CEHD CPI

Agenda
Thursday, April 20, 2017
2:00 pm-3:30 pm – Room 410 Rudder

CPI Meeting 2:00-2:30
I Follow-up to February’s discussion of CEHD Guideline on Indirect Costs, Salary Savings, and Course Buy-Outs– Ganz

II. Acknowledgement of Faculty with Terms ending in August – Mary Margaret Capraro and Jim Fluckey

III. Dissemination of Information
   a. Department Reps (Fluckey, Irby, M. Capraro, Kwok)
   b. Dean’s Council – Ganz
   c. University Research Council – Bloomfield
   d. University CPI – Kwok
   e. Other

IV. Presentation by Aliese Seawright, Director of the Human Research Protection Program
(2:30-3:30)

Coffee and Research Discussion hosted by the Division of Research
April 28 – 10:00 in 801 Harrington

Tips & Tricks of Budget Preparation
May 4 from 12:00-1:00 in 339 Blocker
May 8 from 12:00-1:00 in 801 Harrington
**lunch provided**
## CPI
Council of Principal Investigators - College of Education & Human Development

### Meeting Notes
Thursday, April 20, 2017
2:00 pm-3:30 pm – 410 Rudder Tower

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Members Unable to Attend</th>
<th>Others Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Bowen - EAHR</td>
<td></td>
<td>Sue Bloomfield</td>
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<tr>
<td>Mary Margaret Capraro - TLAC</td>
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<td>Windy Turner</td>
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<td>Robert Capraro – TLAC</td>
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<td>Amy Hinnant</td>
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<td>Tim Elliott - ESPY</td>
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<td>Jesus Palomo</td>
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<td>James Fluckey – HLKN</td>
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<td>Jennifer Ganz – EPSY</td>
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<td>Beverly Irby - EAHR</td>
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<td>Oi-Man Kwok - EPSY</td>
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<td>Mike Massett - HLKN</td>
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<td>Hersh Waxman - TLAC</td>
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<td>Christopher Woodman – HLKN</td>
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<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Comments</th>
<th>Recommendations/Actions/Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Follow-up to February’s discussion of CEHD Guideline on Indirect Costs, Salary Savings, and Course Buy-Outs – Ganz</td>
<td>See handout – discussion of Option A and B. It is recommended that salary savings are spent within three years. A vote was held and the group chose to move forward with Option B.</td>
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<tr>
<td>II. Acknowledgement of Faculty with Terms ending in August</td>
<td>Mary Margaret Capraro and Jim Fluckey will finish their three-year term in CPI as of August 31, 2017.</td>
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<td>III. Dissemination of Information</td>
<td>No report</td>
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<tr>
<td>A. Department Reports</td>
<td>No report</td>
<td></td>
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<tr>
<td>B. Dean’s Council - Ganz</td>
<td>No report</td>
<td></td>
</tr>
<tr>
<td>Agenda Item</td>
<td>Comments</td>
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<tr>
<td>C. University Research Council – Bloomfield</td>
<td>No report</td>
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<tr>
<td>D. University CPI – Kwok</td>
<td>No report</td>
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<tr>
<td>E. Other</td>
<td>Question raised about GA’s paid on grant projects that will need maternity leave. Bloomfield to share the College of Science working policy with CPI.</td>
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<tr>
<td>IV. Presentation by Aliese Seawright, Director of the Human Research Protection Program</td>
<td>Aliese Seawright introduced herself and shared her experience prior to coming to TAMU. She presented on the current state of the IRB office and changes she hopes to institute in the future. She recommended faculty write in a Phase I of their proposal that does not contain human subjects work so they can access their funds and all them time to submit an IRB, it is a clearer approach and more likely to allow for funding.</td>
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College of Education & Human Development

Indirect-Cost Returns: Facilities & Administrative (Indirect Costs), Salary Savings, and Course Buy-Outs

Approved by Deans Council on March 18, 2014 PENDING
Revised to match DOR changes on February 20, 2017

This document addresses the allocation of indirect-cost Facilities & Administrative (F&A) returns (commonly known as IDC returns) to the College, salary savings generated from grants and contracts, and time limits for the use of funds. The document is intended to assist faculty members and Department Heads in fiscal planning. Specifically, it helps faculty members reach decisions that best match their goals with respect to course “buyout”, extended contract, and/or funds to support their research program, and it helps Department Heads ensure the integrity of academic programs. In addition, it clarifies time limits on the use of such funds.

These proposed policies are intended to promote fiscal accountability, enhance the ability of Colleges and Departments to support the extramural activities of its faculty and staff, and empower faculty to make informed decisions about how they develop budgets.

**Indirect Cost F&A Returns**

Indirect costs (IDC), also referred to as Facilities and Administrative (F&A), are funds generated from grant expenditures. Current IDC F&A rates on individual grant activities within the college vary from 0% to +6.48%. The rate of return on each grant is established at the time the project proposal is submitted and is oftentimes established by the funder.

