Administrative Policy
Print

University Endowed Chairs, Deanships, Directorships, ~~Chairs~~, Professorships and Faculty Fellowships

Sidebar

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Policy Statement

Gifts are accepted by the University of Minnesota for the purpose of creating endowed deanship, directorship, chair, ~~deanship, directorship,~~ professorship, or faculty fellowship positions. These positions may be permanently endowed; or established as a 10-year term position if the annual support is equal to 1/10 of the total needed for appropriate endowment level. The Board of Regents approves the minimum levels of endowments The president or delegate may authorize units to establish a higher minimum level of private financial support required to be placed in a permanent endowment than the amounts defined below. University faculty may be eligible to hold one of these positions to enhance their contribution to teaching, research, and public service. Units must coordinate all donor proposals, negotiations, and contracts with the University of Minnesota Foundation to ensure that there is no conflict with other donor/proposal contracts and that all parties agree how the donation is to be applied.

Endowed deanships, directorships, chairs, ~~deanships, directorships,~~ professorships, and faculty fellowship positions typically carry the name of the donor; a person or institution designated by the donor; or a person in whose name the University seeks funds to endow the position. Terms such as *University*, *distinguished* or the title *Regents Professor* are conferred only by the Board of Regents.

The Executive Vice President and Provost, Chancellor, Vice President for Clinical Affairs, or Dean determines the appointment and length of term for each position, taking into consideration the donor agreement on file. The responsible University administrator must ensure that the endowment distributions and withdrawals are expended in accordance with the terms of the endowment. Units are responsible for determining the search and selection procedures for appointing faculty members to named deanships, directorships, chairs, ~~deanships, directorships,~~ professorships, or faculty fellowships, in compliance with University HR and EOAA policy and practice.

Endowment distributions and withdrawals from a chair, professorship, or faculty fellowship fund are intended to support a full-time faculty member or visiting faculty member as specified by the conditions of the donor agreement. The endowment distributions and withdrawals may be used to offset or supplement salary and fringe benefits of the recipient as well as staff support, travel, research, and other expenses related to the position. In situations where sufficient funding is available from the endowment, more than one position may be supported using the same name.

Endowment distributions and withdrawals from a deanship or directorship fund are intended to support a dean or director as specified by the conditions of the donor agreement.The endowment distributions and withdrawals may be used to offset or supplement salary and fringe benefits of the recipient as well as staff support, travel, research, and other expenses related to the position.

Units may charge expenses associated with searching for deanships, directorships,chairs, ~~deanships, directorships,~~ professorships, or faculty fellowship positions, in compliance with the University's *Business Expenses and Hospitality and Entertainment of Non-Employees* policies, to the available balance when the position is vacant. Units must work with the Foundation to make any changes to the terms of the donor agreement.

Units with PUF chairs or professorships must follow the spending requirements outlined in *MN State Statute 137.022*.

Reason for Policy

To implement the Board of Regents policy on Namings and Renamings and maintain the highest standards of stewardship and fiduciary responsibility for endowed deanships, directorships, chairs, ~~deanships, directorships,~~ professorships, and faculty fellowships in order to support the work and increase the effectiveness of the scholar who has received this designation.

Procedures

- *Approving, Planning and Appointing Endowed Chairs, Deanship, Directorships, Professorships, or Faculty Fellowships*
- *Calculating and Planning the Distribution of PUF Endowment Income*

Forms/Instructions

There are no forms associated with this policy.

Appendices

There are no appendices associated with this policy.

Frequently Asked Questions

- FAQ: *University Endowed Chairs, Deanships, Directorships, Professorships and Faculty Fellowships*

Contacts

Subject	Contact
Primary Contact(s)	Lori Smith~~Jill Merriam~~
GIFT Portion	U of M Foundation
PUF Match Endowment Account and Target Account Setup	Accounting Services

Responsible Individuals

Responsible Officer	Policy Owner
• Executive Vice President and Provost	

Definitions

Chair

Chair positions require a minimum of $~~2~~3,000,000 in permanent endowment or a minimum of $3~~2~~00,000 per year for 10 years available to spend for the chair’s designated purpose. The combination of recurring funding from the unit and chair endowment distributions and withdrawals must be sufficient to provide salary and fringe benefits for the recipient, research, staff support, travel, and other expenses.

