

UNIVERSITY OF WYOMING

Office of Academic Affairs

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To: Ben Blalock, John Stark
From: Office of Academic Affairs and Academic Deans
Subject: Revised Criteria for Gifts Endowing Named Professorships
Date: 7 April 2009 REVISED 7 NOVEMBER 2011

We propose a new classification of gifts that endow named *faculty positions*. The purposes of the proposed classification are threefold:

1. Expand the number of named faculty positions available to UW faculty members, to recognize excellent performance, and to help retain outstanding faculty and support their teaching and scholarship.
2. Expand opportunities for donors to support excellence in faculty careers, especially for faculty members whose salary and benefits are fully funded from the state's budget.
3. Clarify the intended uses of the monies generated by the gift and the documentation required for their administration.

This memo includes revisions discussed with John Stark at the Academic Deans Council on 1 November 2011. Revised text appears in underlined italics.

1. Recognition and retention of outstanding faculty. Several college deans have argued persuasively for the utility of gifts that endow named faculty positions at a level that provides support *other than base salary and benefits*. The gifts can furnish support budgets that allow *faculty* to invite visiting colleagues, to support graduate and undergraduate research, and to participate in national and international professional meetings. The gifts also allow the university to bestow recognition and prestige on a faculty member, in the form of a named position. The increased funding and prestige may help UW reward and retain some of its most outstanding faculty members, who might otherwise be vulnerable to offers from other institutions.

2. Expansion of opportunities for donors. Establishing a threshold of \$500,000 for a gift that can attach a name to a professor-level faculty position would encourage more donors to consider this level of philanthropy and would give deans a tool with which to improve their fundraising related to faculty support. Several deans note that the current threshold — \$1,000,000 — appears to be more appropriate for a position for which gift income must support an appreciable fraction of the salary and benefits associated with the position.

3. Clarifying the uses of the monies and the required documentation. In addition to the trust agreement required for every endowed gift, it is important that the donor and the eventual holders of *a named chair or professorship* understand the uses of and conditions on the income generated by the gift. We propose the following conditions:

- a. There is sufficient section-1 funding to cover all of the base salary and benefits for the professorship position.
- b. *Endowment funds may be designated to cover part or all of the base salary of a named chair, provided an approved, detailed business plan supports this use of the funds.*

- c. There's an explicit understanding that the additional funding associated with the named position is the expendable income generated by the endowment and that this amount may vary from year to year, as investment performances fluctuate.
- d. There is a written financial plan shared with the affected dean, the person occupying the named position, and Academic Affairs. (This plan can be very simple – a page or less.)
- e. The position holder receives a letter from the dean, shared with Academic Affairs, specifying the term of the position and the conditions associated with renewal of the term, if applicable.

UNIVERSITY OF WYOMING

Named Gift Criteria

Office of Academic Affairs and Academic Deans Council, April 2009
Revised November 2011

The following criteria for privately funded naming opportunities may change with economic conditions and university priorities. Their purpose is to set reasonable minimum limits for named-gift opportunities.

The criteria apply to two types of gifts:

- *Endowments*, in which the donor intends for the corpus of the gift to generate income that may be used to support faculty positions according to the UW Foundation's rules for computing payouts from invested principal, and
- *Annuities*, in which the donor intends for the gift, together with any income generated through investments, to be used according to a specified schedule, in a fashion that may result in depletion of the account over time.

Only commonly accepted types of endowments and annuities are listed here. Administrators, colleges or departments may recommend special projects to donors and suggest appropriate amounts of funding, provided that such projects are consistent with university planning and gift guidelines and approved by the University of Wyoming Foundation before donors are solicited. The minimum endowment limits represent donor gifts plus any state matching funds.

State matching funds are not available for annuities. The minimum annuity sizes required in each category are those required to produce streams of annual expendable funds equal to those produced by the corresponding minimum endowment sizes, for at least the amount of time over which the annuity is expected to last.

Administrators at the level of deans and directors or above may propose instituting the named position in advance of a donor's completion of the gift, provided (1) the proposal is accompanied by a business plan and (2) the Vice Presidents of Academic Affairs and Institutional Advancement approve that plan.

