

The UNIVERSITY of WESTERN ONTARIO
POLICIES and PROCEDURES

2.22 FUNDING OF ACADEMIC CHAIRS AND PROFESSORSHIPS

Classification: Financial

Effective Date: 24JUN08

Supersedes: 25SEP07

POLICY ON CHAIRS AND PROFESSORSHIPS

- 1.00 This policy provides for the establishment of designated Chairs and Professorships as one of the ways of recognizing academic fields that fit into the University's scholarly plans and objectives. The University may at the same time honor a benefactor, a scholar or a family.
- 2.00 Establishment of designated Chairs or Professorships should follow this policy, the general guidelines outlined in [Appendix 1](#) and the approval process outlined in [Appendix 2](#). Initiatives may arise from a variety of sources such as individuals, ethnic or cultural organizations, trade unions, government agencies, corporations, or from the academic unit concerned. From whatever sources, the initiative should advance the University's academic goals and objectives. This constitutes the principal criterion governing the establishment of designated appointments.
- 3.00 A Chair or Professorship will be attached to a Faculty, School, Department, or Centre of the University. The holder will receive an academic appointment and be expected to develop the field of interest through both teaching and research. The University's policies and procedures on advertising and making academic appointments shall be followed for appointment to a Chair or Professorship.
- 4.00 The University may wish to honor a benefactor, scholar or individual through a formal naming of a designated appointment. The criteria for naming shall be that the individuals have made an important contribution to the University, society, or to a field of study, or wish to provide the University with a significant benefaction or endowment.
- 5.00 The University will not normally name a Chair or Professorship unless the majority of the funding will be derived from external sources. In the event that the external donations are insufficient to fully support the Chair or Professorship, additional funding may come from the University operating budget through an academic Department, School, Faculty, or Centre, or from a government agency or other sources. In the case of an existing position, the gift should support at least 50% of the expected annual expenditures. In the case of a new position, the gift should support at least 90% of the expected annual expenditures.
- 6.00 The Dean, in collaboration with the holder of a Chair or Professorship, must provide an annual report on activities and monies spent. Such reports must be filed with the Provost & Vice-President (Academic) and the Vice-President (External), either at the end of each appointment year or in compliance with the terms of the agreement between the donor(s) and the University. The Vice-President (External) will ensure that the donor(s) are provided with copies, if required either under the terms of the donor agreement or at the donor's request.

GUIDELINES TO THE POLICY AND FUNDING OF CHAIRS AND PROFESSORSHIPS

Designated Chairs

- 7.00 The establishment of a Chair by the University implies a broad and continuing commitment to the position and to the discipline or faculty. The holder of the Chair should be of great distinction.
- 8.00 The principal revenue for a designated Chair may be in the form of an endowment or funded on a term basis.

- 8.01 The total funding for a Chair will normally be sufficient to cover not only the salary and benefits of the incumbent, but also provide an appropriate measure of scholarly and research support. As the establishment of a Chair creates a continuing commitment by the University, there must also be assurance that funding support for the Chair will also be continuing.

Endowed Chairs

- 9.00 The academic appointment to an endowed Chair will normally be full-time with tenure at the rank of Professor.
- 10.00 The amount available for spending each year will be a percentage of the average value of the endowment over the most recent three year period, in accordance with the University's Investment Payout Policy [\[Policy 2.11\]](#), as may be amended from time to time. The University seeks to maintain the real value of the endowment in the long run by capitalizing a portion of the investment revenue.

Term Endowed Chairs

- 11.00 Chairs may be funded on a term endowed basis of not less than five (5) years and up to fifteen (15) years.
- 12.00 The academic appointment to a term chair will normally be full-time, at the rank of Associate Professor or Professor. An individual may be appointed as a visitor. The Faculty must commit necessary resources for any ongoing commitments made beyond the period of this term financing (e.g., tenure).
- 13.00 If the donation is received on a term endowed basis, the capital and investment revenue will be expended over the stipulated period of time, at the end of which the designated Chair will terminate. It may be necessary to supplement the donation revenue from other sources. Term endowed funds receive a rate of return, as outlined in the Investment Payout Policy [\[Policy 2.11\]](#)

Designated Professorships

- 14.00 A designated Professorship may be established on either a permanent or a term basis of 5 to 15 years. Appointments to a designated professorship will be for a specific term, which may be renewable, at the rank of Assistant Professor, Associate Professor, or Professor. An individual may be appointed as a visitor. Such appointments need not carry tenure although tenured appointments may be made, where appropriate, in accordance with procedures established by the Senate and Board of Governors. The Faculty must commit necessary resources for any ongoing commitments made (e.g., tenure) beyond the period of this term financing.
- 14.01 For donations for Professorships accepted as permanent endowments, the amount available for spending each year will be a percentage of the average value of the endowment over the most recent three year period, in accordance with the University's Investment Payout Policy [\[Policy 2.11\]](#), as may be amended from time to time. The University seeks to maintain the real value of the endowment in the long run by capitalizing a portion of the investment revenue.
- 14.02 If the donation is received on a term endowment basis, the capital and investment revenue will be expended over the stipulated period of time, at the end of which the designated Professorship will terminate. It may be necessary to supplement the donation revenue from other sources. Term endowed funds receive a rate of return, as outlined in the Investment Payout Policy [\[Policy 2.11\]](#)

Term Non-Endowed Chairs and Professorships

15.00 A Term Non-Endowed Chair or a Term Non-Endowed Professorship may be funded on a term basis of one (1) to five (5) years.

