

FNES Policy on F&A Returns, Salary Savings, Reserve Pullbacks, and Unrestricted Gifts

June 2022

F&A Returns

Campus will return an equivalent of 20% (referred to as “F&A returns” in this document) of facilities and administrative or indirect costs to colleges/schools.

CAFNR will pass 15% to divisions. The amount received by the division for each faculty member will be divided and used as follows:

- 1) The division will retain 1/3 for general operating expenses.
- 2) Faculty member will receive 1/3 to pay for shared research support. Unspent funds will be returned to the division at the end of each distribution cycle.
- 3) Faculty member receives 1/3 as discretionary funds.

SoM will retain 6.67% and distribute 6.67% to the department and 6.67% to the faculty.

Salary Savings

Salary savings are base salary (excluding benefits and summer salary for 9-month faculty) actually saved from grants and contracts for full-time, tenured or tenure-track faculty. Table 1 below shows the campus recommendation for salary savings distribution.

Table 1. Campus recommendation for salary savings distribution

Months	Faculty	College/School
<4	0 to 25%	75 to 100%
4 – 9 or 12	0 to 40%	60 to 100%

Both CAFNR and SoM let divisions/depts retain all salary savings, but SoM will have a separate research reward program and does not include faculty in its plans for sharing salary savings. FNES will thus distribute salary savings according to Table 2 for salary savings generated in CAFNR,

Table 2. FNES distribution of salary savings generated in CAFNR

Months	Faculty	Division/Dept
<4	25%	75%
≥4	40%	60%

and according to Table 3 for salary savings generated in SoM,

Table 3. FNES distribution of salary savings generated in SoM

Months	Faculty	Division/Dept
<4	0%	100%
≥4	0%	100%

Revenue Distribution

Faculty with a total balance over \$100k in Fund 0000 accounts on June 30 need to submit a plan for using the existing balance for approval by the division director before receiving additional distributions of F&A returns or salary savings.

There may be times when the division portions of F&A returns and salary savings via CAFNR in a fiscal year do not cover the allocation deficit (5 or 10%, depending on appointment) in the base salary from CAFNR for a tenured faculty member. If that happens, the faculty portions of F&A returns and salary savings will be retained by the division to cover the salary allocation deficit before any distributions are made to the faculty member for the year. This assessment is done on an annual basis and is not accumulative.

Unused Reserves

At the end of the fiscal year, 10% of unused reserves will be pulled back by campus. Campus computes the balances based on all Fund 0000 accounts, which include all salary savings and F&A returns, and usually all startup funds.

CAFNR & SoM will pass down all pullbacks. Division funds will be used to protect startups so that junior faculty will have up to five years from their start date to spend startup funds without being charged the pullback.

Unrestricted Gifts

The division will retain 5% of unrestricted gifts to cover costs associated with use of these funds.

Policy Revision

This policy will be discussed yearly for possible revisions.