Any college or department hoping to accept an endowed gift or annuity should prepare an operating plan for the gift, including fiscal estimates of the associated growth, income, expenditures, and commitments. A possible template for such a plan is available on the Academic Affairs website, at the following URL:

www.uwyo.edu/AcadAffairs/files/docs/fac_endow_op_plan.pdf

A simple spreadsheet for estimating prudent spending rates is also available for units not interested in developing their own, more sophisticated estimates:

www.uwyo.edu/AcadAffairs/files/docs/endowed_position_finances.xls

I. Excellence Funds

An excellence fund is an endowment or annuity intended to provide funds that a designated administrator may use to promote the excellence of a specifically university program. In the case of an endowment, the prudent rate for spending the income rate may differ from the rate at which the UW Foundation distributes the expendable income.

A. University Excellence Fund: \$100,000

Endowments may be established for the university as a whole and not designated for a college or program area. The president or provost of the university will allocate the income, in accordance with the trust agreement.

B. Dean's or Director's Excellence Fund: \$50,000

Endowments may be established for colleges or units. The dean or unit director identified in the trust agreement will allocate the income.

C. Department or Program Excellence Fund: \$25,000

Endowments may be established for departments or programs. The head of the department or program designated in the trust agreement will allocate the income.

II. Named Faculty Positions

Named *faculty positions* are vehicles by which a donor may support a faculty position at the university. Any such position must be consistent with the mission and academic plans of the respective college and university, follow the university's hiring and employment practices, and meet the criteria established by the academic unit housing the position. A *named faculty position* is generally filled by a tenure-track or tenured appointment but may be filled with a distinguished visiting scholar or in some cases a clinical professor. The Trustees must authorize named chairs and professorships, after approval by the provost and the president of the university.

To ensure good stewardship of gifts, holders of named faculty positions shall provide annual updates to the affected deans, the provost, and the vice president for institutional advancement. Annual or periodic college or university events recognizing donors of named positions should be coordinated through the University of Wyoming Foundation. To ensure effective donor stewardship and adequate record keeping, copies of all documentation related to named appointments shall be kept on file with the University of Wyoming Foundation. Also, each college, school, or library shall have university-approved criteria and procedures for appointing faculty to the named positions.

The following guidelines indicate the amounts of the total endowment (gift plus any matching money) needed to establish named faculty positions. A table below summarizes the types of positions.

A. **Named Chair:** This type of position is the highest honor among the named positions funded by gifts. Endowment or annuity income is to be used as deemed appropriate by the dean and provost to supplement the salary of the faculty member or to support the academic pursuits and endeavors of the holder of the chair. Considerations include:

1. Minimum endowment \$1,500,000
2. Permanent or fixed term of appointment
3. Example title: "Jane Doe Chair in Business"
4. An endowment *of this type* may be designated to cover part or all of the base salary of the faculty member, provided a detailed business plan supports this use of the funds.

B. **Named Professorship:** This level of named position recognizes distinguished faculty members. The endowment income is used as deemed appropriate by the dean to provide an annual salary supplement or to support teaching, research, or scholarship expenses. Considerations include:

1. Minimum endowment or \$500,000 or comparable guaranteed annual funding stream for a defined term.
2. A fixed term of appointment
3. Example title: "Jane Doe Professor of Pharmacy"

C. **Named Faculty Fellowship:** To support faculty development in teaching or research for faculty in the associate professor rank (and occasionally at the professor rank, at the dean's discretion). Considerations include:

1. University-wide minimum endowment of \$150,000 or comparable guaranteed annual funding stream for a defined term

2. Example title: "Jane Doe Fellow in Law"

D. **Named Visiting Professorship.** Income from this type of endowment or annuity is intended to enable the university to attract faculty from other universities to spend periods of one month to one academic year working with faculty and students at the University of Wyoming. The endowment income is used as deemed appropriate by the dean or provost to provide a stipend or support travel and work expenses. Depending on whether the visiting professorship is college-, school-, or university-wide, it should be awarded by a college, school, or university committee. Considerations include:

