

To: Faculty
From: Provost David Dannenbring
Date: April 4, 2005 (*updated May 15, 2009*)
Re: Fiscal Agency and Recoveries Policy for Faculty Grants and Faculty Contracts

In recent years the amount of externally funded research at the College has grown significantly, which both reflects the caliber of our faculty scholarship and plays a major role in supporting increased scholarly productivity. It is my desire to continue to expand our research efforts by encouraging and supporting faculty in their pursuit of research grants and contracts. A key inhibitor to this effort has been the lack of a clear and consistent set of policies regarding the use of fiscal agencies, administrative fees, and the distribution of net recoveries. This memo is an attempt to regularize these policies and was developed through consultation with the Deans, the Director of Sponsored Programs and Research (SPAR), and the Joint Committee on Research.

The new policies took effect July 1, 2005, with a commitment to review and revise, as necessary, after a two-year trial. Additional policies will be forthcoming with regard to stewardship. All faculty members are encouraged to become familiar with the services offered by the Office of Sponsored Programs and Research. A good starting point is the SPAR web site, www.baruch.cuny.edu/grants/, and the document attached, "Grant and Contract Activities at Baruch College CUNY."

The CUNY Research Foundation (RF), whose website may be found at www.rfcuny.org, must be the fiscal agent for all contracts and research grants that meet the CUNY definition of a sponsored program. A sponsored program is defined as one that is for a specified purpose or objective, for which the sponsor usually requires periodic fiscal and programmatic reports, imposes time limits for the use of such funds, and ordinarily provides for the reversion of unused funds to the sponsor. Such contracts and grants are subject to administrative fees payable to the RF. The amount of the fee depends upon the type of grant or contract expenditures. (Consult their website for posted fees which are subject to change.) As of today, these rates are in effect:

Construction	10.50 %
Personal Services	6.75 %
Other Than Personal Services	5.50 %
Subcontracts	5.00 %
Independent Contractors	5.50 %
Equipment Grants	No charge for stand-alone grants

The Provost may, on occasion, approve the placing of a grant and/or contract that does not meet the definition of a sponsored program under the fiscal agency of the College's Designated Funds Group (DFG), in the case of contracts, or the Baruch College Fund (BCF), in the case of grants. In such a case, the grant and/or contract is subject to the same administrative fee that is charged by the RF. These fees are to support general operating expenses for the appropriate fiscal agency.

Approval of the VP for Administration and Finance is also required for any grants that use the BCF as the fiscal agent.

Budgets must accompany all proposals used to secure external financial support, and the Dean of the school or Vice President under whom the project resides must approve these budgets in advance of a proposal submission. In order to manage the College's cost share of sponsored programs, all externally funded projects must have budgets that are greater than the actual costs.

The amount of money budgeted for faculty effort or reassigned time should ideally cover the full cost of the appropriate percentage of the faculty member's workload that is reassigned. For example, a faculty member with a 21-hour workload commitment and a \$70,000 salary, being reassigned from one 3-hour course, should be budgeted at \$10,000 plus the cost of fringe benefits (33% or \$3,300 as of July 1, 2005, check the SPAR website for the most current rate). The Dean may approve a cost share in cases where full recovery for faculty effort cannot be supported under the proposed budget.

The budgeted net recovery is equal to the gross amount of the grant or contract less all direct costs, including adjunct replacement costs where a faculty member receives reassigned time. The net recovery rate equals the percentage of the direct costs represented by the net recovery. All proposed budgets should have a minimum net recovery rate of 15%, and a target of 25%, of total direct costs. If the recovery is below the minimum 15%, the Provost must approve the cost share. In cases where the project budget has insufficient recoveries to cover the administrative fee, the Provost may call upon the School or Unit to cover the loss. Proposals will be reviewed in light of the funder's guidelines and rates of indirect cost recovery to ensure equity.

It is important that the principal investigators allow sufficient time for proposals to be read and reviewed by the various responsible administrators. For a faculty member these would normally include the Department Chair, Dean, and Provost. The Office of Sponsored Programs and Research (SPAR) should be consulted for help and guidance throughout the process.

The distribution of recoveries is as follows:

Reassigned Time Recoveries Distribution: A standard adjunct rate, set annually, to replace reassigned faculty will be returned to the Provost who will allocate these to the appropriate Dean. The remaining net reassigned time recovery reverts to the Provost, to be split 50/50 with the Dean.

Indirect Costs Recoveries Distribution: The net indirect cost recovery amount is determined by subtracting the administrative fees from the budgeted indirect cost amount. This net amount is distributed: 50% to the Provost; 25% to the School or Unit; 15% to the Department; and 10% to the Principal Investigator.

These policies took effect for any new grants or contracts submitted beginning July 1, 2005.