

Austin Peay State
University

Sponsored Research Incentive Program

Issued: May 26, 2022

Responsible Official: Provost and Senior Vice President for Academic Affairs

Responsible Office: Office of Research and Sponsored Programs

POLICIES

Policy Statement

In support of faculty and staff who earn external funding for scholarly and/or student-success initiatives, those grant-recipients shall receive professional development funds proportional to a percentage of the indirect costs collected by APSU. Also, additional proportions of the indirect costs will be distributed to the hierarchical units of the grant-recipients, thereby incentivizing support of future grant-writing activities. It is recommended that this policy is reviewed with policy 2:060.

Purpose

In alignment with APSU's mission, this policy serves to incentivize grant-writing to secure external funding in support of scholarly activities and/or student-success programs. Funds collected from a percentage of indirect funds will be distributed to the grant-recipients, departments/centers, colleges, Office of Research and Sponsored Programs, and APSU general fund. The intent of these incentive-funds are to be used in support of future grant-writing ~~and student success initiatives~~. These funds are to be used in *good-faith* at the discretion of the recipients.

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Definitions

Indirect Costs

Indirect costs are those institutional costs, often referred to as facilities and administrative costs, which are not readily identifiable with a particular project or activity but nevertheless are necessary for the general operation of the institution and the conduct of its activities. The cost of operating and maintaining buildings and equipment, depreciation, general and departmental administrative salaries and expenses, and library costs are types of expenses usually considered as indirect costs. OMB, Uniform Guidance for federal Rewards (OMB Super Circular) defines indirect costs as those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

An indirect cost rate is a device ~~for~~ to fairly and expeditiously determining (within boundaries of sound administrative principles, subject to governmental regulations) that proportion of an institution's costs that should be borne by each of its projects or activities.

To recover its allowable indirect cost pool of expenses, an institution must collect its proportionate share from every project being performed by the institution if allowed by the funding agency.

Professional Development Funds

Professional development funds (PD) are monies placed into an account governed by the grant-recipients. These funds are generated from a percentage of the indirect costs collected on grants, with a percentage being re-invested in the work of the grant-recipient. PD can be used in support of activities, travel, and materials that enhance the professional development of the grant-recipient. PD is not intended to be used as money earned in addition to salary.

Procedures

This policy supports the mission of Austin Peay State University by providing an incentive for grant-recipients, their departments/centers, colleges/areas, Office of Research and Sponsored Programs (ORSP) as a reward for participating in competitive grant seeking and provide future support of grant-writing initiatives.

Sponsored Research Incentive Program is notable in a number of ways. Among them are the following:

- A monetary reward for faculty or staff who are active in funded research and/or grant-seeking efforts, thus encouraging continued participation in the funded research ~~and grant enterprise within the campus community~~. The funds for grant-recipient will be deposited into a Professional Development (PD) account for use and support of activities related to grant activities and future grant writing efforts.
- Encouragement for previously inactive faculty or staff to conduct funded research and write grants, thus increasing the number of faculty or staff involved in externally funded projects.
- The attraction of accomplished professionals who have the ability to establish grant-funded programs in areas of high growth potential.
- The retention of productive funded professionals and successful grant writers.
- Often, grant-funded projects involve students and therefore have positive impacts on student retention, student success, and student recruitment.

These elements are viewed as critical for the success of any efforts to increase external funding.

Policy Compliance

To comply with federal cost principles in OMB Super Circular, the cost to the external sponsor must remain unchanged as a result of the University's policy. In general, federal grants do not allow extra compensation to be directly charged. Most federal grant programs provide for facilities and administrative costs (generally referred to as indirect costs or IDC) to be recovered. Once the University receives indirect costs (**see definition above**) from a federal sponsor, the funds are incorporated into the University's budget and then are considered general operating funds which can be dispersed at the discretion of the administration.

Indirect Costs Reallocation

Below are the guidelines for the **indirect costs reallocation**.

- The funds for grant-recipient(s) will be deposited into a Professional Development (PD) for use and support of activities for the grant.

