

PROTOCOL ON ENDOWED PROFESSORSHIPS

Endowed Professorships

An endowed professorship is awarded for sustained achievement rather than for the promise of achievement. It is not intended to support a particular project but instead to offer a continuing source of funding for a long-term scholarly career.

Applicants are therefore limited to tenured full and associate professors. In awarding such a professorship, the college should seek evidence that an applicant's scholarship has received favorable national and even international response while the individual has continued to excel in teaching and other university responsibilities.

Committee of Endowed Professors

Individuals holding endowed professorships will meet annually as a committee to review applications for renewal as well as to evaluate guidelines and procedures, recommending revisions as needed. If a professorship becomes vacant, the committee will meet to consider applicants and make recommendations to the dean, as detailed below. The committee may establish subcommittees to administer its responsibilities.

Renewals of Professorships

Every five years, an endowed professor will submit to the dean an application for renewal of the professorship, listing accomplishments during the preceding five years and current projects, as well as a full curriculum vitae. The Committee of Endowed Professors will review the renewal application and make a recommendation to the dean of the college. The applicant must recuse himself or herself from consideration of the application for renewal.

Vacant Professorships

In the event of a nonrenewal of an existing endowed professorship or of the establishment of a new endowed professorship, the dean of the college will notify all eligible tenured full and associate professors of application procedures for the available professorships. Eligibility is determined based on the rank and tenure status of the applicant as of the following August.

Faculty seeking an endowed professorship should submit to the dean an application consisting of a curriculum vitae and a statement of one or two pages outlining how the funds from an endowed professorship would support the individual's continuing scholarship. Faculty need not apply for specific professorships; all applicants will be considered for all eligible professorships, except as limited by the terms of the endowed professorship. In the case of an endowed professorship that supports a specific field of study, the Committee of Endowed Professors may request a department to make nominations to fill that professorship directly to the dean of the college. The term of an endowed professorship begins the August following selection; no one may hold two endowed professorships simultaneously.

Eligibility

The dean and associate dean are not eligible to hold endowed professorships. Department chairs and area coordinators are eligible, as are faculty who will be on academic leave or sabbatical for any part of the term. Faculty on medical leave may take a hiatus from the professorship and may resume the remainder of the term upon return to duty. Faculty who become full-time administrators for a term of a single year during the tenure of an endowed professorship may take a hiatus from the professorship and resume it upon return to full-time faculty status; those who take full-time administrative responsibilities

for more than one year must give up the professorship, which is returned to the general pool for the next application cycle.

Endowed Professorship Funds

Endowed professorship funds may not supplement salary, nor are they calculated as part of base salary for merit pay or other purposes. They may be used to provide release time (subject to area or departmental approval), travel, equipment, supplies, or other reimbursable costs.

Retirement

An individual holding an endowed professorship will relinquish that professorship upon retiring from the university. The Committee of Endowed Professors may recommend a retiring endowed professor for the rank of Distinguished Professor Emeritus upon application by the individual.

Endowment Management

An endowed professorship is established with a \$100,000 initial contribution, which is overseen by the Portfolio Coordinator in the Office of Financial Affairs. The annual amount that can be drawn down from an endowed professorship fund for expenditures is dictated by the Louisiana Board of Regents (BOR). The annual drawdown cannot exceed 5% of the market value of the assets averaged over the five most recent trust years ending June 30, provided that the market value at the end of the most recent fiscal trust-fund year exceeds the inflation-adjusted baseline. The inflation-adjusted baseline for a professorship starts at the \$100,000 required funding level and is increased annually by the cost of living index.* For example, if one assumes that the cost of living is 3% per year, the baseline would be \$100,000 for year 1, \$103,000 for year 2, 106,090 year 3, etc. Since the rules are set by the BOR and by state law, the university cannot erode the original corpus of the gift.

Thus, if an endowment falls below this baseline as of June 30, no drawdown is allowed for the following fiscal year. The asset allocation of the investments is controlled by the BOR, and the actual investments are determined by the Endowment Subcommittee and the Finance Committee of the Loyola Board of Trustees.

Expenditure Account

Once a drawdown is transferred to an expenditure account, it remains in that account permanently unless the holder of the professorship requests funds to be transferred back into the endowment. All expenditures must follow university policies.

Financial Reporting

By September 1 each year, the Portfolio Manager in the Office of Financial Affairs will report to the Dean of the College of Humanities and Natural Sciences the following information for each endowed professorship in the college:

- (1) Baseline as of June 30 to qualify for a drawdown (\$100,000 plus compounded CPI increases since inception of the individual professorship)*
- (2) Market value of the endowment of the professorship as of June 30
- (3) Drawdown for the current fiscal year.

The dean will forward the information on each endowed professorship to its holder.

*NOTE: Beginning in 2010-2011 the BOR ruled that the baseline for all endowed professorships will be \$100,000 without the addition of compounded CPI increases since the inception of the individual professorship.

Endowments Below Baseline

A vacant professorship whose endowment is below the BOR baseline for the preceding fiscal year will not be filled until its endowment qualifies for a drawdown.

Renewal of a professorship will be postponed one year for each year in which no drawdown is allowed.

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