

UC San Diego Proposed Guidelines for New Endowed Chairs **Effective January 1, 2015**

These guidelines apply to all new endowed chairs

- 1. General Campus minimum: \$1,000,000; Health Sciences minimum: \$2,000,000; Marine Sciences minimum \$2,000,000**
Five year term, renewable, unless gift agreement requires another approach
Assuming 4.75%* payout (60 month averaging less .40 in admin) is approx. \$40K/\$80K initially
 - Chair holder - \$25,000 [scholarly allowance, discretion of chair holder – e.g. GCCP or Y component, grad or post-doc support, research support, scholarly travel]
 - Benefitting chair holder as well as Department or Unit – Remainder of payout (N-\$25,000) [e.g. academic year salary support for chair holder or support for graduate students in research area of the chair holder]
- 2. New Proposal: Endowed Administrative Chairs** - \$3M minimum for Deans/Chairs; \$5 M minimum for VCs; first \$25,000 at discretion of chair holder; remainder of payout (\$N - \$25,000) towards salary of chair holder

2014 Presidential Match Endowed Chair Program

UCOP's Implementing Procedures require the creation of two funds, a Donor Fund and a Matching Fund. The MATCHING Fund, \$500K in value originally, provided by the President, will provide the payout for the scholarly allowance. [At 4.75% of a 60 month average, less 0.55 in admin, that will be about a 4% payout on the market value as of the end of any given year. So, first year payout will be approximately \$20K. Both the endowment and payout will grow in value, of course.]

The DONOR Fund, minimally \$500k in value originally, provided by donor(s), will provide the payout for department/unit support in the form of faculty salary and/or graduate fellowships for the benefit of the chair holder.

To assure parity between the scholarly payout from these Presidential Chairs and the scholarly payout from other endowed chairs, until the Matching Fund is able to meet its goal of \$25K to the chair holder for scholarly support, the department/unit will provide gap funding. [So, if first year payout from MATCHING Fund is \$20K, department would contribute \$5K from other sources to scholarly support.]

Departments are responsible to ensure appropriate practices related to these commitments and should expect to have to report on activity related to these chairs.

Endowed Chair Terms for New Appointments

Per policy (APM 230-8), a chair holder may be appointed for the duration of his/her term as a member of the UC San Diego faculty or for a specified term, with the possibility of reappointment subject to a review process. Effective January 1, 2015, all appointments will be made for a specified term of up to five (5) years, unless the university-donor gift agreement dictates otherwise.

Managing Endowed Chair Payout

- Grandfather provision for existing chair holders; switch to new payout rules when chair holder changes, if consonant with gift agreement. Existing chair holders may transition to new rules voluntarily at time of the 5 year review/reappointment
- Commitments to retiring or separating chair holders regarding access to fund balances for a transitional period require prior approval by the EVC. A formal request that includes appropriate justification, amounts, timelines and impact to filling the chair will be needed.
- Decisions to move unspent balances back to principal require the Chancellor's approval. A request that includes appropriate justification will be needed.
- Access to unspent balances on vacant chairs requires EVC's and donor's approval. A request that includes appropriate justification and the impact to filling the chair will be needed.
- Per policy, payout balances are to be expended annually. Payout accumulations beyond 2 years, such as accumulation for a specific purpose, require an expenditure plan and Dean's approval.
- The UC San Diego Foundation's Stewardship Committee may periodically request a report on endowed fund balances.