
Excess Professorship Earnings Policy

July 2014

DEFINITION

Excess available earnings are those professorship endowment earnings in excess of the funds needed to fund the university's currently allowable \$12,000 salary stipend (plus related benefits) and \$2,500 research funding.

USE OF EXCESS EARNINGS

Excess available earnings from a professorship endowment can be used in manners consistent with the purpose of the endowment, as interpreted by the Marriott School dean, to further Marriott School faculty research, which would include uses such as covering all or part of the cost of research fellowships, professorships, data costs, technology, academic conference fees, travel to academic conferences, journal submission fees, and research assistant wages.

ELIGIBLE AMOUNT

In order to protect the endowment's earning value and provide a cushion against lower rates of return in a given year, an endowment is deemed eligible to generate excess available annual earnings when the endowment produces annual available spending that is 10% higher than the amount needed to fund a professorship in the current year.¹ To honor donor intent to award a professorship to a faculty member, if a professorship is not awarded or held by a faculty member in a particular year, excess spendable funds available to further the Marriott School faculty research are only those annual spendable funds greater than the amount needed to fund a professorship for that year. For example, the amount needed to fund a professorship in 2014 was \$18,148 and if unassigned, that amount would be returned to the investment pool.

EXCEPTIONS

There are two exceptions to the requirement to retain the amount needed to fund a professorship in the endowment investment pool: (1) when a professorship has been assigned to a faculty member who goes on an approved leave of absence and the professorship is held open temporarily until the leave has ended. In this case, the excess available earnings could be the full amount of the annual available earnings. (2) If the dean determines there are no qualified faculty in the area specified by the founding documents to hold the professorship. For example, if the professorship was directed to

¹ For example, if the amount required to fund a professorship were \$18,000, the annual available earnings would need to be greater than \$19,800 before an endowment would be deemed eligible to produce excess available earnings. Once a professorship is deemed eligible to produce excess available earnings, then all available earnings greater than the amount required to fund a professorship can be used to further Marriott School faculty research.

marketing faculty and there were no eligible marketing faculty to hold a professorship, the dean could determine that the full available earnings could be used to further the research of junior scholars in the same area so that the junior faculty can more quickly become qualified to hold a professorship.