



# UC San Diego

## Policy & Procedure Manual

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### PERSONNEL - ACADEMIC

#### Section: 230-8

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### ENDOWED CHAIRS AND PROFESSORSHIPS

#### I. REFERENCES AND RELATED POLICIES

- A. University of California Academic Personnel Manual (APM)
  - [191](#) Policy on Endowed Chairs and Professorships
  - [265](#) Policy on Presidential Chairs
- B. UCSD Policy and Procedure Manual (PPM)
  - [410-1](#) Solicitation, Acceptance, and Administration of Gifts to the University
  - 410-2 Solicitation, Acceptance, and Administration of Gifts to the UC San Diego Foundation
  - [410-4](#) Policy and Minimum Gift Levels for Naming University Properties, Programs, Facilities and Funds
- C. [UC Policy on Administrative Guidelines for Campus Foundations](#)

#### II. POLICY

- A. **Scope and Definition**
  1. This policy guides the establishment and administration of all endowed chairs and professorships, including distinguished professorships, established by gift to The Regents or to the UC San Diego Foundation. For convenience, all will collectively be referred to as “endowed chairs.” Endowed chairs are awarded to honor extraordinary academic achievement and to recruit and retain the most distinguished scholars.
  2. 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 or her teaching, research, and service activities. An endowed chair may be assigned to a department, organized research unit, division, or school.

#### III. ESTABLISHMENT OF THE ENDOWED CHAIR

- A. **Funding of the Chair**
  1. All contacts and discussions with prospective donors shall be coordinated with the Office of External Relations.

2. The minimum amount of a gift or gifts required to establish an endowed chair shall not be less than \$500,000 (amounts in certain academic areas are higher).
3. A pledge to establish an endowed chair shall be in such form as to constitute a legally binding commitment by the donor. Pledges to the UC San Diego 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 Administrative Guidelines for Campus Foundations.
4. Establishment of an endowed chair shall be contingent upon full funding by a specified closing date. The gift agreement shall include a proposed payment schedule specified at the time of Presidential approval, unless there is a legally binding, irrevocable commitment to complete the funding by bequest or similar deferred gift for which there can be no predetermined termination date. A request to approve an endowed chair shall not be made prior to receipt of at least one-fourth of the total sum required to fund the chair endowment.
5. A proposal to fund all or any portion of a chair endowment through a deferred gift or future bequest shall be reviewed by the Treasurer and the General Counsel. Before a commitment is made to a prospective donor to establish and name an endowed chair, the deferred gift or bequest must have an estimated remainder equal to or in excess of the minimum dollar amount required to fund the chair.
6. Whenever full funding of the endowment will be dependent upon receipt of future pledge payments or upon realization of a deferred gift or bequest, the donor should be encouraged to include in the governing gift instrument (a) a provision permitting alternative University uses of income during the period in which the fund is accumulating and (b) a provision permitting reallocation to alternative University uses if the minimum funding level is not achieved.
7. The gift instrument shall permit appropriate alternative distribution of the income if the subject area of the endowed chair ceases to be consistent with the University's mission or the academic plan of the campus. Such alternative distribution shall be as closely related to the donor's original intent as feasible.

**B. Chair Definitions**

The three types of endowed chairs at UCSD are:

1. Permanent Endowed Chair. A permanent endowed chair may be used to honor a distinguished UCSD faculty member or to attract a distinguished scholar and teacher to the UCSD faculty. The chairholder must be a tenured member of the faculty. Appointment to a permanent endowed chair is for the appointee's term as a member of the faculty. The endowed chair will be declared vacant at the time of retirement, termination or death of the chairholder.
2. Term Endowed Chair. A chair with a set term (e.g., five years) may be used to honor a distinguished UCSD faculty member or to attract a distinguished scholar and teacher to the UCSD faculty. All Academic Senate members are eligible for this type of endowed chair. Appointment to a term endowed chair is for the term of years specified for the chair. Term chairholders may be eligible for additional terms. In general, a reappointment to a term endowed chair will be considered a new appointment.
3. Administrative Chair. An administrative chair is intended to enhance the attractiveness and academic prestige of an administrative position for a distinguished scholar and teacher. Appointment to such an endowed chair is limited to a senior faculty member who is or will be a dean, department chair, director of an Organized Research Unit, or holder of an equivalent administrative

position and is for the period of the appointee's tenure in the associated administrative position.

