

# **LOUISIANA BOARD OF REGENTS**

## **ENDOWED PROFESSORSHIPS PROGRAM POLICY**

**Adopted: January 25, 2007**

**Revised: June 29, 2016**

**Effective Date: July 1, 2016**

**ENDOWED PROFESSORSHIPS PROGRAM POLICY**  
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# **BOARD OF REGENTS SUPPORT FUND ENDOWED PROFESSORSHIPS SUBPROGRAM POLICY**

## **I. PREAMBLE**

In 1990-91, the Board of Regents established the Board of Regents Support Fund (BoRSF) Endowed Professorships subprogram, patterned after the successful Endowed Chairs for Eminent Scholars subprogram, to strengthen instruction and research across a diverse array of campuses. Since its inception, the Endowed Professorships subprogram has operated as a non-competitive opportunity for campuses to receive State match of donor contributions. The Board of Regents fulfills all obligations and commitments to the Endowed Professorships subprogram by funding matches in accordance with Support Fund plans and budgets as approved annually by the Legislature and Governor.

## **II. POLICY EFFECTIVE DATE**

The effective date of this policy is July 1, 2016. Calculations of vacancy rates and related policy provisions shall take effect beginning July 1, 2014 for the 2014-15 and subsequent submission years.

## **III. DEFINITION AND USES OF ENDOWED PROFESSORSHIPS**

Endowed professorships are established to help recruit and retain superior faculty whose research, teaching, and/or public service uniquely contribute to the mission(s) of their departments, their campuses, and the State. The Endowed Professorships subprogram is designed to further achievement of the constitutionally prescribed goals of the Support Fund: to enhance the quality of higher education and promote economic development in Louisiana.

## **IV. ELIGIBLE CAMPUSES**

All Louisiana public institutions of higher education and those independent institutions which are members of the Louisiana Association of Independent Colleges and Universities (LAICU) are eligible to participate in the Endowed Professorships subprogram.

## **V. ALLOCATION OF BoRSF/LEGISLATIVE MATCHING FUNDS**

### **A. BoRSF Matches**

1. Matching Funds: State funds will be provided at a ratio of 60% non-State to 40% State match with the following provisions:
  - a. For each \$40,000 State match requested, a minimum \$60,000 non-State contribution is required.
  - b. While a non-State contribution may exceed \$60,000, State match will be provided only in indivisible \$40,000 increments.

2. Funding Guarantees: The subprogram guarantees Support Fund assistance to annually fund two (2) \$40,000 matches to establish two (2) \$100,000 professorships per year for each eligible four-year and special purpose campus, and one (1) \$40,000 match to establish one (1) \$100,000 professorship per year for each eligible two-year campus. Annual funding guarantees per institution are contingent upon compliance with policy requirements related to maximum vacancy rates and numbers of full-time equivalent (FTE) faculty employed by institution (see Sections V.A.3 and V.A.4 of this policy, below).
  3. Eligibility for Annual Matching Based on Vacancy Rates: If a campus's percentage of vacancies of greater than two years' duration in the Endowed Professorships subprogram exceeds 20%, that campus shall not be eligible to submit requests for additional Endowed Professorships matches during that year.<sup>1</sup>
  4. Eligibility for Matching Based on Full-Time Equivalent Faculty: The number of BoRSF-matched endowed professorships on a campus shall not exceed the number of FTE faculty, defined as all full-time equivalent faculty employed by the institution (including instructional, clinical, research, adjunct and visiting faculty).<sup>2</sup> Should the number of BoRSF-matched endowed professorships exceed the number of FTE faculty on a campus during a submission year, additional new BoRSF matches shall not be provided in that year.
- B. BoRSF Funding for Additional Slots: Campuses may submit applications for match in addition to that guaranteed by the Board and may receive additional matches beyond guaranteed slots if one or more campuses submit fewer than their guaranteed applications. While the Board has no responsibility to recognize or match applications submitted in excess of guarantees, any unmatched slots may be funded for campuses through this arrangement. Should the Board approve additional slots through this proviso, the Board shall determine the most appropriate allocation of such funds.
- C. Supplemental Legislative Funding: In the event that supplemental State appropriations to match endowed professorships (as well as chairs and scholarships) are forthcoming, the Board shall determine the most appropriate allocation of such funds.

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<sup>1</sup> A campus's percentage of endowed professorship vacancies longer than two years shall be calculated as the number of matched slots reported as unfilled for longer than two years divided by the total number of slots matched at the campus. The duration of an endowed professorship vacancy shall be calculated from August of the academic year following the departure of the most recent professorship holder or, in the case of new or not-yet-filled professorships, from August of the calendar year in which Board match was provided. Endowed professorships accounts with market values below corpus are excluded from policy formulae related to vacancy rates.

