at the University of California, Riverside as he/she determines to be consistent with Donor’s interests and intentions.
- 2.5 Provision is hereby made permitting reallocation to alternative College uses if the minimum funding levels are not achieved.

3.0 *ADMINISTRATION OF FUND*

- 3.1 The chair endowment will be administered in accordance with the UC Policy on Endowed Chairs and Professorships and the Administrative Guidelines and Procedures: Endowed Chairs and Professorships.
- 3.2 The Fund's expendable distribution will be determined periodically under the terms of the Endowment Expenditure Policy as established by the UC Riverside Foundation.
- 3.3 Total return earned by the Fund in excess of the amount approved for distribution shall be retained in the Fund principal to protect the Fund from the effects of inflation and to allow for growth. Any unexpended distribution from the previous year may be combined with that of the current year for spending purposes or added to the Fund principal.
- 3.4 The principal of the Fund may be combined with other Funds for investment purposes.
- 3.5 Fiduciary responsibility for governance and investment of this endowment is vested in the UC Riverside Foundation Board of Trustees.
- 3.6 Administrative and gift fees shall be assessed on the Fund balance and on any additions to the Fund in accordance with University of California, Riverside policy.

SIGNATURES:

Donor

Date

Appropriate Dept/Campus Authority

Date

UC Riverside Foundation/Campus Authority

Date

NOTE: THESE POLICIES ARE IN PROCESS OF BEING REVISED

(Policy Document 1)
UC RIVERSIDE GIFT POLICY AND PROCEDURE
ADMINISTRATIVE AND GIFT SERVICE FEE INFORMATION
(August, 2000)

It is University policy that an Administrative Service Fee be charged against all existing endowments and gift fund balances of \$1,000 or greater. A one-time Gift Service Fee will be levied on all new cash (or cash equivalent) gifts to the University. (See attached copies of gift service and administrative fee policy documents, dated April 1, 1996.) The Administrative Service Fee as of the date of this document is 1.5%. The Gift Service Fee is utilized by the Chancellor for the campus as a whole, and is allocated according to the Chancellor's discretion. As of the date of this document the Gift Service Fee is 5%. The Gift Service Fee must be disclosed to the prospective donor in a cover letter. The donor may choose one of following ways of handling the Gift Service Fee:

- The Gift Service Fee can be deducted directly from the funds at the time of receipt, allowing the department to use the balance of the gift immediately, or the donor may include the gift service fee as part of the gift.
- The gift could remain in a holding account until it earns the amount of the Gift Service Fee in interest. This will usually take about 10-12 months. Then the gift is available for use. This is the "default" if the donor does not indicate his/her preference.

Specific Language to include in Gift Agreements: "Administrative and Gift Service Fees shall be assessed in accordance with UCR policy on administrative fees." **NOTE:** Details regarding the current policy and how the donor wishes to handle the gift service fee are best described in a cover letter. It is often not necessary to discuss the 1.5 % on-going administrative fee. Although the current Gift Service Fee of 5% and the method for handling it must be discussed with the donor, and may be included in a cover letter, do not include the detail in the gift agreement document. This is because the policy is subject to change. Also, a donor may choose to make additional contributions to the fund, and may wish to handle the gift service fee in a different way. If reference is made to a specific per-cent and method in the document, it may be confusing to administrators and create potential problems in the future.

GENERAL LANGUAGE RE: UC RIVERSIDE FOUNDATION

"The UC Riverside Foundation is a California non-profit, public benefit corporation organized for the purpose of encouraging voluntary private gifts, trusts and bequests for the benefit of the University of California, Riverside. Responsibility for governance of the Foundation, including investment of gifts and endowments is vested in its Board of Trustees."

