Offer Letters:
7 Common Mistakes and How to Correct Them
Agenda

• What is an Offer Letter?
• Areas to Cover
• 7 Common Mistakes and How to Correct Them
• Templates
What is an Offer Letter?

• An offer letter:
  • Begins with the negotiations: *so be careful what you promise.*
    • Emails should follow same principles
    • Letter memorializes the understandings
  • Is not a “contract,” BUT is “like” a contract – it can bind your department to a
    particular future.
  • Is subject to changes in funding, UF Regulations, and collective bargaining
    agreements.
  • Should be limited in scope and time.
  • Should match the expectations, limits, and non-renewal processes that
    accompany the faculty title.
• A badly-worded offer letter:
  • Can commit you to keeping people longer than you might want, who don’t
    contribute to the department’s mission.
  • Can make commitments of money, space, equipment, and other resources
    for which the department is liable and which will take funds from other
    initiatives.
What an Offer Letter is Not

• An offer letter is not or should not be:
  • An annual assignment letter.
  • An offer of admission to graduate study.
  • A blank check on which faculty or GTAs can draw in perpetuity.
  • A set of promises that commit a future chair or dean.
  • A blueprint for renovating lab and/or office space.
  • A partner accommodation agreement.
Areas to Cover

• Duties, Responsibilities, and Assignment
  – Short and long-term
  – Teaching, Research, Service, Administration or some combination based on title & position expectations

• Compensation
  – Salary
  – Other short and long-term compensation(s): such as endowment funds, grant package, or administrative stipend

• Performance standards in area of assignment

• Different kinds of commitment expenses (addressed differently)
  – Moving expenses, lab renovation, post doc support, travel, GTA, etc.
  – Administrative stipend
  – Income from endowment
Areas to Cover (cont’d)

• Conditions and contextual language
  • “All terms and conditions are subject to availability of appropriate funding.”
  • “All terms and conditions of this offer are subject to changes in University Regulations and/or the Collective Bargaining Agreement.”
  • For “soft money” appointments: “Your employment under this contract will cease on the date indicated. No further notice of cessation of employment is required.”
#7 Common Offer-Letter Mistakes

**#1 Creating an assignment in perpetuity.**

- Never provide a “forever assignment”:
  - “Your teaching load will be 1 course/semester.”
- Set assignment explicitly only for the first year in the offer letter:
  - “Your teaching assignment for 2015-16 is one course; in subsequent years your assignment will be made by the chair in accordance with the needs of the department.”
  - “The administrative portion of your position is for 5 years, but may be removed at any time at the Dean’s discretion.”
Common Offer-Letter Mistakes

#2 Not sun-setting start-up commitments.

- Any items you provide as start-up (research funding, post-doc support, travel funds, etc.) should come with wording on when the support ends:
  - “The department will provide support to hire one post-doc for the 2015-16 and 2016-17 academic years.”
  - “Any administrative supplement will not become part of your base salary.”
7 Common Offer-Letter Mistakes

#3 Not noting that UF Foundation support carries specific limitations and requirements.

- UF Foundation income for endowments cannot be guaranteed:
  - “Any funds, including salary, derived from endowment income are subject to UF Foundation policies. The Foundation cannot guarantee a fixed pay-out from any endowment accounts.”

- UF Foundation rules require performance assessment, and endowed chairs can be withdrawn:
  - “Continuation in the endowed professorship is contingent on continued high quality performance in assignment as assessed by the chair and the dean.”
Common Offer-Letter Mistakes

#4 Not spelling out performance expectations & position description.

- Never too early to communicate expectations for excellence:
  - “Your assignment is to provide excellent teaching in the field of XXX, and to produce high-quality research in YYY, including vigorous pursuit of funding/fellowships, to participate fully in the life of the department, and to engage in activities that enhance your professional reputation,” etc.
  - Your list of expectations needn’t be exhaustive and should contain wording that leaves changes in assignment open; the point is to notice the department’s general high expectations for the position.
#5 Making open-ended commitments.

- Always include a statement such as: “All terms and conditions of this offer are subject to the availability of appropriate funding”
- If you include a specific salary amount, note that the Provost must approve (if he has not already done so during the negotiations). Some colleges: deans must approve all offer letters.
- Watch out for grant-funded or project-specific positions:
  - If funding is from a specific grant or for a fixed project, say so.
  - If position is for a short or fixed term, avoid language that implies that the position is recurring or could be renewed.
#6 Treating all colors of money as the same.

- You may wish to restrict the flexibility in use of certain types of funds.
- Stipulate when funds can only be used for the purposes described:
  - “Unspent funds [i.e., for relocation] cannot be used for other purposes.”
  - “These funds are provided for graduate assistantship support only.”
- Stipulate when funds have flexibility:
  - “These funds can be used to cover research expenses, including graduate assistantships, postdoctoral salaries, equipment, or operating expenses.”
#7 Common Offer-Letter Mistakes

Confusing the faculty member’s spending authority with that of the department.

- Can you be sure you know what a laboratory or office renovation will cost without hard information? It might be less than you promised!
- What if the faculty member’s architectural standard is the Biltmore and the department’s renovation budget is Motel 6?
- **Separate the offer letter from any renovation agreement:**
  - “Your office [and/or laboratory] will be furnished and renovated to departmental standards.”
- Do a separate MOU with the funding partners on the costs for renovation once you have a solid estimate and know who all the partners are (college, VP for Research, Provost, etc.).
  - You are not spending the faculty member’s money, and how you spend department funds for this purpose does not require her or his signature.
  - Don’t put agreements on the renovation or start-up costs into the offer letter.
Templates

• Templates for faculty and GTA appointments: http://hr.ufl.edu/manager-resources/recruitment-staffing/academic-personnel

• This letter is NOT the same as the letter of admission to graduate study.

• If you have a situation that you believe requires that you deviate from the templates, contact the Dean’s office. The Dean’s Office may need to follow-up with the Provost’s Office or HR.
Questions?