

# **Iowa State University**

## **Policy for Endowed Chairs and Professorships**

**Approved by the President  
April 2002**

Iowa State University encourages the establishment of endowed faculty chairs and professorships created by private gifts to the University through the ISU Foundation; such gifts recognize and augment support for outstanding faculty and academic units. This policy sets forth the principles and procedures that shall guide the establishment and activation of each endowment. Responsibility for identifying endowment priorities lies with the departments and colleges. Responsibility for securing, managing and stewarding the endowments lies with the ISU Foundation. Responsibility for authorizing and administering endowed chairs and professorships lies with the Dean of the college and the Provost.

### **I. Purpose of Endowed Faculty Positions and Academic Units**

Traditionally, faculty chairs and professorships are established as a means to honor and support the work of faculty pursuing scholarly activity in a particular field. An endowment also may be established to offer departments, colleges, programs, and institutes an additional source of funds to support the activities of that unit by establishing an endowed chair for the administrator of that unit.

- A. An endowed chair or professorship is generally intended to provide special recognition to the faculty member to whom the title is awarded. It is held for a specific term, and during that time, endowment earnings are used by the University to supplement departmental support of the faculty member's scholarship and responsibilities in teaching, research, outreach, and service. The endowment earnings may be used for part of the base salary, or for a salary supplement, subject to approval by the Provost. In addition, they may be used for graduate assistant stipends, secretarial assistance, travel expenses, research support, and for such other purposes as may be reasonably related to the purpose of the endowment.
- B. An endowed administrative chair (e.g., a department chair, the director of an academic program or an organized research unit, or a Dean) is intended to support the scholarship, teaching, research, outreach, and public service activities of the department, research unit, program, or college. Such endowed positions support the work of the academic unit and not the work of the individual administering the unit and would be held *ex officio* by the administrator only while serving in that position.

## **II. Establishment of Endowments**

### **A. Service Agreement between Iowa State University and the Iowa State University Foundation and establishment of fundraising priorities.**

A Service Agreement between Iowa State University and the ISU Foundation outlines the roles and responsibilities of each party as they work to create endowed chairs and professorships. In general, the Foundation engages in the identification, cultivation, solicitation, receipt, and management of the gifts that are used to establish the endowment, not as an employee or agent of the University, but as an independent contractor. The University controls the appointment of faculty to endowed chairs and professorships and manages oversight and review of faculty in these positions. The University sets the fundraising priorities, including those for endowed faculty positions, through an internal process requiring review and approval by the department chair, Dean, Provost, and ISU President, and those priorities are transmitted to the Foundation which then seeks to raise those funds.

### **B. Levels of funding needed for endowments.**

1. Funds to establish an endowed position are to be provided by a gift specific to that purpose, or from an identified University endowment fund appropriate for that purpose. The following minimum endowments are currently required, with these to be periodically reviewed by the ISU President in collaboration with the ISU Foundation:

Dean of a College:	\$3,000,000
Administrator of a Department, Program, or Institute:	\$2,000,000
Faculty Chair:	\$1,500,000
Faculty Professorship:	\$500,000

2. A “term” chair or “term” professorship is one established for a limited duration only. It can also be supported by an expendable grant of not less than five percent (5%) of the above minimum required endowment per year for a minimum term of five years.
3. If an endowed position is to be funded from undesignated endowment funds, the full amount of the required endowment must be separated from the undesignated funds and moved to a separate account

specifically designated for the proposed administrative or faculty endowment and maintained there for the duration of its existence.

4. A percentage of each endowment may be directed to library acquisitions (assigned to university ownership) as additional support for the endowed position.

### **C. Memorandums of Agreement**

All endowed faculty positions that are supported by private funds will have a memorandum of agreement that governs the use of the private dollars. The ISU Foundation will work with donors, the Provost, and academic units to establish these memorandums of agreement.

### **D. Management of endowed funds**

The Foundation manages all endowed funds according to an investment policy established and monitored by the Investment Committee of the Board of Directors. The investment policy calls for a percentage of the earnings on endowment funds to be available for spendable earnings. The percentage is based on the average market value of the endowment over a three-year period.

### **E. Spending of endowment earnings**

Spendable earnings are available to be spent by the faculty member who holds the endowed position using normal University expenditure systems. The administrator of an academic unit who holds an endowed administrative chair will supervise the spending of endowment earnings using normal university expenditure systems. The use of private gifts to support endowed positions is governed by University and Foundation disbursing guidelines and by the Memorandum of Agreement established with the donor.

### **F. Stewardship of the donors**

The ISU Foundation conducts a host of stewardship activities to recognize the gifts of donors, and the Foundation will coordinate all gift announcements, events, and press releases. Stewardship typically occurs at the time a gift commitment is made, but also continues indefinitely

through such forums as invitations to Order of the Knoll and other events.

The university should also facilitate the on-going stewardship of donors through regular contact with donors by the faculty members who benefit from the donor support, and also by the appropriate department chair and Dean. These stewardship contacts should be coordinated with the Foundation.