UCRF-fee
August, 2000

(Policy Document 2)
[Official Statement of Current Policy]
UNIVERSITY OF CALIFORNIA, RIVERSIDE
POLICY ON GIFT SERVICE FEE
APRIL 1, 1996

1. All gifts directed to the Riverside campus will be recorded in their entirety.
2. All cash gifts, regardless of the amount, including gifts for the purpose of establishing endowments or property gifts converted to cash, will be charged a onetime Gift Service Fee of 5% based upon the principal value of the gift. The principal value of the gift is defined as the amount of the new gift fund as recorded in its entirety, the amount of incremental additions made to existing gift funds, or actual cash realized upon conversion of property. The Gift Service Fee represents a partial recovery of the cost involved in securing and handling the gift, including fiduciary and reporting requirements.
3. All proceeds from the Gift Service Fee will become a Chancellorial resource, to be utilized to cover costs associated with the securing and handling of gifts.
4. The 5% Gift Service Fee will be collected in one of the following ways:
 - a) 5% Collected from the initial interest/income earned by the gift.
Non-endowment gifts will initially be sequestered and held either in the Foundation for the gifts made to the UCR Foundation or in the Campus Accounting Office for the gifts made to the UC Regents for the Riverside campus. During this period of sequestration, all interest income earned by the gift will be directed to the Chancellor to pay the fee assessment. After the 5% Service Fee has been satisfied, the gift will be released to the recipient.

For endowment gifts, the first 5% of income earned will be directed to the Chancellor to cover the 5% Gift Service Fee. After the 5% Gift Service Fee has been satisfied, the income stream from the endowment will be directed to the recipient.
 - b) 5% collected directly from the gift principal, after which the gift will be released to the recipient.
 - c) In the event that option a) or b) are neither preferred or possible, the recipient of the gift may provide the fee from another acceptable fund source within the unit, after which the gift will be released to the recipient.

Gift processing will proceed according to option a) unless notified by recipient to utilize option b) or c).

(Policy Document 3)
[Official Statement of Current Policy]
UNIVERSITY OF CALIFORNIA, RIVERSIDE
POLICY ON ADMINISTRATIVE SERVICE FEE
APRIL 1, 1996

1. Administrative Service Fee will be charged against all existing endowments, and gift fund balances of \$1,000 or greater at an annual rate of 1.5%.
2. The 1.5% Administrative Service Fee will be collected from the interest/income earnings of the fund balance.
3. For Endowments and Gifts held by the UCR Foundation, the annual 1.5% charge will be calculated and collected on a monthly basis as follows:
 - a) For Gift funds, the Administrative Service Fee will be assessed based upon the average fund balance for the month, which will include unspent fund balance, posted interest earnings from prior periods, and new contributions to the fund after it has satisfied the 5% Gift Service Fee requirement.
 - b) For Endowment funds, the Administrative Service Fee will be assessed based upon the book value of the fund (after it has satisfied the 5% Gift Service Fee requirement on endowments).
4. For Endowments and Gifts held by the UC Regents for the Riverside campus, the annual 1.5% charge will be assessed as follows:
 - a) For Gift funds, the Administrative Service Fee will be calculated and collected quarterly based upon the average month-end fund balances, which will include unspent fund balance, posted interest earnings from prior periods, and new contributions to the fund after it has satisfied the 5% Gift Service Fee requirement.
 - b) For Endowment funds, the Administrative Service Fee will be calculated and collected once a year based upon the book value of the Endowment (after it has satisfied the 5% Gift Service Fee requirement on endowments).

FeeAdmin964-1.UCR.

DATE

Mrs. June Smith, Director
Development Policy and Administration
Office of the President
University of California
300 Lakeside Drive
Oakland, CA 94612-3550

Re: Request for approval to establish an endowed chair

Dear Mrs. Smith:

In accordance with the procedures for establishment of endowed chairs, I am pleased to forward to you for the approval of the President, the Item for Action for establishment of the naming of an endowed chair (*John Doe Chair in Sociology*), College of Humanities, Arts, and Social Sciences.

The attached information confirms the contributions and pledge to the UC Riverside Foundation of \$X, XXX,XXX for the Chair, which will make the chair possible.

Should you have questions or concerns regarding this issue, please do not hesitate to contact me, (951) 827-5201, or Vice Chancellor William Boldt, (951) 827-5203.

Sincerely,

France A. Córdova
Chancellor

Enclosures

SAMPLE FORMAT: ENDOWED CHAIRS AND PROFESSORSHIPS

May 1996

[On page 1, all Items must have the appropriate footnote regarding release of information to the public, see below.*]

Campus: Riverside

Approved for Campus by: _____

Date Submitted: _____

ITEM FOR ACTION

[Substitute the word “professorship” where appropriate.]