Consolidated Endowment Fund (CEF)

The fund represents the pooling of individual endowment funds from both public and private sources. Essentially permanent funds, endowments have the longest investment timelines. Funds should be invested in CEF when principal appreciation is the main goal and dollars will not be expended for at least three years. The accounting for CEF is done on a per-share market value basis. The share value is adjusted monthly as the overall value of CEF assets change due to market fluctuations.

Deanship

Dean positions require a minimum of $5,000,000 in permanent endowment or a minimum of $500,000 per year for 10 years available to spend for the dean's designated purpose. The combination of recurring funding from the unit and dean endowment distributions and withdrawals must be sufficient to provide salary and fringe benefits for the recipient, research, staff support, travel, and other expenses.

Directorship

Director~~Dean~~ positions require a minimum of $3,000,000 in permanent endowment or a minimum of $300,000 per year for 10 years available to spend for the director's designated purpose. The combination of recurring funding from the unit and director endowment distributions and withdrawals must be sufficient to provide salary and fringe benefits for the recipient, research, staff support, travel, and other expenses.

Endowment Distributions

The automatic distributions from endowments: UMF endowments distribute to the available balance monthly, and UM endowments distribute quarterly to a targeted chartstring.

Faculty Fellowship

Faculty fellows require a minimum of $500,000 in permanent endowment or a minimum of $50,000 per year for 10 years available to spend for the faculty fellowship's designated purpose. Generally, these funds are used to supplement a faculty member's salary, to provide stipends and support fellowships, or to cover expenses incurred in a lecture series.

Full-Time Faculty

A regular appointment that is two-thirds time or more over the academic year.

Permanent University Fund (PUF)

PUF is a public endowment derived from sources such as state iron ore taxes, royalties, and federal land grants. By legislative mandate, PUF assets are used to match private contributions with the goal of providing substantial financial support for endowed chairs and professorships throughout the University. All PUF endowments are True endowments and as such the original principal may not be spent. These endowments are invested in Consolidated Endowment Fund (CEF) and subject to the same policies.

Position

A Deanship, Directorship,Chair, ~~Deanship, Directorship,~~ Professorship, or Faculty Fellowship position which has been created in order to support and enhance the scholar's contribution to teaching, research, and public service.

Professorship

Professorship positions require a minimum of $1,500,0002~~1,000,000~~ in permanent endowment or a minimum of $150,0002~~100,000~~0 per year for 10 years available to spend for the professorship's designated purpose. The combination of recurring funding from the unit and endowment distributions and withdrawals must be sufficient to provide salary and fringe benefits for the recipient, staff support, travel, and other expenses.

Responsible University Administrator

The person (Provost, Chancellor, Vice President for Clinical Affairs, Dean, Department Head, etc.) who has been designated to develop a plan for filling endowed deanships, directorships, chairs,~~deanships, directorships,~~ professorships, and faculty fellows.

Withdrawals

Withdrawing funds from the available balance at UMF or quasi-endowment at UM for department spending: For a UMF withdrawal, the department processes a bill in EFS, and for a UM withdrawal, the department processes an EFS withdrawal transaction in the Cash Management module.

Responsibilities

Accounting Services

Verify that deposits, disbursements and distributions are consistent with University policies, procedures, and donor intent, and verify that necessary documentation and approvals exist. Approve all CEF endowment transactions in the financial system. Maintain CEF endowment. Initiate quarterly income distribution.

Board of Regents:

Regents are responsible for establishing the minimum level required to support each of the three academic positions.