### **III. Activation and Continuation of Endowed Positions**

#### **A. Designated Titles**

It is the prerogative of the University to designate the endowed position, which will generally use one of the following formats:

(Name selected in consultation with benefactor) Chair in (field)  
(Name selected in consultation with benefactor) Professorship in (field)

An alternative title may be established by the University following consultation with the benefactor, the Provost and President of the ISU Foundation.

#### **B. Selection Process for Chairs and Professorships**

1. The holder of a professorship or chair must normally be a tenured, full-time member of the University faculty at the rank of Professor but may also be held by a non-tenured Professor, a distinguished visiting faculty member, or an especially promising junior faculty member, if stipulated by the endowment agreement.

The holder of a professorship or chair will be an outstanding scholar whose contributions to knowledge and leadership are recognized nationally and/or internationally. The endowed professorship or chair will recognize a faculty member who has an excellent record of academic achievement and whose future contributions to the field are equally promising. For each chair or professorship, the department and college will develop specific criteria that outline the academic qualities the position represents, with final approval by the Provost's office and review by the ISU Foundation.

2. The department will conduct a search for the chair or professorship consistent with University practice. The search will include a

statement of qualifications to be circulated locally and/or nationally, as appropriate. A search committee will be appointed in the department with the approval of the Dean and the Provost and will include at least one member from outside of the department. The Search Committee will recommend its preferred candidate to the department chair, Dean, and Provost, with a letter of nomination citing the candidate's particular qualifications; accompanying materials should include two to three outside letters, a vita, and a description of other qualified candidates. The nomination should include a suggested term of appointment. All appointments for a chair or professorship must be approved by the Provost and the ISU President.

3. The award of a chair or professorship should normally be for a fixed term, generally five years, rather than an indefinite length, unless the endowment stipulates otherwise, and the term may be renewed. The chair or professorship can be renewed for successive five-year terms as long as the holder of the chair or professorship continues to fulfill the high expectations for the chair or professorship. A chair or professorship held by a junior faculty member or by visiting faculty should normally not exceed five years total. In the final year of a term appointment, the department chair and Dean will coordinate a review of the endowed position. Reappointment must be recommended by the department chair and approved by the Dean and the Provost.
4. Deans and department chairs should communicate the award of a chair or professorship with the donor or donor representatives and provide opportunities for the faculty member and donor to meet. The awardee should periodically communicate with the donor regarding the accomplishments and activities of the chair or professorship.
5. The award of a chair or professorship shall be made by the ISU President upon recommendation of the Provost and the Dean of the appropriate college. In all regards, the recommendation shall be consistent with the conditions and purposes of the endowment agreement. In the event the award of a chair or professorship is to coincide with an offer of appointment to the faculty, the appointment shall have followed University search procedures.
6. The appointment of an individual to fill an endowed administrative chair will follow the normal process for selecting and appointing unit administrators and is supervised by the Provost and ISU President.

### C. Unawarded Chairs and Professorships

The ISU President (or designee) shall review endowed chairs or professorships that remain vacant for a period of three consecutive years to ensure that the University is meeting its obligation to fulfill the terms of the gift, including the expenditure of endowment revenues in support of the donor's intent. The following guidelines shall be observed:

1. Normally, endowment income shall not be permitted to accumulate for more than five years.
2. In the event an established, fully funded chair or professorship has remained vacant for three years or more, or should the income accumulate for more than five years, the Provost shall ascertain the reason and take appropriate corrective action consistent with the terms of the gift instrument or the administrative allocation. Such action may include:
  - a) Implementing a new expenditure plan designed to fill the chair or professorship or to utilize the spendable earnings fully.
  - b) Seeking authorization of the ISU President and the ISU Foundation Board with concurrence of the donor, if available, to reallocate the endowment's spendable earnings to an alternative purpose consistent with the existing terms of the gift.
  - c) Seeking authorization of the ISU President and the ISU Foundation Board with concurrence of the donor, if available, to redesignate the purpose of the chair or professorship.
  - d) Seeking authorization from the ISU President and the ISU Foundation Board with the concurrence of the donor if available, to add the accumulated unspent earnings to the fund principal in conjunction with a new expenditure plan.
  - e) Redesignating the purpose of the chair or endowment in a manner authorized by the ISU President and the ISU Foundation Board and prescribed by law.

### D. Changed Conditions and Alternate Use of Endowment

Evolution in academic objectives and organization and in the scholarship, research, teaching, outreach and public service emphases are part of the normal life of a university. The scope of permissible activity under Regents' policy and applicable law is also characterized by occasional change. For this reason, it may rarely occur that the spendable earnings of an endowment should best be used to support a different area of scholarship, research, teaching, outreach or public service than originally

intended or that administrative restrictions contained in a gift instrument reasonably need to be amended. The ISU Foundation should therefore ensure that absent unusual circumstances, the gift instrument contains the donor's recognition and permission for alternate use of the endowment and payout funds. The ISU President and the Office of University Legal Services, in consultation with the ISU Foundation, will develop appropriate processes and language to accomplish this purpose. The ISU Foundation President will be informed by the President of this requested change. The ISU Foundation will then contact the donor or representatives of the donor to formally amend the memorandum of agreement.