15.01 If the donation is received on a non-endowed basis, the capital and investment revenue will be expended over the stipulated period of time, at the end of which the designated fund will terminate. Non-endowed funds receive a rate of return as outlined in the Investment Payout Policy [[Policy 2.11](#)] (as may be amended from time to time).

ACCEPTANCE OF GIFTS

15.00 Before any donation is accepted, or commitment made to a potential donor for a Chair or Professorship, the economics of the proposal must be evaluated, particularly if other sources of funds are required. Because of the long-term commitment represented by these gifts, careful assessment of these donations is particularly important and will satisfy the following requirements.

15.01 The Vice-President (External) (or designate), and the head(s) of the academic unit(s) (and, where applicable, the Centre) involved will meet with the donor to determine his/her wishes and discuss the terms of the donation.

15.02 The President, the Provost & Vice-President (Academic), and the Vice-President (Resources & Operations), or their designates, will review the objectives and funding requirements of each gift prior to presentation to the Senate and the Board of Governors for approval. Space requirements related to the appointment will also be taken into consideration.

15.03 The terms of the gift should recognize the need for flexibility in the use of funds if at some future date the basic conditions which led to the donation have altered, or if supplementary funding is no longer available.

15.04 A donor may not be involved in the selection of an individual for a Chair or Professorship funded by the donor. However, subject to the agreement of the Provost & Vice-President (Academic), a donor or a representative may be named to an Advisory Committee established to assist in the development, support and publicizing of the Chair or Professorship.

ATTACHED: [APPENDIX 1](#) - GENERAL GUIDELINES FOR REQUIRED LEVEL OF SUPPORT FOR CHAIRS AND PROFESSORSHIPS

[APPENDIX 2](#) - APPROVAL PROCESS

APPENDIX 1

GENERAL GUIDELINES FOR REQUIRED LEVEL OF SUPPORT

FOR CHAIRS AND PROFESSORSHIPS

The required level of support for a Chair or Professorship at The University of Western Ontario will vary with the circumstances and the objectives to be achieved. However, as a guideline, the level of support that will be required, expressed in 2003 dollars, is as follows:

Annual Required Revenue

Chair minimum \$135,000

Professorship \$67,500 - \$135,000

Funds may be derived from donations in the form of an endowment or for a specific term, or from other sources.

With respect to endowments, the required level of support will reflect the policy that only the real rate of return will be paid out each year to support the Chair or Professorship, with the remainder of the investment revenue capitalized to protect the real value of the endowment.

For example:

- An endowment of \$3 million will provide the annual minimum required level of support for a Chair (\$135,000 per year)
- An endowment in the range of \$1.5 million to \$3 million will provide the annual required level of support for a Professorship (\$67,500 - \$135,000 per year).

By limiting the allocations for spending from an endowment to 4.5% and reinvesting remaining returns, the University expects the endowment base to grow over time. This anticipates that the dollar value of the amounts allocated will increase over time and thus maintain the purchasing power of the annual allocations forever.

Revised by the Board September 25, 2007 to be effective immediately, except for new Chairs and Professorships that are part of the established fund raising campaign of the Richard Ivey School of Business.

APPENDIX 2

Approval Process for Academic Chairs and Professorships

The establishment of a chair or professorship requires approval of both the Senate and the Board of Governors. There are two processes that can be followed: one open and one confidential. The confidential process is used in cases where there is a desire on the part of the university and the donor to have a joint public announcement of the gift at a particular time after approval has been obtained from both governing bodies..

Open Process

- Proposal submitted to Senate Committee on University Planning for recommendation to Senate
- Proposal approved by Senate
- Proposal submitted to Property and Finance Committee for approval on behalf of the Board of Governors on the recommendation of Senate
- Approval reported to the Board of Governors at its next regular meeting in open session

Confidential Process

- Proposal submitted to Senate Committee on University Planning for recommendation to the Board through the President and Vice-Chancellor
- Proposal submitted to the Property and Finance Committee for approval on behalf of the Board of Governors on the recommendation of the President and Vice-Chancellor
- Approval reported to the Board of Governors at its next regular meeting in closed session