ESTABLISHMENT AND NAMING OF ENDOWED CHAIR [surname of honoree],
COLLEGE/SCHOOL OF _____, RIVERSIDE CAMPUS

The Chancellor recommends to the President that the establishment of an endowed chair, College/School of _____, Riverside campus, be approved, and that the Chair be named [Jones Chair, The Samuel] in _____

[Alternative 1: funded by outright gift]

through establishment of an endowment of \$ _____

[Alternative 2: funded by pledge, campaign, or deferred gift]

contingent on establishment of an endowment of at least \$ _____

[Continue: endowment to be held by Regents]

with The Regents for support of the Chair.

[Continue: endowment to be held by campus foundation]

with the [UC Riverside Foundation] for support of the Chair, and contingent also on receipt of a binding commitment from the Foundation that it will pay The Regents the income of the Chair endowment held and invested by the Foundation.

[When the donor has so provided, add the following]

Income may be added to principal under conditions authorized by the donor.

[For all chair items, continue]

BACKGROUND

The proposed _____ Chair in _____, College/School of _____, Riverside campus, would be supported by an endowment of \$ _____ to be held and invested by [The Regents or (UC Riverside Foundation)]

[Alternative 1: outright gift]

representing an outright gift of \$ _____ made on [date] by _____.

[Alternative 2: pledge]

pledged to _____ by _____. The first pledge payment of \$ _____ was made on [date] with the balance of payments to be made [continue with schedule of future payments].

[Alternative 3: campaign]

[Provide specific details about the fund-raising campaign].

*Action will be released to the public by the campus immediately following the President’s action (or alternate time specified).

[Alternative 4: deferred gift]

[e.g. , for charitable remainder trust: provide details about type of trust, beneficiaries and contingent beneficiaries, their ages, payout, current value, and estimated remainder value and submit a signed copy of the trust agreement along with the draft item].

[For all chair items, continue with the following]

[Facts about the honoree]

[Facts about the donor if different from the honoree]

[Facts about the proposed chair and any conditions specified beyond University requirements]

[Final paragraph]

[Alternative 1: to be held by Regents]

Income from the Chair endowment would be made available to the chair holder in support of teaching and research in accordance with University Policy.

[Alternative 2: to be held by campus foundation]

Income from the chair endowment would be transferred to The Regents, to be made available to the Chair holder in support of teaching and research, in accordance with University policy.

[When donor has so provided, add]

Income may be added to principal under conditions authorized by the donor.

[For all chair items, continue]

Salary support and FTE would be provided by the College/School/ Department of _____. In keeping with University policy, the _____ Division of the Academic Senate has been consulted regarding the establishment of this Chair.

REMINDER

[All documents pertaining to the gift and to the chair or professorship must be signed]
[by the donor and must be submitted together with the campus draft of the proposed Action]
[Item for the Establishment and Naming of the Endowed Chair or Professorship. Items are]
[not considered received in the office of the President until all applicable background]
[documents have been received.]

Attachment 7 - Sample Letter from Chair Holder to Chair Donor

1

September 17, [REDACTED]

Dear [REDACTED]

I was appointed by the Provost at the request of a faculty review committee as a fellow of the Mrs. Mary Gibbs Jones Centennial Chair to support my academic research. [REDACTED], I hold the Walter Cronkite Regents Chair in Communication. Its proceeds are used to support the College's activities. My appointment to the Mrs. Mary Gibbs Jones Centennial Chair underscores my continued research activities.

This past year has been a productive one for my research, which continues to be engaging. I recently received a grant from the Markle Foundation to review research on interactive media and children's development and to help the Foundation set an agenda for future research. I am very impressed with Zoe Baird, the new President of the Markle Foundation, and am serving as well as a consultant to Markle on their three-year project to influence the future shape of the Internet. It is quite an exciting project.

I managed to publish some journal articles: one with John Murray which is currently in press, entitled *The Reification of Irrelevancy: A Comment on "Reification of Normalcy."* which is to be published in the Journal of Health Communication. I also wrote an article, *Children and Media: On Growth and Gaps* for the Mass Communication and Society Journal. I have enclosed this article for perusal. In addition to these I was an invited panelist at various conferences in the field of communication both nationally and internationally:

- Invited panelist on "How Broad Should the Professional Curriculum Be?" at Association for Education in Journalism and Mass Communication 82nd Annual Convention, New Orleans, LA, August 1999.
- Invited panelist on "Communication Media and Information Systems" at 2nd World Congress on International Education, Integration and Development, UNESCO, Buenos Aires, Argentina, July 1999.

