

## **Oral Roberts University Endowed Faculty Policy**

The endowed faculty position exists to foster the educational purposes of Oral Roberts University and to enhance the academic excellence of the institution by attracting and retaining high caliber faculty to benefit our students. The genius of an endowed position stems from the student's ability to learn from these distinguished faculty members at no additional cost to the student. At the same time, an endowed position honors both the individual or individuals in whose name it is endowed and the faculty member who holds the position.

The establishment of an endowed position ensures that Oral Roberts University maintains a strong student-to-faculty ratio and that students continue to benefit from one of the nation's superior educational programs. In addition, these endowed positions stimulate scholarship and research that enrich the teaching process and extend Oral Roberts University's influence in academia and society as a whole.

The specific qualifications and requirements for each position will be established through consultation between donors, the academic administration, and the departments involved. The initiation of and conditions attached to each endowed position will depend upon an assessment of the faculty's centrality to the institutional mission and objectives. Particularly, the candidate must give evidence of spiritual commitments required of a tenured faculty member as described in the ORU Faculty Handbook. A list of strategic endowed positions to be considered for funding will be presented, approved, and maintained by the Office of the President.

### **Types of Endowed Faculty Positions**

There are several types of named endowed faculty positions at the University based on funding levels detailed below:

**Endowed Professorship** – A minimum gift of \$1,000,000 is necessary to create an Endowed Professorship which provides additional resources for the holder of the professorship, and funding for the respective department's faculty/student mentoring program. Funding an endowment at this level may or may not add an additional faculty position to the respective department, depending on the individual needs in the specific academic area.

**Endowed Chair or Deanship** - A minimum gift of \$2,500,000 is necessary to create an Endowed Chair or Deanship which may be used to provide a new faculty position if necessary, or to augment the current budget according to individual university and academic need. This level of support allows the University the potential to add a distinguished teacher/scholar who will bring rich gifts to their students in and out of the classroom.

## Compensation and Perquisites

In general, the expectations of faculty who are appointed to endowed positions and the compensation and perquisites attributed to them will vary according to the level of funding in the endowment.

For Endowed Chairs, the holder may receive additional compensation and perquisites in accordance with the funding available. Salaries will be negotiated in accordance with ORU's standard salary scale, with any out-of-scale compensation requiring approval from the Board of Trustees. An expense budget may be allotted to the chair holder to support expenditures for research, professional activities, and reductions in teaching load.

## Appointment Conditions

The conditions of appointment of faculty members to Endowed Professorships or Chairs may vary with the nature of the endowed position and shall be set forth in the Letter of Appointment. While Endowed Chairs normally provide for permanent positions, chairs may be filled with short-term appointments as appropriate.

Teaching duties and ancillary responsibilities will be set by university administration and the department head. Additional expense budgets allotted to the endowed position through the terms of the endowment will be treated as administrative budgets and will be subject to normal budgetary controls and procedures.

## Financial Procedures for Establishing Endowed Faculty Positions

During the fundraising efforts, the funds will be maintained in the temporarily restricted net asset accounts (TRNA) of the University until a minimum of \$1,000,000 is obtained. These funds will be held in the TRNA of the University for a maximum of two years. If \$1,000,000 in funding is not obtained in the two year time period, the funds will remain in the TRNA and be made available for operation and scholarship expenses of the designated school for the endowed faculty position.

At the time that \$1,000,000 in funding for the endowed faculty position is obtained, the funds will be transferred to the University's permanently restricted net asset account (PRNA) and all earnings will be reinvested in the corpus until the full fundraising goal is obtained as approved by the Board of Trustees. This reinvestment period for full earnings to the corpus will be practiced for year three and four of the fundraising efforts, subject to earlier obtainment of full funding. If fundraising goals for the endowed chairs or deanships are not maintained by the end of the fourth year of fundraising, then the endowed faculty position will operate and be entitled an endowed professorship.

Endowed faculty position funds will be maintained as a PRNA for the University. Each year, 10% of the earnings will be contributed back to the net corpus.

Earnings from the endowed faculty positions will be allocated in accordance with the following

percentages:

- 10% - Reinvested in the Corpus
- 65% - Towards the Compensation of the Endowed Faculty Position
- 15% - Endowed Faculty Position Operational Expenses
- 10% - University Support

If the allocated earnings exceed the salary and operational budgetary expenses, then the University Administration will allocate the excess earnings to the operational expenses of the specified school from which the endowed position is appointed.

