

# ADMINISTRATIVE MEMORANDUM

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SUBJECT      Revision of Rules and Regulations  
for the Distinguished Professors Endowment  
Trust Fund to accommodate a new legislative  
provision

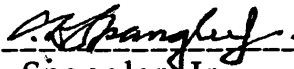
NUMBER      359

DATE November 21, 1995

At its meeting on November 10, 1995, the Board of Governors amended its Rules and Regulations for the Distinguished Professors Endowment Trust Fund (originally adopted October 11, 1985, see VI-C-1 of the *Administrative Manual of the University of North Carolina*). The amendment brings the policy into conformity with the provisions of House Bill 230 of the 1995 Session Laws (Chapter 507, Section 15.12) and makes a few clarifications of the existing Board rules.

The changes to the policy were expressed by an addition of section IV.1.d., and elimination of section IV.3.b., to allow approved professorship plans to provide for internal appointments after the professorships are fully funded.

Attached is a copy of the revised policy which incorporates into the Administrative Manual the approved amended change.

  
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C. D. Spangler, Jr.

Attachment

Adopted 10/11/85  
Amended 11/10/95

**RULES AND REGULATIONS FOR THE**  
**DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND**

The Board of Governors received from the 1985 Session an appropriation of \$4 million (\$2 million in fiscal year 1985-86 and an additional \$2 million in fiscal year 1986-87) for the purpose of establishing "a Distinguished Professors Endowment Trust Fund to be maintained by the Board [of Governors] to provide challenge grants to the constituent institutions" (Chapter 757, 1985 Session Laws, Sec. 202; G.S. 116-36.6).

Consistent with the terms and conditions set out in the legislation, the Board of Governors of The University of North Carolina hereby enacts the following rules and regulations for administering the Board of Governors' Distinguished Professors Endowment Trust Fund (hereafter "the Trust Fund").

**I. General**

1. All funds appropriated for the Trust Fund shall be held by the Board of Governors, in accordance with G.S. 116-36.6.
2. Matching funds shall be allocated by the Board of Governors to the constituent institutions from the Trust Fund in accordance with the Schedule set out in section II, below, and subject to all requirements and conditions in these regulations being met by the institutions that apply for allocations.

**II. Schedule of Allocations**

1. The sum of \$2,338,000 appropriated for the Trust Fund shall be available to fund 14 challenge grants, each in the amount of \$167,000, and each for the purpose of creating a \$500,000 endowment for a distinguished professorship in each constituent institution of The University of North Carolina, except North Carolina State University at Raleigh and The University of North Carolina at Chapel Hill.
2. The sum of \$668,000 appropriated for the Trust Fund shall be available to fund two challenge grants, each in the amount of \$334,000, and each for the purpose of creating a \$1,000,000 endowment for a distinguished professorship, one at North Carolina State University at Raleigh and one at The University of North Carolina at Chapel Hill; however, the boards of trustees of North Carolina State University at Raleigh and of The University of North Carolina at Chapel Hill may elect that one \$167,000 challenge grant be held in reserve for them, in lieu of the \$334,000 reserve provided for above, and in the event either or both make this election, then the balance of the \$334,000 reserve shall be added to the general reserve established in II.3, below.

3. The balance of the \$4,000,000 appropriation plus all accrued interest shall be available to fund additional challenge grants in the amounts specified in II.1 and 2, or to increase a \$167,000 challenge grant made pursuant to II.1 to a \$334,000 grant to enable the creation of a \$1,000,000 endowment to any institution, upon proper application.
4. This Schedule of Allocations shall continue in effect until February 1, 1987. By that date the Board of Governors shall receive the recommendation of the Committee on Personnel and Tenure, on the basis of availability of funds and after a review of the operation of the Schedule until that date, to continue this Schedule or to adopt an alternative Schedule.

### III. Requirements for Private Contributions

1. An institutional board of trustees, to be eligible for an allocation from the Board of Governors under the Schedule set forth herein, shall establish a Distinguished Professors Endowment Fund (hereafter "Endowment Fund") to be administered in accordance with G.S. 116-36, and to that Endowment Fund shall be deposited private contributions received for this purpose, together with the challenge grant from the Trust Fund.
2. Private contributions to this Endowment Fund must be given or pledged specifically for the purposes of the Trust Fund, and only contributions received after July 1, 1985, may be credited to the special Endowment Fund of the institution.
3. To qualify for a challenge grant from the Trust Fund in the amount of \$334,000, the institution shall have \$666,000 in donations and interest in its Endowment Fund; and to qualify for a \$167,000 challenge grant the institution shall have \$333,000 in donations and interest.
4. The appropriate challenge grant amount (\$334,000 or \$167,000) may be placed in escrow in the Trust Fund for an institution that has in its Endowment Fund \$111,000 or \$55,500, respectively, and written pledges of additional private contributions in the amount of \$555,000 or \$277,500, as appropriate; provided, that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment or payments and shall be made on or before the anniversary date of the initial payment or payments and the full amount shall be paid within five years of the initial payment or payments. When the full amount (\$666,000 or \$333,000) is in the Endowment Fund, the challenge grant shall be paid from the Trust Fund.

### IV. Procedures for Establishing Endowed Chairs

1. At the time an institutional board of trustees establishes the Endowment Fund required in section III, the chancellor shall prepare a plan for the establishment of the endowed chair or chairs contemplated. This plan shall be submitted to the President for review and approval. No challenge grant shall be made in the absence of an approved plan. The plan shall describe:
  - a. the number of chairs contemplated;

- b. the general level of salary and other benefits and perquisites, and the amounts to be supported annually by the income from the Endowment Fund;
  - c. the academic department or other unit to which it is anticipated that the chair or chairs will be assigned; and
  - d. whether the chair will be filled by an external or internal appointment (or either). Institutions are encouraged to consider plans for external appointments who will constitute distinguished additions to the faculty; and
  - e. the expected benefits to the institution.
- 2. The Board of Trustees may name the endowed chair or chairs in honor of a donor, benefactor, or other person or organization.
- 3. The selection of each distinguished professor to hold an endowed chair shall be made in the following way:
  - a. The selection and appointment procedures followed shall be fully consistent with the institution's tenure policies and regulations and other applicable personnel policies;
  - b. The distinguished professor shall be appointed at the rank of professor,\* and the appointment shall be subject to approval by the Board of Governors;
  - c. The academic discipline to which the person is appointed shall be one of major importance to the educational program of the institution; and
  - d. The person appointed shall have a record of outstanding accomplishment in that discipline or field as a teacher and scholar or practitioner.
- 4. When a vacancy occurs in an endowed chair established with the Endowment Fund, the chancellor shall consult with the institutional Board of Trustees. The chancellor shall thereafter recommend to the President any amendments to the approved plan or shall recommend continuation of the plan without amendment. Upon approval of the plan by the President, selection and appointment of the new distinguished professor shall then proceed in accordance with these regulations.

\*At the School of the Arts other appropriate rank shall be conferred.