

Research Policy Committee Minutes  
January 23, 2013  
8:30-9:30AM  
Zimmermann, B48

**Members present:**

Cassiano De Oliveira, Chemical and Nuclear Engineering  
Walter Gerstle (chair), Civil Engineering  
Kristopher Goodrich, College of Education  
David Hanson, Biology  
Michele Huff (ex-officio, University Counsel)  
Lisa Kuuttila (ex-officio), STC  
Stephen Lau, Mathematics and Statistics  
John McGraw (ex-officio), VPRED  
Teresa Neely, University Libraries  
Mary Anne Newhall – College of Fine Arts  
Raj Shah, Biochemistry and Molecular Biology (North Campus)  
Yu-Lin Shen, Mechanical Engineering  
Barbara West (OVPR)

**Members NOT present:**

Scott Freundsuh, Geography (teaches Wednesdays at 9 AM) (excused)  
Richard S. Larson, (ex-officio) HSC  
Arash Mousavi, GPSA (excused)  
Cathy Qi, College of Education (excused)  
George F Shuster III (College of Nursing)

**Guests:**

Pamina Deutsch, UNM Policy Office  
Elisabeth Metzger, University Controller  
Carlos Romero, AVP for Research Administration  
Timothy Ross, immediate past president, Faculty Senate  
Peter Vorobieff, chair, Research Allocations Committee

Attachments:

- Distribution of Facilities and Administrative Costs - UNM Policy 2425 (last updated 2008) (Deutsch)
- F&A Rate Calculation and F&A Distribution (Romero)
- FY Proposals & Awards Through December 31st

**1. Approval of the agenda with corrections:**

- 1.1. 7. Neely is not on Executive Research Administrative Committee (ERAC)
- 1.2. 9. Neely is on Centers and Institutes Subcommittee

## 2. Introductions

### 3. Approval of Minutes of November 21, 2012 meeting

Approved with one correction:

5.1. “When Michelle Huff arrived here at UNM, IPC wasn’t meeting and Faculty Senate Policy E70 (<http://handbook.unm.edu/E70.html>) was being ~~written~~revised.

### 4. Facilities and Administrative Subcommittee

Current members: Gerstle (chair), De Oliveira, West, Gilbert, Shah

McGraw, Romero, Metzger, and Deutsch presented and facilitated a discussion of the OVPR’s office current policy on F&A calculation rate and distribution in response to F&A policy draft from Gerstle. The intent of the draft is to insure the reporting of F&A fees are done in a uniform manner; and to clearly explain policy for dividing monies to departments and UNM units. The way the policy is formulated, RPC should have some input on how the monies are to be distributed.

Carlos Romero – F&A is covered in UNM Business Policy Manual. It tells us two things: how the rate occurs; and how the collected overhead is distributed. The policy is driven by the Federal Government. The proposal is put together using the Federal Government template. The UNM Controller makes a proposal to the Federal Government, and then negotiation occurs. This happens every 4 years. The presentation (attached) is based on 2008 data. Administrative costs are capped at 26%. Federal rates are applied consistently. Shah reports HSC has a separate procedure for negotiating with companies. Newhall reports there are different rates for Arts and Humanities. Some costs (lobbying costs, entertainment costs, etc.) are not included in the base cost. There will be a site visit from the DHHS.

General discussion re: the formula (F&A cost pool/direct cost base=F&A Rate, and impact of cost sharing.

Gerstle asked who is responsible for setting policies in the University Business Policies and Procedures Manual.

Deutsch – everyone is responsible for UNM policy development/creation. She reviewed the process from inception to final approved policy added to the manual. She is always seeking suggestions to get increased input/comments from the UNM community during

comment periods. She always sends draft policies to the Faculty Senate. She can send relevant policy drafts to RPC. F&A/Overhead/Indirect Costs – all mean the same thing.

Ross – Is there an annual plan for F&A?

West – There is an annual budget submitted by colleges.

Romero/Deutsch – Reviewed FY Proposals & Awards Through December 31<sup>st</sup> – There is a serious decline in proposals and awards.

McGraw – growing the research venture- overhead returns fund all of research. Can RPC be a good vehicle to communicate the way overhead works back to the Faculty Senate? RPC can do this without altering its charge. How can RPC facilitate this to encourage more faculty members to submit proposals. Many active faculty members may be unaware of how the office works.

Ross – we have lost the ability to grow our own programs with the F&A we generate. When the number of proposals submitted declines, it affects what happens in any given year. This is a critical problem. Faculty have lost interest.

De Oliveira – the process for submitting a proposal has become more complex than previously and that is discouraging.

**Action Item:** F&A Subcommittee should meet before the next RPC meeting to formulate a way forward.

## **5. Additional Agenda items tabled until next meeting**

## **6. Next meeting time and venue**

8:30-9:30 AM, Wednesday, February 20<sup>th</sup>, 2013, Zimmerman Library, Rm. B48

## **7. Adjourn**

(Attachments on following pages)

## DISTRIBUTION OF FACILITIES AND ADMINISTRATIVE COSTS

**A. Policy 2425 (“Recovery of Facilities and Administrative Costs”), Section 2**  
<http://www.unm.edu/~ubppm/ubppmanual/2425.htm>:

### **Allocation of Facility and Administrative Cost Recovery Funds**

Revenue resulting from the recovery of facilities and administration costs allowed on sponsored research and public service projects is recognized by the University as "unrestricted" income. It is the objective of the University [to] maximize the use of this source of revenue for the benefit of the University's research and public service programs. Revenue may be allocated to:

- seed new faculty research projects;
- award cost sharing or matching funds on individual projects,
- support UNM's technology commercialization program,
- develop new research facilities; and
- build the University's sponsored research and public service program.

