

UTAH STATE UNIVERSITY
Facility & Administrative Subcommittee
of the USU Research Council
Recommendations
February 27, 2003

In the September 2002 Research Council meeting it was suggested that Brent Miller create a subcommittee to provide guidance to the Vice President for Research Office and central administration on how USU should be allocating its F&A earnings. In addition, the Research Office requested input regarding F&A waivers on contracts, contract matching, bridging funds, etc.

The subcommittee was composed of Scott Hinton - Chair; Caryn Beck-Dudley, Fee Busby, Noelle Cockett, Gary Kiger, Don Feisinger, Sarah Rule, Ron Sims, Carol Strong, Dennis Welker, and was supported by Lorraine Walker.

To better understand key F&A issues, the subcommittee began by participating in the following presentations

- Rick Allen, Controllers Office, "USU's Process for F&A Recovery"
- Dave Norton, CEO of the USU Research Foundation, "Review of the USU Research Foundation's F&A Budget"
- Irene Jorgensen, Supervisory Accountant in the Controllers Office, "Analysis of Facilities and Administrative Costs Generated and Allocated"

The F&A Subcommittee recommends the following:

Recommendation #1:

F&A waivers will only be granted for proposals in which the funding organization specifically limits F&A return. A copy of the funding agency's policy must be highlighted and attached to the proposal when a waiver request is made. The Vice President for Research could, in rare cases, waive F&A return for special strategic cases.

Recommendation #2:

The Office of the Vice President for Research should track the maximum F&A return that the University can collect. This statistic takes into account the F&A return limitations imposed by some funding agencies. This is different from the maximum allowable F&A return which assumes the maximum F&A rate can be collected on all contracts and grants.

Recommendation #3:

The Office of the Vice President for Research will retain 70% of the F&A return collected by the university. The remaining 30% of the F&A recovered will be sent to the Colleges/Centers where it can be redistributed between the Colleges, Departments, Centers and/or PIs. It is strongly recommended that some portion of this F&A be returned to the College and the PI.

Recommendation #4:

All cost-sharing required for research proposals and start-up funds required for new faculty hires will be shared equally between the Vice President for Research (50%) and Centers/Colleges/Departments/Pis (50%). It will be the responsibility of the Centers/Colleges/Departments/Pis to determine the allocation of their half of the match. University researchers should not include cost sharing unless it is noted as a requirement in the request for proposals. The Vice President for Research can modify the matching requirement for special strategic cases.

Recommendation #5:

The "program support" component of the Vice President for Research budget should be returned to the Colleges based on the previous year's F&A earnings. A small portion of the total "program support" budget, not to exceed 20%, can be used by the Vice President for Research to support the cultural infrastructure of the university.

Recommendation #6:

All university research facilities that can be supported by direct costs from research grants should have their support by the Office of the Vice President of Research reduced or phased out over the next three years. The Vice President for Research will have the responsibility to determine which facilities can be self supporting.

Recommendation #7:

The Sponsored Programs Office at USU and the USU Research Foundation should jointly develop a report that provides a summary of sponsored grants/contracts by department. Current reports do not reflect the research efforts of a department/individual faculty if projects are run through a research center.

Recommendation #8:

The "program support" multiplier used by the Vice President for Research to allocate funding to each college is based on F&A earnings attributable to each college. Therefore, the Committee recommends that the Research Office develop a data set that maps F&A earnings to each principal investigator's home department and college.

Recommendation #9:

The Vice President for Research and the Provost should establish a committee that reviews the existing university policy for establishing Centers and Institutes and make recommendations for changes to this policy. The F&A subcommittee also recommends that existing research centers and institutes be reviewed for compliance with university policy.

Recommendation #10:

The committee recommends the following enhancements to the following USU Board of Trustees approved Policies and Procedures for the Establishment of Centers and Institutes on May 8, 1993.

1. New Centers can be established if the unit which is requesting Center status meets the following criteria:
 - a. Defined mission;
 - b. Demonstration of ongoing programmatic research around which the Center would be established (demonstrated, for example, by combined external funding awards of a minimum of \$1 million over three years; number of proposal submissions; F&A generated over a 3-year period; publications, reports, and presentations);
 - c. Assurance that external funding is available in the defined area of research;
 - d. Stable source of funding, as defined by at least one of the following:
 - i. A legislative mandate and line-item E&G funds
 - ii. An endowment from a private funding source
 - iii. E&G funds in the form of tenure-track faculty lines that are committed to the Center by a Department and/or College
 - iv. Vice President for Research may opt to allocate "Opportunity Funds" to provide the initial stable funding source; such an investment of F&A funding must have a finite time limit (3 years maximum);
 - e. Provide the necessary infrastructure as described in Number 4 below;
 - f. Approval by the Vice President for Research, with ratification by the USU Research Council, as well as approval by the Provost, President, Board of Trustees, and Board of Regents.
2. Existing Centers will be eliminated if no significant external funding has been generated for a period of two years. The procedures outlined in the May 8, 1993 Policies and Procedures document must be followed.
3. For Centers currently in existence, the present distribution proportions for the 30% F&A allocation should not be altered.
4. For new Centers, the distribution proportions for the 30% F & A allocation must be negotiated among the Dean, Director, and Department Head of the associated college, unit, and department. A business plan must be developed among these three entities and approved by the Vice President for Research. The plan should include administrative costs such as:
 - a. Business/accounting functions
 - b. Reception functions
 - c. Equipment, materials, and supplies acquisition and repair
 - d. Technology assistance
 - e. Grant writing
 - f. Personnel management
 - g. Publication and web support
 - h. Start-up, matching, and bridging funds for Center personnel and projects

After budgeting for administrative costs, the remainder of the 30% shall be allocated to the Principal Investigator(s) as an incentive to seek additional external funding. A memo of understanding must be written, and approved by the Vice President for Research, detailing the administrative costs, the proportion of the F&A allocation that will be associated with those costs, and the individuals and/or offices responsible for the administrative costs.