- Any exception to the **indirect rates or waiver of indirect costs** must be approved in advance of any contractual commitment by the Director of Research and Sponsored Programs and the Associate Provost for Research. Fifteen (15) percent of indirect costs recovered from an eligible grant will be deposited into a PD account for the grant-recipient(s). Ten (10) percent will be awarded to the grant-recipient's department/center/area ([in instances where departments/centers/areas may share the grant-funded award, then the 10 percent will be split equally](#)), 10 percent will be awarded to the grant-recipient's academic college/area, 35 percent will be designated to the Office of Research and Sponsored Programs, to support research programming ~~and committees which may include Graduate Research Counsel, IACUC, and IRB~~. The remaining 30 percent will go to the general fund of APSU.
- [See Policy 2:060 Indirect Cost and Salary Recovery](#). Briefly, [Policy 2:060: Any exception to the salary recovery or waiver of salary recovery must be approved in advance of any contractual commitment by the Director of Research and Sponsored Programs and the Associate Provost for Research](#). Ten (10) percent of the salary recovery monies (salary plus benefits) recovered from an eligible grant will be deposited into a PD account for the principal investigator; 25 percent will be awarded to the principal investigator's department/center/area; 25 percent will be awarded to the principal investigator's academic college/area; 25 percent will be designated to the Office of Research and Sponsored Programs, to support research programming ~~and committees which may include Graduate Research Counsel, IACUC, and IRB~~. The remaining 15 percent will go to the general fund of APSU. [Any exception to the salary recovery or waiver of salary recovery must be approved in advance of any contractual commitment by the Director of Research and Sponsored Programs and the Associate Provost for Research](#). ~~See Policy 2:060 Indirect Cost and Salary Recovery~~.
- In the case of a collaborative proposal involving multiple institutions, the incentive will be calculated from the indirect costs recovered by APSU only.
- When a project has multiple grant-recipients, the indirect costs will be divided according to percent of effort devoted to the project.

Administrative Regulations and Considerations

- As a condition to the receipt of any award, the grant-recipient(s) must remain, at all times, in full compliance with the University's Research and Sponsored Programs policies as well as the policies of the sponsoring agency. **(Also see Administrative Regulations and Considerations)**
- The Office of Research and Sponsored Programs will provide oversight to the administration of this policy and will mediate issues that may arise concerning the program.
- ~~Funds allocated to grant recipient(s) must be spent within two years of receipt unless the Office of Research and Sponsored Programs grants an exception/extension.~~
- Recipients must use their grants and PD funds for the purposes for which they were awarded and in accordance with the policies and guidelines of the program and of their institution. [For example, using PD funds to attend conferences presenting research and networking for future collaborations leading to new external funding are encouraged.](#)
- The APSU administration may suspend the indirect cost and/or salary recovery funds to a recipient or his/her department until the recipient meets the program's eligibility criteria.
- The administration reserves the right to restrict, terminate or suspend a PD account should the recipient cease to meet the eligibility criteria. It also reserves the right to recover the PD funds paid out if a grant-recipient(s) no longer fulfills the required eligibility criteria, or on the basis of fraudulent or inaccurate information, or in error.
- In the event of the declaration of a financial exigency as delimited by APSU policy 5:025, the administration can restrict, collect, or withhold PD funds to help resolve the declared exigency, and in the spirit of APSU policy 5:025 will involve the faculty in the process.

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Commented [BC1]: Managing this is impossible. For example, Dr. XYZ has \$1,000 in the PD account in FY23 and spends \$500 in FY24 but in FY24 get +\$277 = \$777, but now in FY25, \$500 of the \$777 must be lost because the two-year time period has lapsed. Now, take that example at multiple by all the PIs, departments/centers/areas, colleges/areas for each year. This is a horrible waste of university time. I recommend the "forever account model" which also allows units to accrue funds for a great impact on spending power.

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Revision Dates

APSU Policy 2:059 – Rev.: May 26, 2022
APSU Policy 2:059 (previously 7:005) – Rev.: March 25, 2017
APSU Policy 2:059 – Issued: August, 11, 2011

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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Approved

President: signature on file