**C. Chair Proposal Criteria**

1. The President retains authority for establishing and naming endowed chairs and professorships contingent upon funding of the endowment for the chair.
2. No final commitment to establish and name a chair shall be made to a prospective donor prior to Presidential approval.
3. A chair may be named in honor of the donor or an honoree proposed by the donor, subject to approval by the President.
4. Deans and department chairs should work together with the donor, the appropriate vice chancellor and the Office of External Relations to ensure that the proposed endowed chair meets the criteria listed below for subject, breadth, and flexibility. The chair definition should be broad enough to allow new research directions and to ensure as broad a candidate pool as possible. A proposal to establish an endowed chair should address the following:
  - a. Is the proposed endowed chair consistent with the mission of the University and the academic plan of the campus?
  - b. Does the proposed endowed chair call for the University to make a commitment to an area that is consistent with the academic plan? For example, if it requires that a department hire the chairholder in a particular area, is this consistent with priorities the department has previously identified?
  - c. Does the proposal require the campus to commit an FTE in an area consistent with the needs of the campus?
  - d. Does the proposal for the endowed chair make demands that are inappropriate (e.g., too narrow a research focus)?
5. Completed proposals are reviewed for campus approval as outlined in IV. PROCEDURES below.

**D. Use of Endowment Income**

1. Endowment income made available to holders of endowed chairs shall be used to support the teaching, research, and service activities of the chairholder, in accordance with the gift terms and University regulations, and according to a budget recommended annually by the chairholder to the department chair or research head and approved by the appropriate vice chancellor, except as noted in Section D.2 below. Following consultation with the appropriate campus administrator, a chairholder may exercise the option of designating a portion of the endowment income from the chair for use in the academic endeavors of the department, research unit, school, or college for a prescribed period. The use of endowment payout to support the base salary of the chairholder must be made in accordance with University policy and campus procedures.
2. Endowment income for an administrative chair may be used to support the teaching, research, and service activities of the department, research unit, or school. The administrative chairholder shall determine such use of income, according to a budget approved annually by the appropriate dean (unless the chairholder is a dean) or research head and the Senior Vice Chancellor–Academic Affairs.

3. The terms of the endowment shall be reviewed from time to time 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.
4. 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 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.
5. The Chancellor 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. As a guide, accumulated income should not be allowed to exceed five times the chair's current annual income.

**E. Addition of Income to Principal**

1. All donors should be encouraged to include in the governing gift agreement 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 remains vacant for a period of three consecutive years, or in the event accumulated unexpended income exceeds five times the chair's current annual income; 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.
2. When written approval from the donor has been obtained, the Chancellor or the Chancellor's designee is authorized to approve the addition of unexpended income to the endowed chair fund principal.

**F. Disestablishment of an Endowed Chair**

1. Subject to the donor's approval, the President, upon recommendation by the Chancellor and following 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 or the academic plan of the campus; or
  - b) The endowed chair remains vacant for a period of three consecutive years and the Chancellor, after consultation with the appropriate vice chancellor, appropriate dean or research head, and the department chair, determines there is no likelihood of filling the chair.
2. Upon disestablishment of an endowed chair, endowment income 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 in obtaining court approval for an alternative use of endowment income in a related field.