- Invited panelist on “The Changing Economics of Children’s Television,” at Fourth Annual Conference on Children & Television, Annenberg Public Policy Center, Washington, DC, June, 1999.
- Invited panelist on “Communication & Technology, Technology Enhanced Learning: Contradictions for Higher Education,” at 49th International Communication Association Conference, San Francisco, CA, May 1999.
- Invited panelist on “A Look at Our Future,” at Through the Eyes of Children Conference, Academy of Television of Arts & Sciences and the Federal Communication Commission, Los Angeles, CA, March, 1999.
- Invited panelist on “Public Policy, Law and Ratings,” at Filtering Out Sex and Violence Conference, Center for Communications Law and Policy, The Law School, University of Southern California, Los Angeles, CA, March, 1999.
- Presenter on “TV As A Sex Educator?” at Sex on TV: Covering All the Bases, Kaiser Family Foundation, Los Angeles, CA, February, 1999.
- Invited panelist on “New Horizons: Preparing New Communication Faculty for the 21st Century,” at National Communication Association Conference, New York, NY, November, 1998.
- Invited panelist on “Lessons Learned, New Visions—Assessing the Finding of the MCA Summer Conference: Dialogue on Public Relations Education,” at National Communication Association Conference, New York, NY, November, 1998.
- Invited panelist on “Defining the New Media Culture for Kids,” and co-organizer of Ensuring a Quality Children’s Media Culture in the Digital Age: Setting a Research Agenda, Center for Media Education, Washington, DC, October, 1998.

I was named the Lou Douglas lecturer at Kansas State University and spoke on *Chips, Ratings and Mayhem: Television Violence in Context* in September 1998. I based this lecture on the Carroll C. Arnold Distinguished Lecture which I gave in 1996, which I have also enclosed. As well, The University of Texas at Austin asked me to be the keynote speaker at the University’s Honor’s Day ceremonies.

All in all it has been a busy and productive year for me. I wish to thank the Houston Endowment for supporting this chair at the College of Communication.

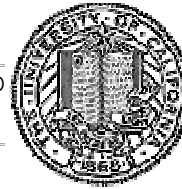
Sincerely,

**University of California
Office of the President**

**Administrative Guidelines and Procedures:
Endowed Chairs and Professorships**

UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

OFFICE OF THE PRESIDENT

1111 Franklin Street
Oakland, California 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

May 21, 1998

**CHANCELLORS
LABORATORY DIRECTORS
VICE PRESIDENT--AGRICULTURE AND NATURAL RESOURCES**

Enclosed are the revised Policy on Endowed Chairs and Professorships and the Administrative Guidelines and Procedures: Endowed Chairs and Professorships. The Policy and Administrative Guidelines have been expanded and provide additional flexibility and clarification about the administration and establishment of endowed chairs and professorships, including distinguished professorships and other similar arrangements. The new amount required to establish an endowed chair or professorship shall not be less than \$350,000, although higher minima may be established by individual Chancellors.

For endowed chairs and professorships currently being established, campus flexibility to continue current practices is intended. In cases where a gift instrument has not been finalized prior to the effective date of the revised Policy and Administrative Guidelines and where provisions have already been negotiated with donors which may be inconsistent with the new Policy and Administrative Guidelines, campuses may "grandfather" those gifts with the understanding that every effort has been made to structure the provisions of the gift instrument to conform with the newly established endowed chair policy and guidelines.

The revised Policy on Endowed Chairs and Professorships and the Administrative Guidelines and Procedures: Endowed Chairs and Professorships supersede the Policy on Endowed Chairs and Professorships dated March 1996 and the Administrative Guidelines for Campus Implementation of the Regental Policy on Endowed Chairs dated May 16, 1980.

To provide access to the revised Policy and Administrative Guidelines, we have included them in the Academic Personnel manual as APM 191. In addition, they can be found online at:
<http://www.ucop.edu/acadadv/acadpers/apm/s1-191.html>.

