



UNIVERSITY OF TORONTO
FACULTY OF APPLIED SCIENCE & ENGINEERING

Cristina Amon, Dean

MEMORANDUM

2008/09-15

To: Chairs and Directors

From: Cristina Amon, Dean

Date: January 30, 2009

Re: **Endowed Chairs**

I know that you are all very concerned about the effect a zero (or significantly reduced) payout on the University's endowments will have on your departmental budgets.

We have been actively tracking and reviewing the potential outcomes of this situation and I write to advise you of the plan we have put in place to mitigate the situation with respect to endowed chairs specifically. As we learn more, I will write again to provide direction on scholarships.

Endowed Chairs

Our most pressing obligation is to fund the salaries and benefits of those individuals who are funded by endowed chairs. Whether for the chairholder, or more likely for the spin-off position associated with the chair, the missing endowment payout must be funded.

To assist you with meeting this obligation, the Faculty will be prepared to cover any shortfall in departmental endowment revenue budgets (as per the May 1, 2008 Cost Centre Plan in each department) should the University's endowments not pay out as planned in April 2008. Any actual payout in endowed chair accounts will first be applied to the revenue recovery as noted in your cost centre plans, after which the top-up will be calculated, and provided by the Faculty prior to year end. I believe this is the fairest way to resolve the impact of a low or non-existent payout on departmental budgets. You had each established a balanced budget in May of 2008 using these numbers. By fulfilling your revenue expectations as planned, we save your budget harmless from the endowment payout shortfall on endowed chairs. You may have other budget woes not attributable to funding endowed chairs, and you will have to continue to work to resolve these as before.