**IV. PROCEDURES**

**A. Proposal for Creation of Endowed Chairs**

1. A proposal for the creation of a new endowed chair shall be reviewed and endorsed by the following, in the order specified:
  - a. Department chair (if applicable)
  - b. Dean
  - c. Appropriate vice chancellor
  - d. Other
    - (1) General Campus and Scripps Institution of Oceanography:  
Chair of the Academic Senate, who will forward the proposal either to the Committee on Educational Policy or the Graduate Council
    - (2) The School of Medicine:  
The School of Medicine Committee on Educational Policy (CEP)
    - (3) The School of Pharmacy and Pharmaceutical Sciences (SOPPS):  
The School of Pharmacy and Pharmaceutical Sciences Committee on Educational Policy or equivalent.
  - e. Chancellor
  - f. President of the University of California
2. See detailed procedure at: [Endowed Chairs](#) on Blink.

**B. Appointment to the Endowed Chair – Permanent and Term**

1. Presidential approval of the establishment of the endowed chair is required prior to an appointment being made.
2. Candidates nominated to fill endowed chairs must hold a full-time faculty appointment.
3. The Chancellor has the authority to grant exceptions to the appointment of endowed chairs.
4. Candidates
  - a. Department-based Endowed Chair  

If the endowed chair is assigned to a department, the chair will engage in a consultative process to identify candidate(s) for the endowed chair. The chair shall then choose a committee consisting of five members (three from the department and two from outside of the department) to review the qualifications of the candidate(s). The selected candidate's scholarly record must be highly distinguished and meritorious and in harmony with the stated terms, goals and purpose of the endowed chair.

b. Non-Department-based Endowed Chair

If the endowed chair is not assigned to a specific department, the dean will engage in a consultative process to identify candidate(s) for the endowed chair. The dean shall then choose a committee consisting of five members (representing the division/school) to review the qualifications of the candidate(s). The selected candidate's scholarly record must be highly distinguished and meritorious and in harmony with the stated terms, goals, and purpose of the endowed chair.

If the candidate is not currently a UCSD appointee, appointment to the endowed chair shall be made in accordance with established University and campus procedures for faculty appointments (see PPM [230-20](#)). After a thorough search for a candidate, an academic appointment file will be submitted for academic and administrative review. The file will address the appointment to the endowed chair as well as the candidate's qualifications for academic appointment. Campus reviewers will comment separately on the academic appointment and on the suitability of the candidate to occupy the endowed chair.

5. An endowed chair nomination proposal shall be reviewed and endorsed by the following in the order specified:

- a. Review committee
- b. Department chair (if applicable)
- c. Dean
- d. Senate Committee on Academic Personnel (CAP)
- e. Appropriate vice chancellor
- f. Chancellor

See detailed procedure at: [Endowed Chairs](#) on Blink.

6. Reappointment to a Term Endowed Chair

If the chairholder's scholarly record continues to be highly distinguished and meritorious and continues to be in harmony with the stated terms, goals and purpose of the endowed chair, and if reappointment is in the best interests of the division/school, a dean may request an exception for review by a committee.

**C. Appointment to the Endowed Chair – Administrative Chair**

1. Presidential approval of the establishment of the endowed chair is required prior to an appointment being made.
2. A candidate nominated to fill an endowed chair must hold a full-time faculty appointment.
3. Once the candidate has been approved to hold the administrative appointment with which an endowed chair is associated, the appropriate vice chancellor will designate the candidate for the administrative position as the nominee for the endowed chair and will forward the nomination to the Chancellor via the Academic Personnel Office for appointment.

**D. Annual Reporting**

1. The chairholder will be informed annually by the UC San Diego Foundation, the Office of External Relations, or The Regents of the projected endowment income available for the chairholder's use for the following year.
2. Each chairholder shall submit a brief annual narrative of the past year's activities, a report on the use of the endowment funds that supported them, and a budget request for the upcoming year to the department chair or research head for transmittal to the appropriate vice chancellor for approval. The narratives are to be retained by the chairholder, department chair or research head, and appropriate vice chancellor for use in preparing annual reports on endowed chairs to donors or others.