1. University-wide minimum endowment of \$500,000 or comparable guaranteed income stream for a defined term
2. Collaboration on research projects or teaching a course
3. Example title: "Jane Doe Visiting Professorship in Education"

E. **Named Deanship:** This type of endowment or annuity is intended to promote and facilitate leadership at the deans' level. The income provides a flexible resource of funds for a dean to meet special needs and initiatives in a college, the University Libraries, or a school. It is not intended as a supplement for the dean's salary). Considerations include:

1. University-wide minimum endowment of \$2,000,000 or comparable guaranteed income stream for a defined term
2. Tied to the dean's position, not to the individual occupying that position.
3. Example title: "Jane Doe Deanship in the Arts and Sciences"

Gift Type	Sample Title
Chair	Jane Doe Chair in English
Named Professorship	Jane Doe Professor of English
Faculty Fellow	Jane Doe Fellow in English
Visiting Professorship	Jane Doe Visiting Professorship (in English)
Deanship	Jane Doe Deanship in Arts and Sciences

III. Program, Institute, or Research Center

An endowment to name a program, institute or research center may be established. A minimum gift of \$1,000,000 is required for any such naming, but the gift amount for each program, institute and center will vary depending on its size, and priority.

IV. Academic College

No minimum has been set. The gift size for naming an academic college will be discussed if a donor has serious interest in such an opportunity.

V. Student Enrichment

A. Scholarship Funds -- \$25,000 minimum

Endowments support student scholarship awards for tuition, fees, room and board, etc. Scholarships may be awarded to undergraduate, professional, and/or graduate students unless otherwise stipulated by the donor. [more work needed to mesh with Hathaway scholarships]

B. Graduate Fellowships and Awards -- \$25,000 minimum

Endowments support graduate and post-graduate students through awards for tuition, fees, room and board, etc.

C. Student Enrichment Funds – \$25,000 minimum

Endowments support awards or stipends to students to assist in financing such enriching experiences as study abroad, a field study opportunity, or a research opportunity. Awards can be for tuition, fees, living expenses, etc.

VI. Buildings and Places

The Trustees give final approval for the names of buildings and other facilities. Proposals for new construction are subject to the approval of the appropriate vice president and the president. When names are based on gifts, the vice president for institutional advancement is responsible for making recommendations for Trustee approval. This applies to new or existing physical plant facilities, rooms, wings, improvements, landscaping or recreational areas based on the criteria set forth below. New names or changes are brought to the vice president for institutional advancement before being submitted to the Trustees. The vice president for institutional advancement is responsible for reviewing the documentation supporting the amount needed, the funds received or other pertinent information.

A. Campus Landmarks and Landscaping - Total Direct Costs plus Ongoing Maintenance

1. A campus beautification program has been established to encourage honorary and memorial gifts to enable new trees to be planted and new benches and picnic tables to be added to the campus. The UW Foundation maintains specific information on this program.
2. Other naming opportunities for landmarks and landscaping will be considered on a case-by-case basis.

B. Current Facilities – 50% of the Renovation Cost with a Minimum of \$50,000

Previously constructed facilities, which are unnamed, can be named by a donor or a donor's representative through a substantial contribution of 50% or more of the renovation cost of the facility.

C. New Facilities - 50% of Construction Cost

Fifty percent or more of the estimated construction cost of the building and, where possible, additional endowment support to defray operational cost, is required to name capital projects funded by private funds at the university. Certain exceptions can be made by the Trustees depending on the funding plans for a specific capital campaign project. In general, naming criteria for funding rooms, wings and improvements also require contributions of 50% or more of the estimated construction cost.

VII. Other Opportunities for Non-Endowed Named Gifts

A. Scholarships

Non-endowed scholarships may be named if there is a commitment by the donor to fund the scholarship at a rate of \$1,000 per year for at least five years.

B. Awards

Non-endowed awards (other than scholarships) may be named if there is a commitment by the donor to fund the award at a rate of \$1,000 per year for at least five years.

C. Gifts-in-Kind

Major gifts-in-kind (equipment, art works, collections, etc.), valued at a minimum of \$25,000, may be named.