<sup>2</sup> FTE faculty counts by institution shall be required in annual endowment reporting. With the permission of the donor(s), multiple individual endowed professorships slots may be combined into a single professorship for assignment to a faculty recipient. If consistent with donor intent and not explicitly prohibited by the donor, donor permission for such combinations shall not be required under the following circumstances: 1) the donor is deceased; 2) the donor has in writing indicated that the campus may make appropriate changes at its discretion; and/or 3) despite a good-faith effort, the donor's contact information could not be located.

## **VI. CAMPUS INTERNAL STANDARDS AND PROCESSES**

- A. Required Submission: To be eligible to participate in the Endowed Professorships subprogram, each campus with existing State-matched professorships and/or new applications for match in FY 2012-13 shall submit by March 31, 2013 a document defining (1) its internal standards for selecting faculty recipients of endowed professorships; and (2) its internal processes for implementing these standards and monitoring compliance.<sup>3</sup> While campuses are required to submit the document only once, standards and practices may be updated annually by March 31.
- B. Delayed Submission and Eligibility: In subsequent funding cycles, campuses without internal standards and processes on file that plan to submit applications for match through the Endowed Professorships subprogram shall forward the document to the Board by March 31 of the year in which match is requested.
- C. Applicability of Internal Standards and Processes: Beginning March 31, 2013, each affected campus shall fill any vacancies in State-matched professorships using these internal standards and processes.

## **VII. ANNUAL SUBMISSION OF REQUESTS FOR MATCHING FUNDS**

- A. Application Elements: Annual applications to the Endowed Professorships subprogram must include the following:
  - 1. Annual Letter and Rank Order List: Each year, along with its individual applications, an eligible campus requesting funds through the Endowed Professorships subprogram shall submit a cover letter signed by the President or Chancellor of the campus listing all applications in rank order of funding priority and requesting appropriate matching funds during the current funding cycle.
  - 2. Individual Applications for Match: Each individual application for Endowed Professorships match shall be comprised of five (5) documents:
    - a. An authenticated statement, notarized in the presence of two witnesses, which shall indicate that the campus has in good faith satisfied the requirements of the Board of Regents Endowed Professorships subprogram policy related to the Definition and Purpose of the subprogram, and describing how campus standards and processes will be used to select the professorship holder.
    - b. An affidavit from the financial institution in which the non-State matching funds are held verifying that the participating campus has received and deposited non-State matching funds in the amount of at least \$60,000 for each \$40,000 requested in State match, and that the funds received and deposited meet all eligibility requirements of the Endowed Professorships subprogram policy.

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<sup>3</sup> Standards must reflect one or both of the Constitutional goals of the Support Fund: to improve the quality of education and/or enhance economic development.

- c. A Statement of Understanding executed by the donor(s) and the campus certifying that the donor(s) has been informed of Board of Regents and campus policies and practices relative to the Endowed Professorships subprogram. (See template in Appendix A.)
  - d. Beginning with the FY 2016-17 competition, a copy of the donor agreement applicable to the endowment for which match is sought; if the endowment contribution is made as part of a larger gift, the terms specific to the endowment should be excerpted for submission. Under no circumstances should the campus furnish donor agreements or conditions not related to the endowment for which match is sought. Donor agreements and excerpts submitted to the Board of Regents shall be deemed confidential pursuant to La. R.S. 44:4.1 and R.S. 17:3390, and not subject to disclosure under R.S. 44:1 et seq.
  - e. Documentation via official minutes of the relevant management or governing board of the participating campus that the board has granted approval for the establishment of the endowed professorship to be supported by the proceeds of the non-State contribution and the requested State match.
- B. Acceptance of Applications and Deadlines: Applications shall be accepted in each funding cycle beginning January 1 and ending at 4:30 p.m. Central time on March 31. Should March 31 fall on a Saturday, Sunday, or State holiday, the deadline shall be extended to 4:30 p.m. Central time of the next working weekday.

One copy of the cover letter and original documents for each new application shall be submitted as follows:

<b>U.S. Mail</b>	<b>UPS, Federal Express, Hand-Delivery</b>
Endowed Professorships Subprogram c/o Deputy Commissioner for Sponsored Programs Louisiana Board of Regents P. O. Box 3677 Baton Rouge, LA 70821-3677	Endowed Professorships Subprogram c/o Deputy Commissioner for Sponsored Programs Louisiana Board of Regents 1201 North Third Street, Suite 6-200 Baton Rouge, LA 70802

## **VIII. RESUBMISSION OF UNMATCHED APPLICATIONS**

Endowed Professorships applications that were submitted in a previous year but not matched may be resubmitted without the above-referenced supporting documentation (Policy Section VII.A.2.a-d), which is kept on file by the Board of Regents. The rank-order list provided in the cover letter from the campus president or chancellor (Policy Section VII.A.1) must include all previous and new submissions for which matching is requested; only those submissions included in the annual rank-order list will be eligible for match during the funding cycle.

