

Policy on Endowed Chairs and Professorships

The naming of endowed chairs has a long-term impact on the University. The approval process is designed to ensure such action is in the best interest of the University. Claremont Graduate University welcomes the opportunity to honor those who have rendered extraordinary service or support to the University.

The President in conjunction with the Board (*change this to solely the Board Chair?*) is authorized to approve all endowed chairs and professorships. The President is authorized to issue administrative guidelines and procedures to implement this Policy. The establishment and naming of endowed chairs and professorships is contingent on fulfillment of funding of the endowment and subject to University policies, guidelines, and procedures to ensure appropriate financial and organizational controls.

Administrative Guidelines and Procedures: Endowed Chairs and Professorships

A. Scope of Policy and Administrative Guidelines and Procedures

CGU Policy on Endowed Chairs and Professorships authorizes the establishment of endowed chairs and professorships to provide recognition to distinguished scholars and teachers.

Endowed chairs established prior to approval of this Policy (May xx 2010?) shall, to the extent consistent with the original intent of the donor and terms of the governing gift agreement, be administered in conformity with this Policy and with these Administrative Guidelines and Procedures. To the extent there are inconsistencies, the original intent of the donor and the terms of the gift or allocation instrument shall govern.

B. Establishment and Naming of an Endowed Chair

Note: The following paragraph is drawn from the Policy approved by the Development Committee Spring 06. Needs legal review of wording

Naming a chair for an individual, organization or corporation is one of the highest honors Claremont Graduate University can bestow. This recognition is a lasting and powerful affirmation of the honoree's connection to the University's mission. As such, honorees shall possess unquestionable integrity and shall be selected according to the following criteria:

1. The President in conjunction with the Board of Trustees has the authority to establish and name endowed chairs. [*Is it functional to have the authority dispersed between President and Board ?*] Naming requests will be presented by the Chief Advancement Officer to the Development Committee of the Board of Trustees and the Chair of the Board. Prior to presentation to the Board, each naming request for an endowed chair will have completed the process

of internal review including review by the President and, as appropriate, Dean (or Director), Chief Academic Officer and Chief Financial Officer. Requests will be submitted in writing, outlining the appropriateness of the gift, all conditions and restrictions of the gift, and pertinent background of the donor. The request will include a plan for donor recognition. In the best interests of the University and potential honoree, all information relating to naming requests shall remain confidential until appropriate approvals have been obtained.

2. The Development Committee of the Board will review all requests for named chairs and make a recommendation for approval to the Board. These decisions will be communicated to the Board of Trustees on no less than a quarterly basis with final concurrence coming from the Board. [*Does this hold up final acceptance? This was in the Policy approved previously by the Development Committee. We want the Development Committee to review and recommend and the Board Chair to act (with counsel)*]
3. The subject area of the endowed chair, if any, must be consistent with the mission and academic plan of Claremont Graduate University.
4. No final commitment to establish and name an endowed chair shall be made to a prospective donor prior to approval by the President and Board Chair.
5. A pledge to establish an endowed chair shall be in a form such as to constitute a legally binding commitment by the donor.
6. The establishment of an endowed chair shall be contingent upon completion of funding by an agreed upon date. The gift agreement (*instrument?*) shall include a payment schedule specified at the time of Presidential approval, unless a legally binding, irrevocable commitment is in effect to complete the funding by bequest or deferred gift for which there can be no predetermined termination date. Following approval by President and Board Chair, and until funding is complete, the chair will be deemed “conditionally established.” A chair that has not reached full funding by the end of the specified period shall be reviewed by the Board Business and Finance Committee to determine the appropriate action, including the possible completion of funding from alternate resources, the disestablishment of the chair, or other action. (See D. Disestablishment of an Endowed Chair)
7. At the discretion of the Board Chair, all proposals to fund a chair through a deferred gift or legally binding commitment to bequeath may be referred to the Chief Financial Officer and legal counsel
8. Establishment and naming of an endowed chair must involve consultation with the Chief Academic Officer (also *consider addition identified by Sutton*).

9. Honorees who have been employed by the University will have given extraordinary service to the institution in teaching, research, service, or administrative capacity with such exceptional distinction that their contributions are widely recognized by their peers, both at Claremont Graduate University and elsewhere. The recognition afforded to the honoree may include private financial contributions related to the naming opportunity. Honorees may not be in active service at the University or have been an employee at the Claremont Graduate University during the last two years.

10. Disclosure of the campus gift and recurring administrative fee practices shall be made in writing to donors at or prior to the time of the gift. (*Confirm with Gregory and Steve Garcia that we can implement this now*)

C. Appointment to the Endowed Chair

1. Appointments to endowed chairs shall be made in accordance with regularly established University procedures for faculty appointments.

