



MEMORANDUM

TO: Unit Heads
FROM: Mary Beth Walker, Dean *M BW*
DATE: August 3, 2010
SUBJECT: The Fruits of Labor

This memo concerns the return of "above the line" and "below the line" rewards for external funding. "Above the line" means course releases, and staff salary reductions, while "below the line" means overhead returns. I will alter this policy each year as the situation demands, and will give advanced notice. There could be a change next year. Active grants will always be grand-fathered.

Executive Summary

All of the course release moneys go to the department and the unit/PI. Half of the college share of the overhead goes to the PI/Department.

The Objectives

1. To stimulate our external research pool, to support a larger pool of graduate students, adequate staff, and a larger research faculty, to make AYS famous,
2. To cover the costs of people taken away from the classroom or other duties for purposes of carrying out externally funded projects,
3. To reward the principal investigators and entrepreneurship,
4. To give each unit a pool of discretionary money to be used for development,
5. To support the public good in the college.

The Constraints and the Quid Pro Quo

6. The money cannot be used for extra compensation during the academic year. NO exceptions.
7. This money is to replace what you might come to the Dean and request. Rather than hold the overhead myself and dole it out on a request by request basis, it is allocated as it is earned. **Instead of asking for funding from the Dean's Office, you will have the money for speakers, travel, special funds, etc. The Dean's 50 percent share of overhead return is committed to regular operation expenditures of the AYS.**
8. The department chair and the unit head are responsible for working out a plan. The Dean's Office does not need to play a role except final approval.
9. The idea is to reward the people who actually did the work. This is very important if the incentives are to work.

Above the Line Funds

Course Releases. First call on this money is to replace the loss in the classroom with well qualified replacements. The residual should be spent for the public good in the department. The Chair and/or executive committee is the major voice here, but the principal investigator should also be party to the discussion. The Dean is to be included in any discussion once a unit has more than \$75,000 in residual above the line funds in any year.

Staff Releases. The person relieved from other duties might need to be replaced. The supervisor of that person will be responsible for making the decision, and will receive the funds from the grant or contract.

If a grant carries no overhead, first claim is still classroom replacement but the principal investigator's proposals for using the residual carry more weight. If the grant carries no overhead because the PI has elected to reduce the indirect rate, the PI will receive no special consideration.

Overhead Return

Fifty percent of the returned overhead is allocated to the unit (department or research program). If the PI has elected a reduced overhead rate, it comes from his/her share. This money is to be spent for a combination of "public good" and to benefit the principal investigator. The decision will be made by a combination of the person whose work was supported, the principal investigator, the program

director and the department chair, which ever is most relevant. It is important that the faculty member who did the work see some fruits to his/her labor.

The principal investigator (PI) should benefit from a portion of this overhead return. The public good should be served as well, unless the amounts are very, very small. What kind of principal investigator or researcher should be given reward for their effort? One thought is that a person who bought course releases during the academic year and funded GRAs and secretaries for his/her colleagues should do better than one whose grant simply funded summer research time for himself/herself, etc. A faculty member who purchased summer salary only, has not really provided as much of a public good, and has taken the grant as a reward already. In this case, the overhead return could be weighed more toward their contribution to the greater good. Ask this question: How much of this grant money was used to benefit others?

In cases where the unit share of the overhead return to the unit exceeds \$75,000 in one fiscal year, the Dean will be consulted on the distribution of the funds.

For non-faculty research associates in centers, the director makes the call.

My view is that this should be worked out among the relevant units with a minimum of policing by the Dean. I will require an accounting of how the funds were spent.

Procedure

A "plan" for expenditure of the "above" and "below the line" funds should be worked out by the relevant parties. Each department should decide on how it will make its decision.

As overhead is accrued and claimed by AYS, the appropriate amount will be released to your unit/department. Project "above the line" expenses will be claimed according to a plan worked out at the project proposal (revision) stage.

Please see me if you have any questions or concerns about these procedures.