Chairholder (Professorship or other named title)

Spend in accordance with the terms of the donor agreement and University policies. With the Responsible University Administrator, prepare periodic reports to the donor(s).

Dean or Department Head

In coordination with development staff, correspond with donor on status of endowment. Develop a plan to fill department chairs. Assure that expenditures are in accordance with the terms of the donor agreement and University policies. Plan annual budgets for the positions.

Development Officer

Coordinate fundraising efforts and stewardship reporting with recognized foundations. Advise department on the donor relations.

Donor

Honor commitments made to the University and define the terms of individual donor agreement with recognized foundations.

Office of the Executive Vice President and Provost

Approve matches from the Permanent University Fund for chairs and professorships.

Office of Investments and Banking

Determine investment strategy, monitor asset allocations to ensure compliance with Board of Regents policies, and evaluate investment performance. Recommend and monitor external investment advisers. Implement Board of Regents policy.

Recognized Foundations (UMF and Arboretum)

Establish the gift endowment account for the department. Advise departments on donor relations. Submit requests to the Office of the Executive Vice President and Provost to match gifts with PUF money. Provide information on gift status. Prepare overall reports on chairs.

Responsible University Administrator (Provost, Chancellor, Vice President for Clinical Affairs, Dean or Department Head)

Recommend scholar for deanship, directorship, chair, ~~deanship, directorship~~, professorship, or faculty fellowship. Ensure that a plan has been developed for filling positions and get approval by an appropriate University official. Assign responsibility to a person who will plan annual budgets. Must ensure the endowment funds are expended in accordance with the terms of the donor agreement and, in coordination with development staff, provide periodic reports to the donors on the status of the chair and nature of the activities.

System Campus, College or Unit

Responsible for keeping a list~~keeping list~~ of all deanships, directorships, chairs, ~~deanships, directorships,~~ professorships, and faculty fellowships including current holders and making it available to administration upon request. Responsible for reporting activities to the donor, in coordination with development staff. Responsible for preparing deposit and withdrawal endowment transactions in the University's financial system while ensuring that they are consistent with University policies, procedures, and the donor agreement, and verify that necessary documentation and approvals exist.

Related Information

- *Minnesota Statute Section 137.022 - Permanent University Fund*
- Board of Regents Policy: *Naming and Renamings (PDF)*
- Board of Regents Policy: *Endowment Fund (PDF)*
- Administrative Policy: *Participating in a University Investment*

History

Amended:

April 2021 - Comprehensive Review. Minor Revision. Added FAQs and updated contacts. Other minor changes including clarifying how funds can be spent and search expenses.

Amended:

February 2016 - Comprehensive Review. Minor Revision. The changes clarifies the coordination requirement of units with the University of Minnesota Foundation. General clean-up of the language and streamlining of the procedures.

Amended:

April 2011 - Major Revision, comprehensive review:

1. Expands the current policy to address professorships and faculty fellowships.
2. Includes operational aspects of the process that were previously in Board of Regents Policy: *Awards, Honors and Recognition*.
3. Clarifies roles and responsibilities for administering roles.
4. Title changed from *Administering University Endowed Chairs* to *University Endowed Chairs, Professorships and Faculty Fellowships*.
5. Procedures that duplicated procedures for Administrative Policy: *Selecting Investment Options for University Funds* were eliminated.

Amended:

June 2008 - Policy completely revised to address the Enterprise Financial System rollout. Establishing Permanent University Fund Endowments and Calculating and Planning the Distribution of Endowment Income procedures were also revised. Managing and Reporting Endowment Activity procedure was removed as it was under development.

Amended:

October 2005 - Updated CEF Rates in Rates Section. Procedures referencing this rate updated to link to this information in the rates section of this policy. TIP rate deleted from Rates section since currently there is no TIP rate.

Effective:

September 1995

Supercedes:

President Hasselmo Memo - February 9, 1993 - Management of the Permanent University Fund.