NOTE: The following language was previously approved by the Board and is now found in the CGU Institutional Handbook.

In the case of an external candidate, the Provost will organize a search committee according to the mission and requirements of the program and the School in consultation with the Dean of the School. The appointment of the Chair will follow the established procedure of appointments, tenure, and promotion. In the case of an internal candidate, the Dean, in consultation with the senior members of his/her School, will present the candidate to the President, who, in consultation with the Provost and Dean, will make a decision on the appointment, subject to approval by the Academic Affairs committee and the entire Board. If the candidate is the Dean, the Provost will consult with the senior members of the School and make a recommendation to the president, If the appointment of the Chair is concurrent with a promotion in rank, then the established APT procedures for promotion apply.

D. Disestablishment of an Endowed Chair

1. The establishment of an endowed chair is contingent on completion of funding. A chair whose endowment has not reached full funding either by the end of the specified pledge period or the maturity of the deferred gift or bequest shall be reviewed by the University, such a review to include any alternative uses for the payout described by the gift or allocation agreement (*instrument?*) and/or through discussions with the donor. If appropriate, with the concurrence of counsel, the Board Chair may propose to the President the disestablishment of the chair and the alternate use of chair funding.

(NOTE: this section was in the Policy statement passed by the Development Committee

in 06. Needs legal editing)

2. The University, by the vote of the Board of Trustees, reserves the right to discontinue the use of the donor name if the donor, be it an individual, corporation or organization, is convicted of a crime or undertakes some horrendous or exceptional activity which causes embarrassment and hardship to the University. Such a de-naming process shall be initiated by the President and presented to the full Board in a normally scheduled or emergency meeting called for this purpose. In a similar manner, the donor may be protected from egregious behavior by the holder of the chair or position through a de-naming clause which would cause the name to be removed from the chair though it is understood that the gift would not be returned.

3. *Consider adding: ask Gregory and Steve Garcia if we can implement. Ask Don if advisable at this time)*

Subject to the donor's approval and upon recommendation by the Board Chair, the President, in consultation with 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 and the academic plan of the campus; or*
 - b. the endowed chair remains vacant for a period of three years and the Board Chair, after consultation with the Chief Academic Officer and the respective Dean, determines that there is no likelihood of filling the chair.*
4. Upon disestablishment of an endowed chair funded through a gift, the fund payout shall be reallocated to the alternative purpose stated in the gift agreement (*instrument?*) or as subsequently specified by the donor in consultation with the Board Chair and counsel. If a donor is deceased and has not specified an alternative purpose, the campus shall request the assistance of counsel to obtain court approval for an alternative use of fund payout in a related field.

E. Recording, Reporting and Retention of Gift Agreements

1. Gift Agreements detailing the conditions and restrictions of the gift will be drafted by CGU staff and/or advisors to the donor.
2. The Gift Agreement shall note all conditions and restrictions. The "spending rule" shall be detailed along with conditions that may require spending of corpus funds.
3. Recognition plans and conditions regarding Naming shall be specified in the Gift Agreement.
4. Gift Agreements will be reviewed by the Chief Advancement Officer before being forwarded to the University President. The President will forward Gift

Agreements for consideration by the Chair of the Development Committee and the Chair of the Board of Trustees, who will involve legal counsel as appropriate.

5. Following approval of the endowed chair by the Board of Trustees, the completed Gift Agreement will be signed by the donor and the President and retained.....*[determine disposition]*

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(NOTE: In view of the material added above, I find the following two sections redundant; Don if you (and/or counsel) agree, please delete)

F. Review by Board of Trustees

All Gift Agreements shall note that the gift is subject to review and approval by the Board of Trustees. All named gifts are not formally accepted until the Board review, as detailed above, is completed.

G. Implementation of Policy on Endowed Chairs and Professorships

The Chief Advancement Officer shall administer this policy under the supervision of the University President, the Board Chair and the Development Committee of the Board of Trustees. deans, directors, development officer and volunteers in the University's fundraising programs are to be made aware of this policy. This policy covers all gifts for named Chairs and Professorships to Claremont Graduate University as of the date of adoption.

Problems for future consideration:

-Pricing -does the endowment cover full cost? Or contribute to?

- do we set minima and then have additional for specific areas?
- do we articulate the difference between endowing and existing position
And adding a new position?

-Types of Funding (UC APM-191 p 2)

- an endowment, fund functioning as an endowment or annual allocation
- a gift or discretionary administrative source
- provided on a term basis for a specified period consistent with
Gift terms or administrative allocation terms

-Timing of Funding

- Does full endowment have to be complete before establishment of Chair?
- or some “annual payout in balance (see UC APM-191)

-Use of Fund Payout

- APM-191 pp 6-8 provides material of CFO or CGU to consider