



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	FIN-1202	Policy Title:	Research Incentive Accounts Policy
Effective:	07/01/2018	Responsible Office:	Office of Foundation, Corporate, and Government Relations
Date Approved:	06/10/2018	Approval:	Executive Vice President & Chief Operating Officer
Replaces Policy Dated:	11/2016	Responsible University Official:	Assistant Vice President for Foundation, Corporate and Government Relations

PURPOSE:

The University of Richmond’s policy is to recover the full amount of indirect costs allowable by a granting agency, whether public or private. In acknowledgement of the effort required to seek and secure external funding, the University elects to return ten percent (10%) of the indirect costs recovered to faculty members who serve as the principal investigator (PI) on grants that include indirect costs through the creation of research incentive accounts.

SCOPE:

This policy applies to the University of Richmond and all of its Affiliates. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

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POLICY STATEMENT:

FIN-1202.1 – Definitions

Indirect costs:

Indirect costs represent the expenses of doing business that are not readily identifiable to a particular grant, contract, project function, or activity, but are necessary for the general operation of the institution and the conduct of activities it performs. Indirect costs are awarded as part of a grant, contract or award to reimburse the University for that activity's allocable portion of these expenses.

Indirect cost rate:

The indirect cost rate, also known as facilities and administrative (F&A) cost recovery rate, is the mechanism by which an institution's indirect costs are distributed to a particular grant, contract or award, typically as a percentage of certain direct expenses associated with the grant.

FIN-1202.2 – Policy

Each PI having at least one grant that recovers indirect costs will also have a research incentive account. Only one research incentive account will be established per PI; therefore, incentive funds derived from several grants could be co-mingled into that one account for the PI.

Ten percent of university recovered indirect costs for each grant will be transferred into the corresponding PI's research incentive account every July and January. Transfer amounts will be calculated based on actual indirect costs recovered for the period to-date. If there are multiple PI's for a grant, the 10% will be split equally among the PIs.

Research incentive funds may be spent on items such as:

- Pilot studies for new projects
- Equipment
- Employing student research assistants and supporting student conference travel
- Professional development
- Travel related to future projects
- Cost associated with development of new proposals for external funding

Salary supplementation for the PI is not a permissible use of incentive funds.

Research incentive accounts are institutional funds. As such, their use is subject to established institutional policies and requires appropriate approval(s), in accordance with existing institutional policies.

Research incentive account balances will roll-forward from year to year.

Any unused research incentive funds will revert back to the University should the PI leave the institution.

RELATED POLICIES:

FIN-1201 - Indirect Costs Recovery Policy

POLICY BACKGROUND:

Original policy came into effect in July 2011 when the Research Incentive Account program officially began.

Additional policy statements were issued February 2013 and November 2016.

2018 policy revision reconciled the 2011, 2013 and 2016 statements; none had substantive differences.

FIN-1202 – Research Incentive Accounts Policy

Policy was reviewed by Academic Deans and President’s Cabinet before approval in June 2018.

POLICY CONTACTS:

Assistant Vice President for Foundation, Corporate and Government Relations