



## Administrative Regulation 8:4

# Endowment and Naming Policies for Faculty Support, Undergraduate and Graduate Student Support, and Program, Unit, and Research Support

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## I. Introduction

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This regulation establishes the minimum gift amounts and other endowment requirements for privately funded endowments for faculty support (including Deanships, Chairs, Professorships, Faculty Excellence Funds, and Faculty Fellowships); Undergraduate and Graduate Student Support (including Scholarships, Fellowships, and Award Funds); and Program, Unit and Research Support (including Colleges, Departments, Institutes, Centers, Lectureships, Research Funds and General Program Support).

For gift policies and naming guidelines for University real property (e.g. structures, facilities, stadia, plazas, fields, or portions thereof), see [Administrative Regulation 9:5, Naming University Property](#).

## II. Entities Affected

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This regulation applies to all employees and units of the University.

## III. General Endowment Policies

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- A. In accordance with Governing Regulation II.E.2.d, private gifts and pledges of \$1,000,000 or more paid over five (5) years or less shall be presented to the Board of Trustees prior to the establishment of, or support of, an endowment. The establishment of an endowment at or above this level is contingent on the Board's acceptance and approval of the gift or pledge. In addition, private gifts and pledges in any

amount that qualify for matching funds from the Kentucky Research Challenge Trust Fund (“Bucks for Brains”) shall be accepted by the Board of Trustees.

- B. Negotiations, solicitation of private funds, or commitments related to the establishment or support of an endowed academic position shall not be undertaken by any employee or representative of the University until a proposal for these has been approved by the appropriate dean or director, the Vice President for Philanthropy, and the Provost.
- C. All solicitation of gifts to the University and the handling of these gifts shall be done in accordance with the Business Procedures Manual E-22, Policies and Procedures for Soliciting, Receiving, Recording, and Acknowledging Gifts, and applicable Office of Philanthropy policies and procedures.
- D. The maximum pledge period to fully fund an endowment shall not exceed five (5) years unless otherwise approved by the Vice President for Philanthropy and the Treasurer. A pledge payment schedule shall be included in the endowment agreement or the official University pledge form. Additionally, for pledges of \$1,000,000 and above, the endowment agreement shall contain a provision to ensure that the pledge is legally binding on the donor’s estate, unless the Vice President for Philanthropy grants an exception upon consultation with the President and Executive Vice President for Finance and Administration.
- E. Colleges, institutes, centers, programs, and other university units may, by written policy, establish minimum endowment levels higher than those defined in this *Administrative Regulation*.

#### IV. Endowment Policies for Faculty Support

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- A. Prior approval by the appropriate dean or director, the Vice President for Philanthropy, General Counsel, and the Treasurer is required for the establishment of endowments for faculty support.
- B. Prior approval by the Board of Trustees is required for an appointment made to an endowed faculty position.
- C. Subject to the approval of the President, positions supported with private funds shall be established in the academic area of the donor's choice and will bear the donor's name or a name of the donor's selection.
- D. Appointments to all faculty positions funded fully or in part from private gifts shall be made in accordance with the provisions concerning faculty employment and appointment as set forth in the *Governing Regulations* and the *Administrative Regulations* of the University.
- E. Privately funded endowments for faculty support shall be established with the following minimum gifts and conditions:
  - 1. Deanship - \$4,000,000. The University may provide from University funds such supplemental amounts as are necessary to set the salary of the holder of the deanship at a level commensurate with the individual's record, experience, and position in the faculty. The spending distribution from the endowment shall provide funding for items such as salary stipend, professional support, scholarships, fellowships, faculty recruitment, research, equipment, or discretionary support.
  - 2. Department Chair - \$2,500,000. The University may provide from University funds such supplemental amounts as are necessary to set the salary of the holder of the Department Chair at a level commensurate with the individual's record, experience, and position in the faculty. The spending distribution from the endowment shall provide funding for items such as salary stipend, professional support, scholarships, fellowships, faculty recruitment, research, equipment, or discretionary support.
  - 3. Endowed Chair - \$2,000,000. The University may provide from University funds such supplemental amounts as are necessary to set the salary of the holder of the chair at a level commensurate with the

individual's record, experience, and position in the faculty. Conferred to distinguished full-time faculty members, the spending distribution from the endowment shall provide funding for items such as salary stipend, professional support, or research. The term of the Endowed Chair appointment shall be determined by the appropriate academic policies and procedures.

