

NEW POLICY—provides in part for sharing overhead receipts with certain co-pi's and their college/school.



## **NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY**

SEC. V—SPONSORED RESEARCH 2.0

### **ALLOCATION OF FACILITY AND ADMINISTRATIVE OVERHEAD RECEIPTS**

UNIVERSITY POLICY

#### **I. PURPOSE**

The extraordinary growth in the University's research productivity, along with the expansion of graduate programs, necessitates a revision in the policy for allocation of facility and administrative (F&A) overhead receipts. Thus, to further encourage and reward Principal Investigators, Co-Investigators, Project Directors, Departments, Centers/Institutes, and Schools/Colleges and Administrative Units, the university will track the contributions of all investigators that contribute significantly to completion of sponsored programs. The contributions of all significant investigators shall be used to determine allocation of overhead receipts. Use of these overhead funds must relate directly to stimulating increases in sponsored programs and must be consistent with the expenditure rules and regulations of the State Budget Manual.

#### **II. SCOPE OF POLICY**

This policy is intended to provide for a systematic and equitable set of procedures to allocate overhead receipts to Principal Investigators/Project Directors, Co-Investigators, Centers/Institutes, Departments, Schools/Colleges and Administrative Units as a financial incentive for increased research productivity and increased multidisciplinary and interdisciplinary collaboration. The allocation will be based on total receipts for the prior fiscal year (July1 - June 30). A total of eighty percent (80%) of F&A overhead receipts shall be reserved for operation of

administrative units that support sponsored programs. The remaining 20% will be allocated to all eligible entities.

**A. Eligible Entities:** Overhead receipts will be allocated to any Principal Investigator (PI), Co-Investigator (CI) and/or their respective affiliated Department, Center/Institute, School/College, and Administrative Unit for projects that generated funds into the Overhead Receipts Budget.

**B. Distribution Formula:**

- i. Eighty percent (80%) will be allocated to administrative units as designated by the Vice Chancellor for Research and Economic Development and the Vice Chancellor for Business and Finance. Within that allocation a fund will be created to support research project initiation and startup funds to be administered by the Vice Chancellor for Research. This fund shall not exceed two percent (2%) of the total overhead receipts.
- ii. The remaining funds (Budget Office will monitor) will be allocated to PIs, CIs, Colleges/Schools, Departments, Centers/Institutes and Administrative Units. This amount will equal twenty percent (20%) and is hereafter referred to as the residual funds. The Vice Chancellor for Research and Economic Development is responsible for monitoring this allocation.
- iii. Fifty percent (50%) of the residual funds will be allocated to the Colleges/Schools associated with the PIs and CIs.
- iv. For sponsored program activities generated by PIs and CIs through participation in a Center or Institute fifty percent (50%) of the residual funds will be allocated to the Centers/Institutes.
- v. In cases where the PIs and CIs are not participating as a Center/Institute, twenty five percent (25%) will go to the PIs and twenty five percent (25%) will go to the Departments.

**C. Allowable Expenditures:** Expenditures will be governed by the policies and procedures of the Office of State Budget, General Administration and the University.

**D. Approval of Permanent Positions:** Permanent research support positions may be established by Departments, Centers/Institutes, Schools/Colleges and Administrative Units that have generated at least \$250,000 of overhead receipts annually over a consecutive five year period. The same revenue level must be maintained to justify continued funding for the position from overhead receipts. Schools/Colleges and administrative units are allowed to share research support positions or create part time positions if the revenue level does not justify creation of full time support positions.

**E. Collaboration and Reward in A&T Preeminence 2020**

The University has the structure for collaboration. This policy will provide an incentive that will stimulate successful collaborations across departments and school/colleges. When personnel from various units make a substantial scholarly contribution to a funded project, those investigators and their academic units shall be rewarded with F&A funding reflective of their effort.

### **III. POLICY STATEMENT: CRITERIA FOR SHARING F&A FOR COLLABORATIVE RESEARCH**

If either of the following criteria is met then F&A distribution will be made to each applicable unit represented by the PIs and CIs:

- Award has more than one PI
- Award has a PI and at least one CI who will contribute at least 10% effort to execution of the award.

At the time of proposal submission, the PIs and CIs will determine the level of their participation that aligns closely with the expected 10% or greater effort in RAMSeS. The total percentage effort of PIs and CIs must be equal to 100%. Note: In cases where the participants or scope change substantially between proposal submittal and award the listed PIs and CIs and their level of effort shall be updated to match the planned productivity. Similarly, substantial changes during the execution of sponsored programs shall result in updates to the roster of investigators and their levels of effort.

Each PI and CI and their respective Colleges/Schools, Departments, Centers/Institutes, or Administrative units will receive a percentage of allocated F&A equal to the percentage of their project contribution as defined by the Distribution Formula.

Date policy is effective: Upon approval  
First approved: April , 2014

Approved by the Board of Trustees

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Harold L. Martin, Sr.  
Chancellor

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Barry L. Burks  
Vice Chancellor for Research and Economic Development

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