It is recognized that a portion of the facility and administrative cost recovery revenue must be committed to support the administration of sponsored programs in terms of allocations to specific administrative support functions and allocations to colleges and departments.

The Vice President for Research is responsible for the overall allocation plan for facility and administrative cost recovery revenue. The Executive Vice President for Health Sciences will be responsible for managing the allocation of facility and administrative cost recovery revenue earned through Health Sciences Center (HSC) sponsored research and public service programs, in consultation with the Vice President for Research.

**B. Faculty Handbook Policy A61.16 (“Research Policy Committee”)**  
<http://handbook.unm.edu/A61.16.html>:

The functions of the committee shall include...recommending institutional policy regarding the distribution of overhead and institutional grants[.]

**C. Internal Audit Report 2008-08 (“Audit of Main Campus Research Business Practices and Processes”), Page 10** <http://www.unm.edu/~iaudit/2008pdfs/2008-08MainResearch.pdf>:

OVPRED is the only University research function that we reviewed that is funded with only F & A monies.

**D. Kulage, K.M.; Larson, E.L.; Begg, M.D. Sharing Facilities and Administrative (F & A) Cost Recovery to Facilitate Interdisciplinary Research. *Acad. Med.* 2011 March; 394-401**  
<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3045474/pdf/nihms265823.pdf>. The following links are excerpted from the reference section of this paper:

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23. University of Kansas - Lawrence, Sponsored Projects. Multiple Credit System and Facilities & Administrative Cost Return. 2005 October 5; Available at: <http://www.rgs.ku.edu/-downloads/mcs-facr.pdf>.
24. University of New Hampshire, Responsibility Center Management. Indirect Cost Recovery Allocation. 2010 Available at: <http://www.unh.edu/rcm/manual9indirectcost.htm>.
25. University of Nebraska - Lincoln, Sponsored Programs, Office of Research & Economic Development. FAQ: Facilities & Administrative (F & A) Costs on Sponsored Projects. 2010 Available at: <http://research.unl.edu/sp1/policies.shtml>.
26. Iowa State University, Resource Management Model Implementation Operations Team, Group IRW. Recommendation for Indirect Cost Recovery Revenue Distribution Methodology. 2007 July 30; Available at: <http://www.public.iastate.edu/~budget/approved/IDCRev.pdf>.
27. University of Illinois at Urbana-Champaign, Office of the Provost and Vice Chancellor for Academic Affairs. Indirect Cost Recovery Subcommittee Final Report. 2006–2007. Available at: <http://www.provost.illinois.edu/committees/reports/ICR.pdf>.
29. The University of Texas Health Science Center at San Antonio, Office of the Provost and Vice President for Academic Affairs. Proposed F&A Distribution Model. 2010 April; Available at: [http://provost.utsa.edu/home/docs/Proposed%20F&A%20Distribution%20Model\\_20100427.pdf](http://provost.utsa.edu/home/docs/Proposed%20F&A%20Distribution%20Model_20100427.pdf).
30. University of Iowa Task Force Committee Members. Report on the Issue of Interdisciplinary Research and Shared Credit. 2006 February; Available at: <http://research.uiowa.edu/vpr/downloads/ctf-final-report.doc>.
31. Mercer University, Grants & Contracts, Procedures IPa. Facilities & Administrative (F&A) Cost Policy. 2010 September 22; Available at: <http://www2.mercer.edu/NR/rdonlyres/5589E4EA-26CE-4B70-BD83-CC4BA896108D/0/MercerUniversityFandACostPolicy.pdf>.
32. University of Missouri - Columbia, School of Medicine, Business and Finance Office. Grant Incentive Program. 2009 February 17; Available at: <http://som.missouri.edu/business/Grant%20Incentive%20Prog/grantincentive.html>.
33. University of Pittsburgh, School of Medicine, Office of Faculty Affairs. Compensation & Incentive Plans: Guidelines for the Distribution of Research Indirect Cost Revenue and Research Costs. 2009 July 29; Available at: <http://www.medfaculty.pitt.edu/library/compensation-and-incentives/research-distribution.php>.
34. Purdue University, Office of the Vice President for Research. F&A Return Policy. 2008 Available at: <http://www.purdue.edu/research/vpr/policies/returnpolicy.php>.
35. University of San Diego, Business Services and Administration. Facilities and Administrative Cost Allocation Procedures. 2009 June 30; Available at: <http://www.sandiego.edu/administration/businessadmin/accounting/documents/FacandAdminCostAllocationProcedures.pdf>.
36. University of Minnesota - Morris, Academic Affairs. UMM Recovered Facilities and Administrative Costs Policy. 2004 November 30; Available at: [http://www.morris.umn.edu/services/acad\\_affairs/indirect.costs.html](http://www.morris.umn.edu/services/acad_affairs/indirect.costs.html).

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