## **IX. BOARD ENCOURAGEMENT OF USE OF NON-STATE FUNDS WITHOUT STATE MATCH**

Campuses, foundations, and donors are encouraged and urged to help alleviate the Endowed Professorships backlog and address budgetary issues by acting as follows:

- A. For \$60,000 donations awaiting State match, arrange to spend income accumulating from non-State funds to address current faculty and departmental needs; and
- B. Endow professorships entirely through non-State funds by combining unmatched \$60,000 donations.
- C. If a donor match generates income in addition to the principal contribution prior to provision of the State match, the campus and donor may, at their discretion, determine ways to expend such income. To be eligible for State match, however, the principal must remain whole.

## **X. STATEWIDE PRINCIPLES AND GUIDELINES FOR OPERATION OF ENDOWED PROFESSORSHIPS**

The following standards and principles listed below shall guide subprogram practices across all campuses. In addition to these statewide principles, each respective campus's internal standards and processes, on file with the Board of Regents, shall govern subprogram operation:

- A. Professorships shall be awarded to faculty recipients for terms of one year or more; only under special circumstances shall a professorship be awarded for a term of less than one year.
- B. Except under extenuating circumstances, as approved by the Commissioner of Higher Education, no more than two years shall elapse from the provision of State match to its award by the campus. If an endowed professorship should become vacant, the same rule shall apply.
- C. The impact of an endowed professorship is seriously diminished when shared among two or more faculty members. The institution shall not divide a single professorship among multiple recipients except in special circumstances, as approved by the Commissioner of Higher Education.
- D. Except in special circumstances, as approved by the Commissioner of Higher Education, income generated from an endowed professorship shall be designated specifically for the use of the faculty member holding the position, not for the general discretionary use of departments or the campus.
- E. Campus officials shall have the primary and final responsibility to select and appoint professorship recipients.

## **XI. UNUSED ENDOWMENTS: PROVISIONS FOR RETURN OF BoRSF MATCHING FUNDS**

For endowments matched in FY 2016-17 or later, if the endowed professorship has not been filled within three years after provision of BoRSF matching or two years following departure of the most recent faculty holder of the endowment, the campus shall return matching funds and associated unexpended earnings to



the Board of Regents. If special circumstances have precluded appointment of a faculty holder, the campus shall submit for Board approval a written request and justification to retain matching funds for one additional year, along with a detailed summary of activities undertaken since the vacancy occurred to fill the endowed professorship and plans to fill it in the immediate future. Such request shall be submitted to the Deputy Commissioner for Sponsored Programs and assessed by both Sponsored Programs staff and the Commissioner of Higher Education, with staff recommendations forwarded to the Board of Regents, which has sole authority to grant final approval.

For endowments matched prior to FY 2016-17 and vacant for more than two years, on an annual basis the campus shall notify the non-BoRSF donor no later than October 1 of the duration of the vacancy along with plans, if any, to fill the vacancy within the next two years, and request that the donor indicate how he/she wishes to proceed. This notification shall be documented by a signed donor statement, submitted to the Board of Regents Deputy Commissioner for Sponsored Programs by October 15, indicating that the donor is aware of current policies governing vacancies and the donor's preferred course of action. The donor may request to convert the contribution, the BoRSF match, and related earnings to another BoRSF endowment subprogram (e.g., split a Chair into Professorships, convert a Professorship into a Graduate Scholarship, etc.). If the donor wishes to redirect the original contribution and/or earnings to an activity not permissible under BoRSF endowment programs, the campus shall immediately return the BoRSF matching funds, with associated unexpended earnings, to the Board of Regents. If a donor wishes to retain the non-State contribution at the campus and require no campus action to fill the vacancy, the Board of Regents reserves the right to seek return of the BoRSF matching funds and associated interest. In the event a donor dies without a successor designated to make decisions related to the endowment, the campus may make decisions on behalf of the fund in accordance with any remaining legal restrictions. In such case, the campus shall notify the Board of Regents of its preferred action to address a vacant professorship, which shall be subject to the same requirements for reporting to the Regents and conditions for repayment of BoRSF match.

## **XII. INTERACTION BETWEEN THE CAMPUS AND DONOR**

- A. For each endowed professorship matched by the Board, the institution shall annually provide to the donor, at a minimum, the following information: the status of the endowed professorship (vacant or filled), the current market value, and the amount allocated for expenditure in the most recently completed fiscal year.<sup>4</sup>
- B. Donor reporting shall not be required under the following circumstances: 1) the donor is deceased; 2) the donor has in writing requested no contact; and/or 3) despite a good faith effort, the donor's contact information could not be located.
- C. As feasible and appropriate, campuses shall develop and maintain other regular interaction with donors, including involvement of donors in award ceremonies and engagement of donors by faculty professorship holders.