Yours truly,

Richard C. Atkinson
President

Enclosures

cc:

Members, President's Cabinet
Assistant Vice President Levin
Assistant Vice President Switkes
Academic Council Weiss
Special Assistant Gardner
Academic Vice Chancellors
University Counsel Portwood
Principal Officers of The Regents

GENERAL UNIVERSITY POLICY REGARDING APM - 191

ACADEMIC APPOINTEES

Endowed Chairs and Professorships

Rev. 5/21/98 Page 1

Policy on Endowed Chairs and Professorships

The University of California is committed to the tradition and importance of endowed chairs and endowed professorships, including distinguished professorships, in recognizing and fostering academic excellence among its faculty. All endowment funds and their payouts should be used for the enrichment of University programs. This Policy recognizes the obligation of the State of California to be the primary fund source for support of the University's core faculty positions. The University also recognizes the desire of donors to support a wide variety of academic and research activities through the creation of endowed funds to enhance, in perpetuity, State support for the University's mission.

Endowed chairs and professorships are reserved for distinguished scholars and teachers. An endowed chair or professorship provides funds to a chair holder in support of his or her teaching, research, and service, and is supported by payout from an endowment fund, a fund functioning as an endowment, or from an annual allocation. In addition, unless expressly prohibited by the gift instrument, an endowed chair or professorship may provide payout to support the base salary and/or other salary components of a chair holder. An administrative endowed chair provides funds in support of the teaching, research, and service activities of the department, research unit, school, or college. The President is authorized to approve all endowed chairs and professorships, and to issue administrative guidelines and procedures to implement this Policy. The total amount required to establish an endowed chair or professorship shall be not less than \$350,000, although higher minima may be established by individual Chancellors. The establishment and naming of endowed chairs and professorships shall be pursuant to this Policy and are contingent on fulfillment of funding of the endowment and subject to University policies, guidelines, and procedures to ensure appropriate financial and organizational controls.

GENERAL UNIVERSITY POLICY REGARDING APM - 191

ACADEMIC APPOINTEES

Endowed Chairs and Professorships

Rev. 5/21/98 Page 2

Administrative Guidelines and Procedures:

Endowed Chairs and Professorships

A. Scope of Policy and Administrative Guidelines and Procedures

1. The University Policy on Endowed Chairs and Professorships authorizes the establishment of endowed chairs and professorships to provide recognition for the distinguished achievements of faculty.
2. The Policy on Endowed Chairs and Professorships and these Administrative Guidelines and Procedures shall apply to all funds named in honor of a donor or others that provide direct supplemental support for individual faculty members. This includes those chairs for which:
 - a. the funding is provided by an endowment, a fund functioning as an endowment, or an annual allocation;
 - b. the funding is derived from a gift or a discretionary administrative source; and
 - c. the funding is provided on a term basis for a specified period consistent with gift terms or administrative allocation terms.

The Policy and these Administrative Guidelines and Procedures cover endowed chairs and endowed professorships, including distinguished professorships and all other similar arrangements established under other names (but not including fellowships). For convenience, all such arrangements will collectively be referred to as "endowed chairs".

Endowed chairs established prior to this Policy (May 21, 1998) shall, to the extent consistent with the original intent of the donor and terms of the governing gift or allocation instrument, be administered in conformity with the Policy and with these Administrative Guidelines and Procedures. To the extent there are inconsistencies, the original intent of the donor and the terms of the gift or allocation instrument shall govern.

GENERAL UNIVERSITY POLICY REGARDING APM - 191

ACADEMIC APPOINTEES

Endowed Chairs and Professorships

Rev. 12/14/00 Page 3

3. An endowed chair provides funds to a chair holder in support of his or her teaching, research, and service responsibilities, and is supported by assets from sources listed in A.2. In addition, unless expressly prohibited by the gift instrument, chair payout may be used to support the base salary and/or other salary components of a chair holder. For definitions of payout and base salary, see Sections D.1. and D.5, respectively. To establish a chair, a fund of at least \$350,000 is required. If a chair is to be funded through an annual gift for current use or an administrative allocation, the initial allocation, as well as future allocations, must at least equal the amount of the annual payout approved by The Regents on an endowment with a market value of \$350,000. This condition will provide the growth necessary to respond to inflation. This minimum also applies to deferred gifts or bequests, the present value of the remainder interest of which shall be used to determine whether the minimum is met. Chancellors may establish higher minima to meet individual campus needs. (See also Section B.7.)

