In 2010-11, an ad hoc committee examined and made recommendations on the College’s current practices in allocating and spending its F&A (IDC) revenues. This effort was in keeping both with our aspirations for heightened excellence as a leading liberal arts university in the 21st century, our commitment to invest in research and the strategic plan’s emphasis on new revenues. Last year, the committee’s recommendations and the new policy were extensively reviewed. In consideration of these recommendations and the feedback on them, the College (excluding VIMS, which will continue to operate under its own policy) will adopt the following new F&A policy, effective with the 2012-13 academic year (July 1 – June 30).

General Principles

- Research is a fundamental component of the College’s success and identity and providing the right support and incentives for it are critical.
- Faculty are the engine of our research and integral to our research-focused education. This new policy seeks to maximize their ability to carry out and, in many cases, increase their research activities.
- Research infrastructure is a shared responsibility of the College, schools, PIs and the granting agencies. (Most) external agencies recognize this in providing F&A funding in their grants, and, furthermore, federal guidelines explicitly state that there are administrative costs that may not be charged to grants/contracts but covered by F&A.
- F&A funds are only one source of research support and their allocation must be viewed in the larger context of other commitments and support.
- This policy should be: a) consistent – so PIs, chairs, deans, and VPR can plan for future activities; b) incentivizing – to encourage dynamic and excellent research in the highly competitive world of external funding; and c) flexible – so that the College can take advantage of promising opportunities and unanticipated needs.
- Under this new model, which broadens the allocation of F&A, it will be necessary for departments, PIs, deans and the VPR to clarify their expectations of mutual responsibilities, including in the important and expensive area of start-up funding.

New Policy

- Over a 4-year period (FY13-FY16), either the SSRL commitment (currently $790,000) will be removed from the F&A funds expenditures or the College will increase its level of research support to that amount so that a larger sum of funding can be targeted to less routine research opportunities. This change will not impact the current SSRL policy or the College’s support of it.
• F&A funding will continue to have as its first obligation, in addition to the State-mandated reallocation to E&G funds (currently $415,000), the running of the Sponsored Programs operations, incurred debt service, research safety and other essential research costs that are not covered by other sources.

• The balance of the funds will be allocated – in steady state – as follows: dean: 15%, department: 40%; PI: 5%; VPRO: 40%. This represents a greater percentage of what initially will be a smaller base. Over time, a larger base will permit growth in allocation for all parties.

• Exceptions to these allocation formulas may be granted by the VPR, upon review of a written request and justification. Exceptions or renewal of an exception beyond a 5-year period requires consultation with the affected department, dean and the FRC.

• Although investment in research is a shared responsibility, the VPR is responsible for overseeing campus-wide research infrastructure and ensuring timely and appropriate investments therein.

• The VPR will report annually to the FRC and COPAR on F&A recoveries and allocations.

• During the phase-in period of this new policy, assuming that current total F&A recoveries remain at least at current levels, adjustments will be made so that the total dollars of allocated to departments will not fall below current F&A recovery percentage level (17.5% of the “larger base”).

• Units that have been operating under a different arrangement should consult with the VPR to ensure a smooth transition to this new policy. They are not assured of the same level of support as is currently the case.

• This policy takes effect with the 2012-13 academic year.

Review of New Policy

• This policy, especially during the phase-in period, will be reviewed to ensure that unintended consequences do not undermine the intention of these changes.