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<sup>4</sup> A certification of compliance with this requirement, based on documentation retained by the campus, shall be included in the annual fiscal report to the Board of Regents. Compliance shall be attested to in the report provided by private or Legislative auditors.

### **XIII. CONDITIONS FOR REPURPOSING OF NON-BoRSF DONOR CONTRIBUTION**

The non-BoRSF donor shall have the right to reallocate and/or change the purpose of the original contribution in the following circumstances: (1) the campus has not adhered to the terms of the agreement with the donor or Board of Regents policies; (2) the campus has not met its fiduciary responsibilities in management of the faculty endowment; and/or (3) the endowed professorship has remained vacant in excess of three years upon start-up or two years for subsequent appointments. If the donor wishes to redirect the original contribution and/or earnings to an activity not permissible under BoRSF endowment programs, the campus shall immediately return the BoRSF matching funds, with associated unexpended earnings, to the Board of Regents; disposition of earnings associated with the donor's reallocated contribution should be negotiated between the campus and donor. This policy provision shall not supersede the donor's rights under the law.

### **XIV. CREDITING THE BOARD OF REGENTS SUPPORT FUND**

Campuses shall ensure that all internal and external materials regarding the subprogram, including policies and procedures, news releases, and promotional materials, appropriately credit the Board of Regents Support Fund.

### **XV. RECOGNITION OF ENDOWED PROFESSORSHIPS PARTICIPANTS**

- A. Board of Regents: The Board of Regents will annually honor campuses/donors that establish endowed professorships.
- B. Campuses: Campuses shall develop and maintain procedures to recognize endowed professorship holders and donors both internally and externally through such public announcements as media releases, campus newsletters, awards ceremonies, and web pages.

### **XVI. INVESTMENT OF ENDOWED PROFESSORSHIPS FUNDS**

Campuses shall invest Endowed Professorships subprogram funds in accordance with the Louisiana Board of Regents Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives.

### **XVII. EXPENDITURE AND RETENTION OF PROCEEDS**

For all endowments matched in FY 2016-17 or later, the total market value of the endowment fund shall not exceed 125% of corpus at the end of any fiscal year in which the endowed professorship is filled unless the campus has sought and been granted prior approval from the Board of Regents to retain and grow earnings for a specific purpose (e.g., a major equipment purchase). To ensure that endowments preserve purchasing power as required by UPMIFA, corpus value shall be adjusted annually for inflation, calculated by the change in the Consumer Price Index - Urban (CPI-U) as specified in the Board of Regents' Endowment Program investment policy.

## **XVIII. ACCOUNTABILITY MEASURES**

### **A. Campuses**

For each matched professorship, the campus shall develop goals, objectives, and accountability measures appropriate to the department in which the faculty recipient resides (e.g., grant funding, publications, teaching, industrial ties, technology transfer, and other academic/economic development activities). Based on these accountability measures, campuses shall periodically, but not less than every three years, evaluate the progress of each professorship recipient relative to established goals and objectives.

### **B. Board of Regents**

The Board of Regents shall periodically conduct a comprehensive review of the Endowed Professorships subprogram to determine the extent to which subprogram goals and objectives are being met and the impact of professorships at participating campuses and in the State.

## **XIX. AVAILABILITY OF RECORDS**

The campus has the duty to fully cooperate with the Board of Regents and provide any and all specified programmatic and fiscal information, documentation, etc. related to matched endowed professorships to the Board when requested. This applies even if the professorship is rescinded or dissolved, and/or a lawsuit is filed. Specifically, the campus and any designated managers of endowed funds shall not limit or impede the Board's right to audit and shall not withhold documents related to BoRSF Endowed Professorships awards.

## **XX. REQUEST FOR WAIVER**

If a campus identifies acute and exceptional circumstances that warrant an exception to any provisions of the Endowed Professorships subprogram policy, a waiver may be formally requested in writing to the Board of Regents.

## **APPENDIX A**

### **TEMPLATE: DONOR STATEMENT OF UNDERSTANDING**

**TEMPLATE**  
**Endowed Professorships Subprogram**  
**Donor Statement of Understanding**

1. (I or We) have been fully informed and accept that the Board of Regents will match a maximum of (1 or 2) endowed professorships per year for (Institution).
2. (I or We) have reviewed, understand, and accept the Program Policy and Investment Policy provisions relative to retention of funds, expenditure of income, and other administrative conditions related to provision of BoRSF matching funds.
3. (I or We) have reviewed, understand, and accept (Institution's) internal standards and process for selecting faculty recipients of BoRSF-matched endowed professorships.

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Donor or Donor Representative

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Campus Representative