4. An *administrative endowed chair* is held by an administrator such as a Department Chair, Director of an Organized Research Unit, Dean or Provost of a school or college, Vice Chancellor, or Chancellor. (See also Sections C.3. and D.3.) Fund payout for an administrative chair shall provide support for the teaching, research, and service activities of the department, research unit, school, or college.

B. Establishment and Naming of an Endowed Chair

1. By action of the Board of Regents on March 15, 1996, the President has been granted authority to establish and name endowed chairs.
2. The subject area of the endowed chair, if any, must be consistent with the mission of the University of California and the academic plan of the campus.
3. No final commitment to establish and name an endowed chair shall be made to a prospective donor prior to Presidential approval.
4. If a gift for support of an endowed chair is intended also to provide support for other purposes, the governing gift instrument shall either:
 - a. stipulate the percentage of the total gift or the residual corpus or the dollar level to be directed to the additional purposes; or
 - b. grant such discretionary authority to the Chancellor.

GENERAL UNIVERSITY POLICY REGARDING APM - 191

ACADEMIC APPOINTEES

Endowed Chairs and Professorships

Rev. 12/14/00 Page 4

In the absence of such a stipulation by the donor, the total gift shall be allocated for support of the endowed chair.

5. A pledge to establish an endowed chair shall be in a form such as to constitute a legally binding commitment by the donor.
6. Chairs established on behalf of a Campus Foundation shall be supported by a binding agreement to transfer endowment payout at least annually to The Regents for support of the endowed chair.

7. The establishment of an endowed chair shall be contingent upon completion of funding by an agreed upon date. The gift instrument or allocation shall include a payment schedule specified at the time of Presidential approval, unless a legally binding, irrevocable commitment is in effect to complete the funding by bequest or deferred gift, for which there can be no predetermined termination date. Following approval by the President and until funding is completed, the chair will be deemed conditionally established. A chair that has not reached full funding by the end of the specified period shall be reviewed by the Chancellor or the Chancellor's designee to determine the appropriate action, including the possible completion of funding from alternate sources, the disestablishment of the chair, or other action. (See Disestablishment of an Endowed Chair, Section E)
8. All proposals to fund all or any portion of a chair fund through a deferred gift or legally binding commitment to bequeath shall be reviewed by the Treasurer and the General Counsel as part of the process to establish and name the chairs. The deferred gift and legally binding commitment to bequeath each must have an estimated present value remainder interest equal to or in excess of the minimum dollar amount required to fund the chair. The calculation of the estimated remainder interest can be made by the campus planned giving office. A proposal from a donor to create an endowed chair with assets to be held by a fiduciary external to The Regents or the Campus Foundation must be approved by the Treasurer and the General Counsel.
9. All donors should be encouraged to include in the governing gift instrument provisions permitting:
 - a. the addition of payout to principal;
 - b. the alternative University uses of payout during the period prior to full funding of the endowment or when the chair is vacant; and
 - c. the reallocation to alternative University uses if the minimum funding level is not ultimately realized or if the subject area ceases to be consistent with the University's mission and the academic plan of the campus. Sample language regarding these provisions is included in the addendum to this document. (See Addendum)
10. Establishment and naming of an endowed chair must involve consultation with the appropriate committee(s) of the Academic Senate.
11. The naming process for an endowed chair is included in the University Policy and Procedures on Naming University Properties, Programs, and Facilities. A chair may be named in honor of the donor or other honoree, including a current active faculty member, designated by the donor, subject to approval by the President.
12. Full disclosure of the campus gift and recurring administrative fee practices shall be made in writing to donors at or prior to the time of the gift.

