



UNIVERSITY of CALIFORNIA • IRVINE

FOUNDATION

Process to Establish and Name an Endowed Chair

1. **Donor(s), and/or their representatives, meet with a University official(s) and express their interest in providing a gift/grant to establish an endowed chair.**
2. **Initial draft terms regarding the endowed chair are placed into a draft gift agreement.**
 - a. **Naming**

An endowed chair may be named in honor of the Donor or an honoree proposed by the Donor, subject to approval of the Chancellor and the UC President.
 - b. **Focus Area**

The chair's academic area must be in accord with the mission of the University of California and the University of California, Irvine.
 - c. **Corpus Minimum**
 - i. A minimum corpus for the endowed chair shall be established and maintained.
 - ii. The School of Medicine's minimum recommendation for an endowed chair is \$2,000,000. For other schools, the recommended minimum is \$1,000,000, but higher recommended minimums are encouraged as appropriate. Professional schools, in particular, may use higher minimum funding levels due to greater competition in the market place to retain and recruit the most distinguished faculty.
 - iii. An endowed chair will be established upon acceptance by the Chancellor of cash or a binding pledge that immediately, or within a reasonable period of time, will create a corpus in an amount sufficient to provide income adequate for meeting the purposes of the chair
 - iv. A provision for optional use of the funds should be placed in the gift agreement in the event the endowment falls short of the required minimum.
 - v. The corpus will be held as an endowment by the University of California, Irvine Foundation.
 - vi. The endowment's payout will be used for the chair's designated area of study within the university's academic program(s).
 - d. **Endowment Income Use and Payout Rate**
 - i. The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal.
 - ii. The endowment's payout will be made available to the faculty member appointed to the chair in support of teaching and research, in accordance with University regulations and according to a budget recommended annually by the chair holder to the department

chair and approved by the appropriate dean and/or vice chancellor in the normal budgetary process.

- iii. The budget in any given year will not exceed the amount available from the existing endowment.
- iv. Base salary during the academic year and the budgeted position for the faculty member appointed to the chair shall be provided by the University.
- v. The Chancellor may authorize the return of payout to the fund principal under the following circumstances:
 - during the period prior to pledge fulfillment
 - during periods when an endowed position is vacant
 - when the payout exceeds the annual needs of the academic program or designated gift purpose.

e. **Chair Appointment**

An endowed chair may be filled by one individual for a five-year term with the potential for five-year renewal(s) subject to a comprehensive review and critical evaluation of the chairholder's performance during the initial five-year term.

3. **Draft gift agreement is presented to the University of California (UC) Office of the President for review and comments.**
4. **Draft gift agreement is presented to UC Irvine's internal review committee on endowed chairs for review, comments and approval.**
Prior to any University commitment being made, the campus must have available and must commit, if necessary, the base salary for the holder of the chair.
5. **Gift agreement is signed by the respective Donor, University representative(s) and the President of the University of California, Irvine Foundation.**
6. **Chancellor's Letter of Approval is created by the respective University official (i.e. Vice Chancellor, dean or head of program).**
7. **A proposal to establish and name the endowed chair is submitted for review by the UC Irvine Academic Senate.**
8. **UC President Item for Action recommendation letter sent by Chancellor for approval.**
An endowed chair's establishment and naming is subject to the UC President's approval upon the Chancellor's recommendation. A commitment shall not be made to a prospective donor prior to Presidential approval. This language shall be stated in the gift agreement.
9. **Annual Reporting and Stewardship**
Each chair holder shall annually submit a brief narrative describing his or her academic activities and the use of endowment funds which contributed to them. A copy will also be forwarded by that office to the Vice Chancellor, University Advancement or, at his/her direction, to the Office of Stewardship.