4. Distinguished Professorship - \$1,000,000. Conferred to distinguished full-time faculty members, the spending distribution income from the endowment shall provide funding for items such as salary stipend, professional support, or research. The term of the Distinguished Professorship Chair appointment shall be determined by appropriate academic policies and procedures.
5. Professorship (Research or Teaching) - \$500,000. Conferred to full-time faculty members, the spending distribution from the endowment shall provide funding for items such as salary stipend, professional support, or research. The term of the appointment shall be determined by appropriate academic policies and procedures.
6. Visiting Professorship - \$300,000. A visiting professorship shall be considered a temporary appointment, usually given during temporary residence at the University. Other compensation may be provided for the visiting professor through regular budgetary procedures, but no visiting professor shall be compensated from two or more visiting professorship endowments or gift accounts. The spending distribution from the endowment shall provide funding for salary supplement to draw distinguished visiting faculty to campus for one or multiple semesters. (See also, *Administrative Regulation 2:1, section III.C.5(a), Visiting Faculty*).
7. Faculty Excellence Fund - \$250,000. The spending distribution from the endowment shall provide funding for items to be used for faculty professional support in areas other than salary or salary supplement, such as support for research and other scholarly activity support, travel, or equipment. A faculty excellence fund is used to offer recognition and additional support for outstanding or promising early-career faculty, and provides a strong faculty recruitment and retention tool.
8. Faculty Fellowship - \$100,000. The spending distribution from the endowment shall provide funding for items such as salary stipend, professional support, or research. Other compensation may be provided for the faculty fellowship through regular budgetary procedures, but no holder of a faculty fellowship shall be compensated from two or more fellowship endowments or gift accounts. The term of the Faculty Fellowship appointment shall be determined by appropriate academic policies and procedures.

## IV. Endowment Policies for Undergraduate Scholarships and Graduate Fellowships

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- A. Prior approval by the Vice President for Philanthropy, the General Counsel, and the Treasurer is required for the establishment of undergraduate scholarships and graduate fellowships.
- B. The selection of students for undergraduate scholarships and graduate fellowships funded fully or in part from private gifts shall be made in accordance with the endowment agreement, to the extent possible and consistent with state and federal law and applicable University regulations and policies.
- C. Privately funded undergraduate and graduate student support shall be established with the following minimum gifts and conditions:
  1. Undergraduate Full Scholarship - \$500,000. The spending distribution from the endowment shall provide merit- or need-based scholarship support.
  2. Distinguished Graduate Fellowship/Distinguished Professional Scholarship - \$250,000. The spending distribution income from the endowment shall provide funding to recruit and retain the most

outstanding graduate/professional applicants, providing tuition and basic living expenses.

3. Undergraduate Tuition Scholarship - \$250,000. The spending distribution from the endowment shall provide merit- or need-based scholarship support.
4. Graduate Fellowship/Professional Scholarship - \$100,000. The spending distribution from the endowment shall provide tuition assistance and basic living expenses at levels lower than recipients of distinguished graduate fellowships/distinguished professional scholarships.
5. Named Undergraduate Scholarship - \$50,000. The spending distribution from the endowment shall provide merit- or need-based scholarship support.
6. Student Award Fund - \$25,000: The spending distribution from the endowment shall provide a monetary award to recognize exceptional student achievement.

## V. Endowment Policies for Colleges, Departments, Centers, Institutes, Units, Programs, and Research and other Scholarly Activity

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- A. Prior approval by the President, appropriate dean or director, Vice President for Philanthropy, General Counsel, and the Treasurer is required for the establishment of an endowment to name a College, Department, Institute, Center, Program, or unit.

Note: Naming and changes in names of "educational units" are considered part of the University's academic organization and structure. Therefore, pursuant to Governing Regulations VII, the naming and changes to names of educational units must be reviewed by the University Senate before final action of the Board of Trustees. Under GR VII.C, the "educational units" of the University are defined as colleges (and equivalents), schools, graduate centers, interdisciplinary instructional programs, departments, multidisciplinary research centers and multidisciplinary research institutes.

- B. Prior approval by the President, appropriate dean or director, Vice President for Philanthropy, General Counsel, and the Treasurer is required for the establishment of lectureships, research funds, library or art acquisition funds, or general program support.
- C. Private funding for Colleges, Institutes, Centers, Programs, educational or administrative units, and for research initiatives shall be established and named only upon with the following minimum gifts and conditions:
1. College - \$10,000,000 minimum. The annual spending distribution from the endowment(s) should provide a significant sum that funds the pursuit of excellence as determined by the dean, college leadership, or university leadership.
  2. Department, Institute, Center or Unit - \$5,000,000 minimum. The annual spending distribution from the endowment(s) should provide a significant sum that funds the pursuit of excellence as determined by the appropriate dean, director, college leadership, or university leadership.
  3. Lectureship - \$100,000. The spending distribution from the endowment shall provide funding for a lectureship and requisite expenditures such as honoraria, publicity, travel, and other related expenses.
  4. Research Fund (Scholarly Activity) - \$50,000. The spending distribution from the endowment shall provide general research support.
  5. General Program Support - \$25,000. The spending distribution from the endowment shall provide general support for programs.

## References and Related Materials

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KRS 164.160 Trustees constitute body corporate -- Power to receive and administer revenue and property  
GR Part II, Governance of the University of Kentucky  
AR 9:5, Policy Statement and Committee on Naming University Property  
BPM E-22-1 Policies and Procedures for Soliciting, Receiving, Recording, and Acknowledging Gifts

## Revision History

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3/15/1989, 3/28/1991, 9/23/1993, 1/14/1998, 6/28/2011, 7/1/2017

For questions, contact: [Office of Legal Counsel](#)