

1. Title

Endowed Academic Positions

2. Rule and Regulation

Sec. 1 Approval Prior to Announcement. Negotiations and fund raising for an endowment are permitted prior to its formal approval and establishment by the Board or its designee(s). However an endowment will not be announced as having been established prior to its establishment by the Board or its designee(s). No initial appointment will be made to an endowed or named academic position without prior approval as a Request for Budget Change by the president of an institution after review and approval by the appropriate Executive Vice Chancellor. Subsequent new or continuing appointments to the endowed or named academic positions may be approved as a part of the annual operating budget.

Sec. 2 Categories and Minimum Funding Levels. The six categories of endowed and named academic positions and the minimum funding levels to establish the positions are: Distinguished University Chair (\$2 million), Distinguished Chair (\$1 million), Chair (\$500,000), Distinguished Professorship (\$250,000), Professorship (\$100,000), and Fellowship (\$50,000). All agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect unless a specific request for change is made by the donor and the institution and approved by the Board of Regents. Individual institutions are not required to utilize all categories of endowed academic positions and may, with advance administrative approval and inclusion in the institutional *Handbook of Operating Procedures*, limit institutional endowment activity to those position categories which best fit the institution's goals and mission.

2.1 Whether an endowment has attained the minimum funding level necessary to establish a particular academic position will be determined by the total value of gifts from donors and transfers of funds valued as of the gift date or date of transfer, respectively. Funding levels will not be determined by the amount of net sale proceeds received from a non-cash gift or by the current market value of the investments held in an endowment.

- 2.2 With the specific approval of the Board of Regents, a named academic position may be established without the above minimum funding levels only in accordance with agreements recommended by the Chancellor, the appropriate Executive Vice Chancellor, and the Vice Chancellor for External Relations. Such agreements must contain the provisions outlined in Sections 2.3 and 2.4 immediately below.
- 2.3 If an external entity requests that the Board of Regents establish a named academic position based upon the entity's agreement to hold and manage an endowment fund supporting the position, the entity must irrevocably agree to dedicate the endowment to the support of the academic position in perpetuity or for a specified term of years. The entity must agree to adhere to Board policies regarding minimum funding levels for an endowment. The entity must agree to employ annual payout policies that are consistent with the goal of distributing from the endowment, or otherwise contributing to the institution, an annual payout amount substantially similar to that distributed from a comparable Board-managed endowment. The entity must agree that funds distributed from the endowment shall be paid to the institution for further expenditure in accordance with Board policies. The Board must retain the right to appoint all holders of the academic position.
- 2.4 If an external entity requests that the Board of Regents establish a named academic position without the funding of an endowment to support the position, the entity must irrevocably agree to contribute annually, either in perpetuity or for a specified term of years, an amount substantially similar to that distributed from a Board-managed endowment in support of a comparable position. The entity must agree that the funds will be contributed for further expenditure in accordance with Board policies regarding the particular category of academic position being established. The Board must retain the right to appoint all holders of the academic position.

Sec. 3 Distributions for Endowed Academic Positions. The institution will pay from its funds such amounts as are necessary to set the salary of the holder at a level commensurate with his or her

record, experience, and position in the faculty. Distributions from the endowment may be used both for salary supplementation and for other professional support of the holder of the endowed position, including assistance in the holder's research.

Endowment distributions also may be used to pay an appropriate part of the salary of the holder of the endowed position commensurate with an authorized reduced faculty workload when required by other duties of the position or when the holder is on part-time or full-time research leave which is otherwise un-funded. It is provided specifically, however, that in no event, will endowment distributions be used to supplant any other source of funds used to pay the base salary of the holder of the position when the holder is performing his or her regular duties.

- Sec. 4 Establishment and Distributions of Endowed Fellowships. Distributions from the endowment may be used to supplement the salary of the holder of the fellowship, who may be a qualified person of any academic rank irrespective of tenure status, and will also be available for other professional support of the holder. The endowed fellowship will be used to provide temporary support (not to exceed one academic year) of distinguished scholars who are in temporary residence at the institution while participating in planned academic programs; visiting scholars who are in temporary residence at the institution for special academic programs or purposes; institution faculty who have made unique contributions to academic life or to knowledge in their academic discipline; and institution faculty of any academic rank, irrespective of tenure status, who have been selected for teaching excellence through procedures established by the institution. Grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted in this regulation. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this regulation.

3. Definitions

Endowed Academic Position – an endowed academic position is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a senior faculty member. The position holder will normally be a tenured faculty member who has had a distinguished career. A holder may be named to an endowed academic position for the remainder of his or her employment, or for a term of years, and the position may be renewable or non-renewable.

Endowed Fellowships – an endowed fellowship (or faculty fellowship) is a faculty position supported by an endowment from which distributions are dedicated to salary supplementation, research support, or other professional needs of a faculty member of any academic rank, irrespective of tenure status. The endowed fellowship will be awarded for a specified length of time and may or may not be renewable.

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators
Chief Business Officers
Development Officers

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs
Office of External Relations
Office of General Counsel

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu