University of California, Berkeley
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Policy on Distribution from Endowed Chairs and Professorships

Responsible Executive: Executive Vice Chancellor and Provost
Responsible Office: Donor and Gift Services, University Development and Alumni Relations
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Policy Statement

1) It is the policy of the University of California, Berkeley to administer the distribution from endowed chairs and professorships established under the funding minima effective July 1, 2017, as follows:
   - The first $25,000 provides a scholarly allowance for the chairholder; and
   - The remainder goes to a faculty salary pool to help pay the academic-year professorial salary of the chairholder. This pool is managed centrally by the campus.

This policy does not apply retroactively to endowments established when different minima were in effect and, in fact, various categories of pre-existing chairs and professorships have different distribution models as follows:

2) Endowment distributions for $2 million Hewlett Chairs and for all $2 million chairs established since January 1, 2009.
   a) The first $25,000 provides a scholarly allowance for the chairholder.
   b) One-third (33%) of the remainder goes to graduate student support in the unit of the chairholder; the funds may provide support for the chairholder’s graduate students.
   c) Two-thirds (67%) of the remainder goes to a faculty salary pool to help pay the academic-year professorial salary of the chairholder.

3) Endowment distributions for $3 million Chancellor’s Distinguished Multidisciplinary Hewlett Chairs and for all new $3 million chairs for multidisciplinary initiatives established since January 1, 2009.
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a) The first $25,000 provides a scholarly allowance for the chairholder.
b) Second $25,000 is an allocation to support infrastructure of the multidisciplinary initiative.
c) One-third (33%) of the remainder goes to graduate student support in the unit of the chairholder; the funds may provide support for the chairholder’s graduate students.
d) Two-thirds (67%) goes to a faculty salary pool to help pay the academic-year professorial salary of the chairholder.

4) Endowment distributions for new appointments and reappointments for Common Good Model (pre-Hewlett) chairs, including both centrally- and locally-held chairs where the gift agreement does not specify a different distribution model and where the donor has not stipulated that the Common Good Model should not be adopted.
a) First $25,000 provides a scholarly allowance for the chairholder.
b) Second $25,000 goes to graduate student support in the unit of the chairholder; the funds may provide support for the chairholder’s graduate students.
c) The remainder goes to a faculty salary pool to help pay the academic-year professorial salary of the chairholder.

5) Endowment distributions for $5 million Chancellor’s Endowed Chairs. Distributions will provide support for research, teaching, graduate student support, faculty salaries, and other academic pursuits or initiatives of the chairholder. Endowment distributions will be determined on a case-by-case basis, subject to approval by the Chancellor.

6) Endowment distribution for $1 million Endowed Professorships
a) First $25,000 provides a scholarly allowance for the faculty member.
b) Remainder goes to graduate student support in the department or research area of the Professorship holder.

- Most Professorships and Distinguished Professorships are actually those established before 2006 which are treated like endowed chairs and are generally appointed to tenured faculty; these fall under the Common Good (#4) distribution model in most cases.

In addition to these distribution models, this policy covers the following provisions for all endowed chairs and professorships irrespective of distribution model:

Residual funds at end of chairholder appointment

In the case of current chairs that are vacated or rotated and that contain residual scholarly allowance or other chairholder-controlled funds that are unspent, the unspent funds that are budgeted for specific projects that are already in progress and that extend beyond the chairholder’s appointment will be reserved for her or him, separate from distributions allocated to a subsequent chair appointee, provided s/he remains employed by the University of California, Berkeley. Exceptions, which can be granted only if the chairholder will continue to expend the funds at Berkeley for purposes permitted by the chair, are to be determined by the Executive Vice Chancellor & Provost (or her/his designee). In other circumstances, unspent funds go into a faculty salary pool to help pay the academic-year
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professorial salary of the next chairholder if such use is permitted by the terms of the chair; otherwise, they can be used by the next chairholder for purposes permitted by the chair.

A chairholder who anticipates having accumulated scholarly allowance or other chairholder-controlled funds at the end of their term that are budgeted for specific projects already in progress – within the purpose of the fund as designated by the donor – and who shall remain employed by the University of California, Berkeley should submit a budget to their dean prior to the end of their term, and request approval to retain those funds.

Carry-forward funds when new chairholder appointed

During any period in which a chair is vacant, distributions will continue to be made in accordance with the above. At the appointment of a new chairholder, any accumulated carry-forwards in the scholarly allowance or other chairholder-controlled fund may be put back into the principal of the endowment at the unit’s request, so long as it is consistent with the terms of the chair, unless the carry-forward as a matter of departmental policy is being used for start-up packages.

Carry-forward funds that accumulate due to a chair vacancy that are not returned to the endowment principal will remain in the area designated by the donor and managed in accordance with this and University of California policy.

Exceptions

The above policies and provisions do not apply if the gift agreement requires other arrangements. This statement applies to professorships and chairs gifted prior to the Hewlett Endowed Chair Challenge, at which point gift agreements were standardized.

Administrative chairs (as identified in gift agreements), chairs for visiting professorships, and chairs established before January 1, 2009 that were funded by term endowments are exempt from these guidelines. For these chairs, distributions will be made in accordance with the original fund terms and University of California policy.

Other exceptions may be made on a case-by-case basis at the discretion of the Chancellor.

Scope of Policy

This policy affects:
- Fundraisers
- Staff responsible for managing endowment funds
- Staff, including the Academic Personnel Office, responsible for administering professorships/chairs
- Faculty
Why We Have This Policy

As the University’s financial model continues to evolve, the campus has an increased need to raise private support that provides funding for faculty. Compliance in fund expenditure ensures that donors’ gifts are properly stewarded by the University.

Procedures

Procedures that control the management of endowments that support faculty can be found on Eureka, the campus’s advancement intranet (http://eureka.berkeley.edu).

Responsibilities

University Development and Alumni Relations:
- Ensure that all endowed chair and professorship funds are properly documented, created, and coded in relevant systems to enable the administration of this policy.
- Distribute endowed chair and professorship payout according to this policy.

Website Address for This Policy:
https://campuspol.berkeley.edu/policies/endowedchairdist.pdf

Glossary

**Endowment (or true endowment):** A type of philanthropic gift fund that is invested so that a purpose can be supported in perpetuity.

**Hewlett Chair:** An endowed chair funded under the Hewlett Endowed Chair Challenge, a key fundraising objective of the Campaign for Berkeley. The Challenge was announced in September 2007 and completed in November 2012.

Related Documents

UCOP Policy on Endowed Chairs and Professorships (APM-191)
UC Berkeley Academic Guidelines for the Implementation of APM-191
UC Berkeley Administrative Guidelines for the Implementation of APM-191