C. Appointment to the Endowed Chair

1. Appointments to endowed chairs shall be made in accordance with regularly established University procedures for faculty appointments, except as noted in Section C.3. The designation of a faculty member for appointment to a chair is made by the campus in accordance with the standards and procedures of the campus.
2. An endowed chair may be filled by one individual for an indefinite period or for a prescribed period, unless otherwise provided in the terms of the gift instrument or the terms of the administrative allocation. The Chancellor may reassign a chair in accordance with campus procedures, including consultation with the Academic Senate. In such cases, notification to a current chair holder should be provided.
3. As provided in Section A.4., an endowed chair holder may serve simultaneously in an administrative position such as Department Chair, Director of an Organized Research Unit, Dean or Provost of a school or college, Vice Chancellor or Chancellor. The University has distinct

appointment procedures for chair holders and for administrative officers, so these appointments must therefore be reviewed separately. In the case of an administrative endowed chair (see also Section D.3.), the administrative officer is automatically designated as the chair holder.

4. The Chancellor or the Chancellor's designee shall review endowed chairs that remain vacant for a consecutive period of three years to ensure that the University meets its legal obligation under California trust law to fulfill the terms of the gift and to expend endowment payouts consistent with those terms. The General Counsel has advised that accumulated payout should not be allowed to exceed five years of payout. (See also Section D.4.)

5. A campus may appoint a chair holder to an approved chair prior to completion of the pledge payments. Such a chair would be referred to as conditionally established. The chair payout will be made available to the chair holder in accordance with the terms of the gift instrument or the administrative allocation. If the donor has specified that the payout be added to the principal until the endowment is fully funded, then the payout will be added to the chair principal. Under these circumstances, the chair holder will not receive the payout until the endowment equals the value of the pledged amount. In the event of a chair that does not reach full funding by the end of the specified period see provisions for disestablishing endowed chairs in Section E.

D. Use of Fund Payout

1. Fund payout is defined as the dollar amount for current expenditure made available from an endowment held by The Regents or the Campus Foundation, or from an annual administrative allocation.

2. Fund payout is provided to holders of endowed chairs to support teaching, research, and service activities of a chair holder. In addition, fund payout may be used to support the base salary and/or other salary components of a chair holder. (See also Section D.5.) Expenditures shall be made in accordance with the gift or administrative allocation terms, according to a budget recommended annually by the chair holder to the Department Chair and approved by the appropriate campus administrator in the normal budgetary process, except as noted in Section D.3. Consistent with the foregoing, and following consultation with the appropriate campus administrator or counsel, the Chancellor may approve a chair holder's proposal to allocate a portion of the fund payout for support of the academic endeavors of the department or campus for a specified period, consistent with gift terms.

3. Fund payout is provided to holders of administrative endowed chairs (see also Sections A.4. and C.3.) to support the teaching, research, and service activities of the department, research unit, school, or college. The administrative chair holder shall determine use of the payout according to a budget approved annually by the appropriate campus administrator in the normal budgetary process.

4. The Chancellor or the Chancellor's designee shall review the terms of the fund at least every five years and take the necessary actions to ensure that the University is fulfilling its legal obligation to utilize chair payouts fully in a manner consistent with the gift instrument.

5. Unless expressly prohibited by the gift instrument, fund payout may be used to support the base salary, or a portion of the base salary, of a chair holder. Base salary is defined as salary paid to a faculty member for his/her teaching, research, service, and other University duties during the course of the year. The use of endowment payout to support the base salary must be made in accordance with University policy and campus procedures. (See also Section F.1.) The payout from a chair endowment may also be used to support other salary components, for example, the off-scale component of salary, sabbatical supplement, summer salary of the chair holder, or additional compensation under an approved compensation plan in accordance with applicable policies, or other additional compensation permitted by University policy.

6. In the event an established, fully-funded chair has remained vacant for a period of three years or more, or in the event that the chair's accumulated income exceeds five years of payout, the

campus shall review the fund's terms and administrative history to ascertain the reason for the accumulation and take appropriate corrective action *consistent with the terms of the gift instrument or consistent with the terms of the administrative allocation*. Such action may include:

- a. Implementing a new expenditure plan designed to fill the chair and/or to utilize the payout fully;
- b. Seeking a reallocation of the fund by the Chancellor providing for an alternative purpose for utilization of the fund payout consistent with the terms of the gift instrument;
- c. Seeking redesignation of the chair and/or fund purpose by the Chancellor, following consultation with and approval of the donor;
- d. If the donor is not available, seeking Court approval with the assistance of the General Counsel for a redesignation of the chair and/or fund purpose; or
- e. Seeking approval by the fund fiduciary (The Regents or the Campus Foundation) for the addition of accumulated unspent payout to the fund principal in conjunction with a new expenditure plan.

