



## Policy and Procedure: Splitting Professorship Endowments

### INTRODUCTION

When the market value of an existing donor-funded endowment that supports faculty positions, such as professorships, and administrative positions, such as directorships (all will be referred to here as “professorship(s)” and “professorship endowment(s)”), grows to substantially exceed the current minimum for establishing a new professorship endowment, a Unit Head may request approval to split the existing professorship endowment into two professorship endowments to maximize the impact of the donor’s support, provided the newly-created professorship(s) continue to honor the donor’s intent.

This Policy and Procedure applies to donor-funded professorships that are approved by the Board of Regents.

### POLICY

For a professorship endowment to qualify for splitting, it must meet the following requirements:

1. The professorship endowment must be wholly donor-funded, or funded by donors and Institutional Matching Funds as noted below.
2. Institutional funds, such as top-off funds, cannot be included in the calculation for a split or the split itself. However, professorships where the university or the school, college, or unit (“SCU”) made a written commitment to the donors to match gifts using institutional funds and restricted those institutional funds to the professorships (“Institutional Matching Funds”) may be included in the calculation for a split or the split itself.
3. The market value of an existing professorship endowment must substantially exceed the current minimum for establishing new professorship endowments.
4. The growth of the market value is a result of normal market increase over a period of years. If such growth is because the SCU can no longer administer the fund in accordance with the donor restrictions, the requesting SCU should contact the donor regarding a modification of the fund, or if the donor(s) cannot be consulted, follow the [Gift Modifications Procedure](#).
5. Use of university funds, reserves, or quasi-endowments to top-off the newly-established professorship are subject to the [Endowment Top-off Policy](#).
6. The newly-created professorship should be in the same general field as the existing professorship unless donors agree otherwise.

7. The new professorship may be any current level, e.g., a faculty professorship may split to establish a new research professorship, except for legacy professorships as described below.
8. A new legacy professorship can be established only when splitting a legacy (fka “collegiate”) professorship. Donors to the original legacy professorship must approve the creation of a new legacy professorship in accordance with the Procedure for Living Donors below.

## **PROCEDURE**

A professorship endowment may be split only with the express written approval of the following:

- Dean or director of the applicable SCU (“unit head”).
- Provost and executive vice president for academic affairs (“provost”).
- Vice president for development.

### Living Donors

If the donor is living, or if the donor is a foundation or business entity still in existence, the donor must expressly approve the split as well as the subsequent name(s) of the newly-established professorship(s).

*Note: The unit head must approve the split prior to contacting living donors.*

The requesting SCU should contact the Office of the Vice President and General Counsel (“OGC”) to assist in drafting an amendment to the original gift documentation, and should follow the usual gift approval procedure for the amendment. When sending the amendment to the provost, it should be accompanied by a request memorandum as described below if not all necessary information is in the amendment.

If there are multiple donors to the professorship endowment, a majority of the living donors or the living donors that gave a majority of the money must expressly approve the split as well as the subsequent name(s) of the newly-established professorship(s). Such approval should be documented in writing with the assistance of the OGC.

### Donor Not Living or Not in Existence

If there is no living donor, or if the donor is a foundation or business entity that is no longer in existence, the requesting SCU may request a split as follows:

- SCU development staff contacts the OGC to interpret existing documents and, if supported, draft a request memorandum.
- SCU development staff seeks approval from their unit head by submitting the request memorandum for the unit head to sign.

- SCU development staff then sends the request memorandum to the associate vice president for development (“AVP Dev”) to present to the provost.
- The provost will approve the endowment split by signing the request memorandum or seek additional information through the AVP Dev.
- AVP Dev will notify SCU development staff who will then follow the SCU’s usual process for additional review and processing of the professorship split.

### Request Memorandum

The request memorandum will include:

- i. Background on the gift, including the donors’ names and LIDs, whether the fund is endowed, quasi-endowed, or expendable; total gift given value (“book value”), market value, and value of the expendable amount; and the documented intent.
- ii. Proposed split and supporting information, such as the family’s thoughts on the donors’ expressed wishes and proposed action.

*Note: Approval of living family members of the donor is not required, but if favorable to the proposed action may provide additional support to the request.*

- iii. OGC’s recommendation or other notes.

### **ROLES AND RESPONSIBILITIES**

**SCU Leadership.** Contact and receive consent from living donors, or if there are no living donors, consult with living family members of the donors who have a current relationship with the university prior to submitting the request to split a donor-funded professorship endowment.

**Provost and Executive Vice President for Academic Affairs.** Reviewer and approver of requests.

**Associate Vice President for Development.** Reviewer and approver of requests.

**Office of the Vice President and General Counsel.** Prepares documentation to modify existing gift agreements either through an amendment by living donor(s), or Professorship Split Memorandum.