**V. REVISION HISTORY**

February 12, 1982	This policy was originally issued.
July 16, 1984	This policy was revised and reissued.
November 1, 2003	This policy was made effective.
April 23, 2018	Minor technical edits to update names and policy hyperlinks.



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### PERSONNEL - ACADEMIC

**Section: 230-8 ATTACHMENT 1**

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### UC SAN DIEGO GUIDELINES FOR NEW ENDOWED CHAIRS

Effective January 1, 2015

*These guidelines apply to all endowed chairs and chair appointments established after January 1, 2015. Departments are responsible for ensuring appropriate practices related to these commitments and should expect to report annually to their Dean and the Office of Donor and Fund Stewardship on activities related to these chairs.*

#### Endowed Chairs

**General Campus minimum: \$1,000,000; Health Sciences minimum: \$2,000,000; Marine Sciences minimum: \$2,000,000**

- Five year term and renewable, unless gift agreement requires another approach.
- **Annual Payout**, assuming 4.75% payout (60 month average, less .55 in admin) is approximately \$40K/\$80K initially:
  - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
  - **Benefitting 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]

#### Endowed Administrative Chairs

**Deans/Chairs: \$3,000,000 minimum; Vice Chancellors: \$5,000,000**

- **Annual Payout:**
  - **\$25,000** at discretion of chair holder
  - **Remainder of payout (\$N - \$25,000)** towards salary of chair holder.

#### 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. Renewal is 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

Appointments prior to January 1, 2015, have a grandfather provision for existing chair holders; switch to new payout rules when the chair holder changes, if consonant with gift agreement. Existing chair holders may transition to the new rules voluntarily at the time of the five 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.

### Special Endowed Chair Initiatives

#### **2014 Presidential Match Endowed Chair Program**

**UCOP's established procedures require the creation of two funds: a \$500,000 minimum Donor Fund (provided by the donor) and a \$500,000 Matching Regents Fund (provided by the President).**

- **Annual Payout:**
  - **Donor Fund** – for department/unit support in the form of faculty salary and/or graduate fellowships for the benefit of the chair holder.
  - **Matching Regents Fund (FFE)**, assuming 4.75% payout (60 month average, less 0.55 in admin) is approximately a 4% payout on the market value as of the end of any given year.
    - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
    - **Benefitting 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]
- To assure parity between the scholarly payout from these Presidential Chairs and the scholarly payout from other endowed chairs, until the Matching Fund meets its payout goal of \$25,000 to the chair holder for scholarly support, the department/unit will provide gap funding. For example, if the first year payout from Matching Fund is \$20,000, the department would contribute \$5,000 from other sources to provide scholarly support.

#### **2015 Chancellor's Endowed Chair Challenge (Ladder-Rank Faculty Only)**

**General Campus minimum: \$1,000,000; Health Sciences minimum: \$2,000,000; Marine Sciences minimum: \$2,000,000**

- Each endowed chair will also be funded with a \$500,000 Chancellor's match as an FFE in the Regents to augment the minimum donor investment
- These chairs will be called the "XXX (donor name) Chancellor's Endowed Chair in the Division/School YYY."
- **Annual Payout:**
  - **Donor Fund** – for department/unit support in the form of faculty salary and/or graduate fellowships for the benefit of the chair holder.
    - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
    - **Benefitting 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]

- Any salary savings (including those from self-supporting programs) would revert to the appropriate academic Vice Chancellor. Current expenditure and stewardship policies for endowed chairs apply.
- **Matching Chancellor's Fund (Regents FFE)** – Payout must be used towards payment of the state-funded academic year salary of the chair holder, NOT summer salary, General Campus Compensation Plan (GCCP), or the Y component of Health Sciences Compensation Plan (HSCP).

\*\*\*Departments are responsible for ensuring appropriate practices related to these commitments and should expect to report annually to the Dean and Office of Donor Stewardship on activities related to these chairs.