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Donor Q & A

Recent benefactors and programs of note

By [Anne Neal](#)

Question: I have an idea for an endowed chair at my alma mater, but will I have a say in who fills the chair and what programs are presented to students?

Answer: It is entirely appropriate for a donor to approach a university with a particular endowed chair in mind—a subject area, perhaps, that is not currently addressed by the institution. Endowed chairs generally require the approval of the academic senate and the president of the university. The institution may accept or reject the proposal or suggest a chair in an alternative field. That's their prerogative.

But while you can never dictate the curriculum or establish the syllabi—to do so would violate the protocols of academic freedom—you can certainly spell out your expectations regarding the instruction and scholarship to be supported by the chair. That's your prerogative.

If, for instance, you want the chair to support the study of English literature with an emphasis in Shakespeare, then by all means say so. Better yet, put it in writing, in a so-called "donor agreement." You can insist that those written expectations guide the selection of the first and subsequent holders of the chair.

Feel free to describe, in writing, the qualities you want the seat holder to fulfill—such as having a degree in philosophy with special expertise in Plato. If you have a specific outstanding individual in mind, go ahead and propose him or her to the university. The John M. Olin Foundation has funded chairs for specific individuals in this way. While the faculty retains the authority to select the chair's incumbent and your advice is simply advisory, your influence will never be greater than when the chair is created.

Also, endowed chairs need not last forever. You could endow a chair for a specific individual for a period of time equal to the expected career of that individual—for example, a "wasting" endowment of 20 years for a 50-year-old scholar. A university may reject a specific individual or timeframe in early discussions and agree to it later if you stick to your guns.

Once the chair is created, you will retain no power to determine who will hold it in the future. To ensure that the selection will be made by individuals who share similar academic interests and values—and are likely to respect your intent—consider insisting on establishing a self-perpetuating faculty committee to select the chair.

You may want to specify the terms governing investment of the endowed funds, since it is customary for universities to retain endowed income for their general operating purposes

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unless specifically directed otherwise.

You should also be prepared to spell out what to do if the chair ever becomes vacant, since perversely, a vacant endowed chair only means that your corpus is helping build the institution's endowment—a comforting prospect, no doubt, for the development office, but not to you. To get out in front of this problem you may want to require that any unused funds be returned to an alternate charity designated by you—something no university is likely to allow to happen.

Be sure to ask for an annual report from the university with details on the endowed chair. The report should answer several specific questions: Who is the incumbent chairholder, what did he teach, how many students were enrolled, how much income accrued, and how was it spent? The agreement should indicate a date by which the report must be received each year and where the report should be sent. Many donors have their reports sent to the American Council of Trustees and Alumni, so the university understands that an organization committed to ensuring donor intent is watching.

And finally, whatever your personal reasons for wanting to give money in a lump sum rather than simply donating from year to year, do realize that in so doing you will lose control over time. No endowment language, however specific, will protect your intent in perpetuity. Better to give for a fixed period of time and periodically reassess whether the project deserves funding.

Anne D. Neal is vice president and general counsel of the American Council of Trustees and Alumni. To inquire about programs and information available from ACTA, call (202) 467-6787. The above advice is intended to be general in nature. Consult your own tax and legal advisers to discuss endowed chairs before entering into a donor agreement. Send your estate and tax planning questions to donorQandA@philanthropyroundtable.org.



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