E. Disestablishment of an Endowed Chair

1. The establishment of an endowed chair is contingent on completion of funding. A chair whose endowment has not reached full funding either by the end of the specified pledge period or the maturity of the deferred gift or bequest shall be reviewed at the campus, such a review to include any alternative uses for the payout prescribed by the gift or allocation instrument and/or through discussions with the donor. If appropriate, with the concurrence of the General Counsel, the Chancellor may propose to the President the disestablishment of the chair and the alternate use of the chair funding.
2. Subject to the donor's approval and upon recommendation by the Chancellor, the President, in consultation with General Counsel, is authorized to disestablish an endowed chair in the event that:
 - a. the subject area ceases to be consistent with the University's mission and the academic plan of the campus; or
 - b. the endowed chair remains vacant for a period of three years and the Chancellor, after consultation with the appropriate Dean or Provost and the Department Chair, determines there is no likelihood of filling the chair.
3. Upon disestablishment of an endowed chair funded through a gift, the fund payout shall be reallocated to the alternative purpose stated in the gift instrument or as subsequently specified by the donor in consultation with the Chancellor and the General Counsel. If a donor is deceased and has not specified an alternative purpose, the campus shall request the assistance of General Counsel to obtain court approval for an alternative use of fund payout in a related field.

F. Campus Procedures

1. Each campus shall have written procedures on the establishment and naming of endowed chairs, the disestablishment of endowed chairs, the filling of chairs, and the use of endowment payout for faculty salaries. These procedures shall incorporate and be consistent with the Policy on Endowed Chairs and Professorships and with these Administrative Guidelines and Procedures.
2. Copies of campus policies and procedures on endowed chairs shall be forwarded to the Provost and Senior Vice President for Academic Affairs, with a copy to the Vice President for University and External Relations.

G. Reporting

1. The President shall report quarterly to The Regents on the establishment and naming and the disestablishment of endowed chairs and reallocation of chair funds.
2. The Chancellor shall provide to the President on a fiscal-year basis a list of all endowed chairs noting which are filled, which are vacant and how long each vacancy has existed, which have been

disestablished and the reallocation of chair funds. (See the attached report format.) The report shall include the following information for each chair:

- a. chair name;
 - b. academic unit;
 - c. code for the discipline (as on attached report format);
 - d. year approved, or, if for a term chair, the inclusive years during which the chair will be in effect;
 - e. entity that holds the endowment (The Regents or Campus Foundation);
 - f. pledged amount;
 - g. book value at year-end;
 - h. market value at year-end;
 - i. unexpended payout at year-end;
 - j. confirmation of a current appointment to the chair (signified by .Y. for yes), vacancy of the chair (signified by the number of months or years the chair has been vacant), or disestablishment of the chair (signified by .D.) and reallocation of chair funds (signified by .R.).
3. Gift documents for chair endowments held by The Regents and the Campus Foundations must be filed with the Office of the President.

Addendum

Set below is sample language for a gift letter or agreement establishing an endowed chair regarding the addition of payout to principal and alternate uses of the payout. The total return earned by the chair endowment in excess of the amount approved for distribution by [The Regents or the Campus Foundation Board of Trustees] shall be retained in the fund to protect the fund from the effects of inflation and to allow for growth of earnings. Furthermore, the addition to the endowment fund's principal of the expendable distribution is authorized at the Chancellor's discretion when the distribution is not needed for purposes of the chair. In addition, during periods when the chair is vacant, the Chancellor is authorized to utilize the expendable distribution for purposes closely related to the field represented by the chair. It is our wish that the chair exist in perpetuity. We understand, however, that unforeseen circumstances may alter the academic plan of the University or remove the subject area from the campus academic plan. In such circumstances, or if the endowment should not meet the pledged amount, the Chancellor of the University of California, [campus], is authorized to redesignate the purpose of this endowed fund, taking into consideration our expressed wishes as to the designated purpose that we have described in this document.