IDC F&A returns to the college are sent from the office of the Vice President for Research (VPR). The total IDC for each college is distributed as follows. A letter dated April 2, 2014 was signed by Mark Hussey, William Dugas, and M. Katherine Banks. The letter can be found at the following website: [http://provost.tamu.edu/resource/resource?doc-document=ResearchDevelopmentFundMeasurement.pdf](http://provost.tamu.edu/resource/resource?doc-document=ResearchDevelopmentFundMeasurement.pdf)

Following is the distribution for TAMU:

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>TAMU</td>
<td>60%</td>
</tr>
<tr>
<td>Department or Unit housing PI*</td>
<td>15%</td>
</tr>
<tr>
<td>TAMU Research Development Fund (RDF)</td>
<td>15%</td>
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<tr>
<td>PI Incentive</td>
<td>10%</td>
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<td>From the remaining 60%</td>
<td></td>
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<tr>
<td>SRS Project Administration Fee</td>
<td>4.24% of direct costs on project proposal</td>
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<tr>
<td>Remainder is split between TAMU Division of Research and College*</td>
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**Example:** a $1,400,000 contract to a CEHD PI with 6% F&A rate generates $80,000 in F&A returns, which would be distributed thusly over the life of the project:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Department of PI (15%)</td>
<td>$12,000</td>
</tr>
<tr>
<td>TAMU RDF (15%)</td>
<td>$12,000</td>
</tr>
<tr>
<td>PI Incentive (10%)</td>
<td>$8,000</td>
</tr>
<tr>
<td>Remainder</td>
<td>$48,000</td>
</tr>
<tr>
<td>SRS (4.24% of direct costs, $925,926)</td>
<td>$29,259</td>
</tr>
<tr>
<td>TAMU DOR</td>
<td>$4,378</td>
</tr>
<tr>
<td>CEHD</td>
<td>$4,369</td>
</tr>
</tbody>
</table>
PI: 45%
Sponsored Research Services: 15%
CEHD: 35%
Vice President for Research: 15%

Of the amount that the college receives, 50% will be retained in the dean's office and the other 50% will be distributed to the departments.

For example, if grants and contracts in the college generated $1,000,000 in IDE, the distribution will be as follows:

- PI (45%) = $450,000
- Sponsored Research Services (15%) = $150,000
- CEHD (35%) = $350,000
- Vice President for Research (15%) = $150,000

The CEHD return of $350,000 would then be distributed as follows:
- Dean's Office (50%) = $175,000
- Departments (50%) = $175,000

Salary Savings from Grants and Contracts and Course Buy-Outs

Salary savings refer to the replacement of Education and General (E&G) funds with other sources. Salary savings are generated when external funding replaces E&G (state) funding resulting from course buyouts or buy out of time from other professional responsibilities during the academic year (September-May).

When faculty or staff members are expected to expend a significant amount of effort on a grant or contract, this percent effort needs to be reflected in the budget and that amount will replace the portion of their state salary. The amount being replaced is what contributes to salary savings. For example, if a faculty, staff, or administrator makes $10,000 a month and spends 15% of the time on grant activities, $1,500 of the state salary per month will be replaced with grant funds, thus contributing $1,500 a month towards salary savings.

Any salary savings generated by external funding will be distributed as follows:

a. The Dean's Office will retain 20% and the remaining 80% will be sent to the PI's department.

b. If any expenditure by the department is required to hire faculty to teach course(s) that grant-funded faculty wish to buy out (course replacement costs), this amount will be subtracted from the 80% of salary savings that the department receives.

c. From the remaining funds, 33% will be awarded to the PI and the department retains 67%

All cost share and non-tenured faculty salary savings are returned to the department.

Grant-funded faculty, particularly junior faculty, are encouraged to discuss with their department head any proposed exceptions to departmental course buy-out policy in order to accomplish the work scope of the project within budget limitations.
Each department’s policy on dollars required on grant budgets for course buyout and the manner in which salary savings will be distributed should be clearly articulated, accompanied by a numerical example illustrating the policy, and available on a departmental website.

**Time Limits for the Use of IDC Returns and Salary Savings**

Funds generated from salary savings and IDC returns must be used no later than three years after the distribution date. For example, funds generated from grants or contracts in 2013 must be used by 2016. The department will make available to each PI, at least annually, a statement of their budget itemized by year of fund acquisition.

**OPTION A**

Encumbrance of F&A Returns and Salary Savings

The purpose of this policy is to minimize unencumbered F&A and salary savings received from external funding so that the Dean’s office is better able to advocate for CEHD funding from university and other sources. Funds generated from salary savings and F&A returns delivered to the PI that accumulate to more than $20,000 should be encumbered immediately. PIs are instructed to work with their departments’ business administrators to establish Unit Financial Obligations (UFOs) that reserve F&A salary savings funds for whatever research-related activities are of highest priority to the PI.

