

Guidelines for Utilization of Chair and Professorship Endowment Funds

Revised: September 13, 2017

Purpose:

Chair and Professorship endowment funds are intended to be maintained in perpetuity and to be used to recruit, retain, and support outstanding faculty. The university intends to maintain the highest standards of stewardship and fiduciary responsibility for these endowments, preserve the inflation-adjusted value of the funds, maximize total returns, and provide necessary information to donors and appropriate officers of the university. Reporting to donors is essential to recognize their important contribution to the university's mission. As part of this stewardship effort, the donor must approve any material changes to the original endowment, in close coordination with the college's chief advancement officer.

Guidance:

Departments will use the income from a chair or professorship endowment, including Ohio Eminent Scholar funds, to cover some of the expenses for the faculty member. In general, such faculty members will be tenured full professors or associate professors who have established a significant national/international reputation; assistant professors and other faculty may be considered for the appointments in line with the provisions of the gift and with the approval of the chair and executive dean. The income from the endowment is expected to be used to supplement general funds for salary (provide a portion of base salary or funds for off duty pay) and may provide funds to support graduate students, support staff, startup costs, supplies, travel, publication subventions or manuscript preparation expenses, and other items necessary to support research and increase the effectiveness of the faculty member, as specified by the conditions of the gift.

Process:

When a chair or professorship is vacant, cash from the endowment may be used to cover reasonable expenses associated with the search for the chair holder.

In cases where a new chair is being recruited, the department chair must submit a proposal about utilization of the funds to the relevant divisional dean and the chief administrative officer. This proposal must be approved by the executive dean in advance of launching the search. The proposal should cover the first five years of the appointment, after which both the appointment and the utilization of funds will be reviewed.

There is an expectation that the income from the endowment will be used judiciously toward the total costs of the faculty member's appointment, including salary, benefits, and funds necessary for a competitive research program in the appropriate discipline. Proposals for distribution of funds should take into account comparable salaries and research funds within the discipline at peer institutions. Proposals will typically be applied toward the total costs of salary and benefits, but may also be used wholly or in part to support ongoing research programs in cases where disciplinary norms at peer institutions support such an investment. Accumulated cash balances should also be taken into consideration within the



proposal. Options for utilization of cash balances may include reinvestment to principal or accelerated use of funds for a defined period of time.

In cases where the endowed funds are used to support a faculty member's research program, the letter of appointment for an endowed chair or professorship must stipulate the maximum carry-over of research funds from the endowment and also any minimum bridge funding that will be guaranteed should the distribution from the endowment decrease. It must also stipulate that both the appointment and the disbursement of funds will be reviewed after five years.

If during a term of appointment, a department chair wishes to redirect more of the income to provide a merit or equity salary increase for an existing endowed chair holder, the department chair should provide a request for this during the regular Annual Merit Compensation Process (AMCP). For all other uses, the executive dean must grant approval in advance of the expense.

Endowed chair and professorship holders are reviewed every five years (except in cases where the chairs rotate to different faculty members every five years). In cases where the original letter of appointment did not apply any of the endowed funds toward salary and benefits, this arrangement will be allowed to be "grandfathered" and renewed on an individual basis. In all other cases, the proportion of funds given to salary/benefits and to other research purposes will be continued or revised based on an analysis of the needs of the unit, the faculty member, and the availability of other funds.