#### Procedures for Establishing Endowed Faculty Positions

A process of negotiation between Oral Roberts University and the prospective donor of an endowed faculty position must be tailored to individual circumstances. The following guidelines are intended to provide a framework in which representatives of the University seek to ensure that the various interests of the University are represented in the negotiation process:

1. Before engaging in extended negotiation with prospective donors regarding a specific endowed faculty position, the University representative must have the approval and support of the President. Upon approval, the endowed position will be deemed “conditionally established” until full funding is obtained. Prior to engaging in extended negotiation with prospective organizational funding sources for the conditional position, the University representative must have the approval and support of the Office of Sponsored Programs. The list of strategic endowed positions will be maintained through the Office of the President.
2. Formal proposals to donors to fund specific endowed faculty positions shall have the prior approval of the Vice President for Development, Vice President and Chief Financial Officer, and the Provost. Formal proposals to foundations, corporations or other organizational sources shall also have the approval of the Office of Sponsored Programs.
3. When the proposal is accepted by the donor, a Memorandum of Agreement will be executed by the President or the Vice President and Chief Financial Officer and the donor. A sample form of the Agreement is set forth on the following page.
4. Following the funding of the endowment, the search process to fill the position may be initiated. If an endowed position is not filled within 24 months of its funding, the academic representative will provide a formal report to the Academic Affairs Committee of the Board at its first meeting following the expiration of the 24 month period. Included in the report will be an explanation of why the position has not been filled, steps taken to fill the position, and a plan for filling it in the future.
5. A pledge to establish an endowed faculty position shall be in such form as to constitute a legally binding commitment by the donor. The position and the income from its endowment will be used for the designated area of study for as long as the area is a part of ORU’s academic program. If the designated area of study is no longer part of ORU’s academic program, then ORU may use the income from the endowment to support a position in an area

of study on campus related as closely as possible to the donor's original interest and intent.

## Oral Roberts University

### Memorandum of Agreement

This Memorandum of Agreement is set forth to record the terms, conditions, and understandings of ORAL ROBERTS UNIVERSITY (hereafter the "University"), at the time of funding an endowment for the support of a faculty position in the Department of \_\_\_\_\_ and titled \_\_\_\_\_ (hereafter the "Fund"). Great appreciation is expressed to \_\_\_\_\_ for his/her participation in making this Endowed Faculty Position possible.

After full funding of the endowed faculty position is received, a reinvestment of 10% of the earnings will be contributed back to the net corpus. Any portion of the allocated amount designated in a given year that is not actually expended during that year will be made available in a successive year.

The earnings from the fund, net of the required reinvestment, shall be used to support an Oral Roberts University faculty person of outstanding gifts and abilities in teaching, writing, and research in \_\_\_\_\_. The spending amount will be applied to the compensation of the chair holder. If adequate, it may also provide support for research, professional activities, secretarial assistance, and related support areas which will enhance the effectiveness of the professor.

The following criteria shall be used in the process of selecting a person to fill the endowed position:

1. The holder of the endowed position may be named from among the current faculty or from outside the institution.
2. The holder of the endowed position will have full faculty rank at the University.
3. The holder must be recognized as an outstanding teacher and scholar/artist. He or she must also give evidence of a vital commitment to Jesus Christ, a mature understanding of the relationship of the Christian faith to his or her field of specialization or creative endeavor, and must meet all other requirements and commitments of an Oral Roberts University faculty member.
4. The appointment shall have the approval of the Board of Trustees.
5. Any additional contributions made to the Fund shall be held and administered according to the terms and conditions expressed in this Memorandum of Agreement.

If the value of the assets received for the Fund is less than the minimum amount required by the University to fund an Endowed Faculty Position, the spending amount shall be reinvested and become part of the Fund until such time that the Fund equals such minimum amount. The position will not be considered 'endowed' until the endowment is fully funded at the designated amount.

Because circumstances affecting this Fund may change over time, the Board of Trustees of Oral Roberts University may make amendments to this agreement that are, in its sole judgment, consistent with the mission, purposes and objectives of this Fund. If the Board of Trustees determines, in its sole judgment, that this Fund cannot fulfill the purposes for which it is established because of unforeseen or other circumstances, the Trustees may use this Fund for one or more of Oral Roberts University's other educational purposes.

#### Memorandum of Understanding Signature Record

By: \_\_\_\_\_  
Donor Signature Date

It is with deep gratitude to \_\_\_\_\_ that this Memorandum of Agreement is approved.

Oral Roberts University

By: \_\_\_\_\_  
President Date

The Trustees of Oral Roberts University

By: \_\_\_\_\_  
Chair of the Board of Trustees Date

# Endowed Chairperson Position

\$2,500,000 investment  
\$112,500 income (4.5%)