**OPTION B**

Timeline for Use of F&A Returns and Salary Savings

Salary savings and F&A funds generated from a given grant/contract should be spent within 3 years of the formal close-out date of the project. In instances when this does not occur, PIs should work with their department head and business administrator to generate a spending plan and encumber remaining balances with a UFO (Unit Financial Obligation). Further, in situations when a PI has accrued salary savings or F&A balances above $20,000, the PI should initiate the encumbrance of those funds with a UFO prior to the end of the project.

*Approved by Dean’s Council May 6, 2013*

*Adherence approved by Dean’s Council June 3, 2009*

*Edits proposed by CFI on January 23, 2010*

*Edits approved by Dean’s Council on March 2, 2010*

*Revisions approved by Dean’s Council on March 19, 2014*

*Edits proposed by CFI February 2017*

*Edits proposed by CFI on April 20, 2017*

*Edits proposed by CFP on May 22, 2017*
This document addresses the allocation of Facilities & Administrative (F&A) returns (commonly known as IDC returns) to the College, salary savings generated from grants and contracts, and time limits for the use of funds. The document is intended to assist faculty members and Department Heads in fiscal planning. Specifically, it helps faculty members reach decisions that best match their goals with respect to course “buyout”, extended contract, and/or funds to support their research program, and it helps Department Heads ensure the integrity of academic programs. In addition, it clarifies time limits on the use of such funds.

These proposed policies are intended to promote fiscal accountability, enhance the ability of Colleges and Departments to support the extramural activities of its faculty and staff, and empower faculty to make informed decisions about how they develop budgets.

F&A Returns

Facilities and Administrative (F&A), are funds generated from grant expenditures. Current F&A rates on individual grant activities within the college vary from 0% to 48.5%. The rate of return on each grant is established at the time the project proposal is submitted and is oftentimes established by the funder.

F&A returns are distributed per the April 2, 2014 letter signed by Mark Hussey, William Dugas, and M. Katherine Banks. The letter can be found at the following website:

Following is the distribution for TAMU:

- Department or Unit housing PI* 15%
- TAMU Research Development Fund (RDF) 15%
- PI Incentive 10%
- From the remaining 60%:
  - SRS Project Administration Fee 4.24% of direct costs on project proposal
  - Remainder is split between TAMU Division of Research and College*

**Example:** A $1,000,000 contract to a CEHD PI with 8% F&A rate generates $80,000 in F&A returns, which would be distributed thusly over the life of the project:

- Department of PI (15%) $12,000
- TAMU RDF (15%) $12,000
- PI Incentive (10%) $8,000
- Remainder: $48,000
- SRS $39,259 (4.24% of direct costs, $925,926)
- TAMU DOR $4,370
- CEHD $4,369
Salary Savings from Grants and Contracts and Course Buy-Outs
Salary savings refer to the replacement of Education and General (E&G) funds with other sources. Salary savings are generated when external funding replaces E&G (state) funding resulting from course buyouts or buy out of time from other professional responsibilities during the academic year (September-May). When faculty or staff members are expected to expend a significant amount of effort on a grant or contract, this percent effort needs to be reflected in the budget and that amount will replace the portion of their state salary. The amount being replaced is what contributes to salary savings. For example, if a faculty, staff, or administrator makes $10,000 a month and spends 15% of the time on grant activities, $1,500 of the state salary per month will be replaced with grant funds, thus contributing $1,500 a month towards salary savings.

Any salary savings generated by external funding will be distributed as follows:

a. The Dean’s Office will retain 20% and the remaining 80% will be sent to the PI’s department.
b. If any expenditure by the department is required to hire faculty to teach course(s) that grant-funded faculty wish to buy out (course replacement costs), this amount will be subtracted from the 80% of salary savings that the department receives.
c. From the remaining funds, 33% will be awarded to the PI and the department retains 67%

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OPTION A
Encumbrance of F&A Returns and Salary Savings
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OPTION B
Timeline for Use of F&A Returns and Salary Savings
Salary savings and F&A funds generated from a given grant/contract should be spent within 3 years of the formal close-out date of the project. In instances when this does not occur, PIs should work with their department head and business administrator to generate a spending plan and encumber remaining balances with a UFO (Unit Financial Obligation). Further, in situations when a PI has accrued salary savings/F&A balances above $30,000 [or whatever amount but do provide an amount], the PI should initiate the encumbrance of those funds with a UFO prior to the end of the project.
Come have a cup of coffee.

Want to submit more competitive grant proposals?

Get that cutting edge at no cost to you.

Research Development Services
Division of Research

Stop by this come-and-go event and find out how Texas A&M University and the Division of Research can help you submit a more competitive grant proposal.

DATES
Multiple locations – one near you.

April 19, 1:00 p.m. 217 Langford A
April 20, 9:00 a.m. Mark Francis Room, Veterinary & Biomedical Education Complex
April 25, 3:00 p.m. 1151 Medical Research & Education Building
April 27, 10:00 a.m. 3125 Allen Building
April 28, 10:00 a.m. 801 Harrington