

Draft Report of the Committee for the Review of the Distribution of Facilities and Administrative (Overhead) Funds (CRDFAOF?)

Background: The committee and its responsibilities are established in the University Manual as follows:

10.72.10 Procedure for Revisions to the Distribution of Facilities and Administrative (Overhead) Funds. At the beginning of each fiscal year, a Committee for Review of the Distribution of Facilities and Administrative (Overhead) Funds (By-Laws 4.45) shall convene to review procedures and distribution of Facilities and Administrative funds (research overhead funds). The review shall: a) evaluate the current expenditure and distribution plan with regard to URI's changing needs and resources; b) examine, as desirable, F&A distribution plans at other peer public research institutions; c) produce a report including, as appropriate, any recommendations for changes in distribution to be considered for implementation in the subsequent fiscal year. #12-13-15, #17-18-23

10.72.11 The Committee shall be chaired by the Chair of the Committee for Research and Creative Activities. The Committee shall consist of all members of the Committee for Research and Creative Activities and one designee each of the President, the Provost, and the Vice President for Administration and Finance. The Vice President for Research and Economic Development may be an ex-officio, non-voting member of the subcommittee. #12-13-15 #16-17-7, #17-18-23

10.72.12 Specific arrangements proposed for centers or projects must be reviewed and approved by the Vice President of Research and Economic Development after consultation with the President, PIs, Provost, and appropriate deans, directors and chairs. Such arrangements shall be in writing, be presented to the Committee, and have a defined term (no more than three years) after which they shall be reviewed and, if appropriate, re-established or renegotiated. #12-13-15, #17-18-23

10.72.13 Entities receiving F&A funds shall make a full and accurate accounting of how funds were spent during the prior fiscal year, including all sponsored projects administration (SPA) expenditures. These reports shall be submitted by October 1 of each year to the Controller by all university units that have expenses related to F&A funds. The Controller will review to ensure reports are reconciled with audit statements. #12-13-15

10.72.14. During the review process, a draft of the report shall be made available to faculty for a minimum 2-week comment period. The Committee shall consider these comments in production of their final report, which shall be submitted to the Committee for Research and Creative Activities to forward to the Faculty Senate Executive Committee, the President, Provost, Vice President of Research and Economic Development, and Vice President of Administration and Finance no later than January 31 for review, discussion, and approval, and then is subject to final approval by the President. The President shall submit an annual report to the Board and the Faculty Senate on the use of indirect cost recovery funds and any changes in the distribution of funds for the coming year. #12-13-15, #17-18-23

The committee met on January 18th 2019: later than required, and too late to allow for the production of a final report by January 31st. The report for 2017-18 was similarly late, but we hope for a more timely report next year.

The current distributions of overhead are given in the memo (<https://web.uri.edu/controller/files/Overhead-121918.pdf>) from President Dooley to the University Controller. The standard distribution reflects some small changes from previous distributions, reflecting "URI's changing needs and resources" as follows:

	July 1 2016	July 1 2018
SPA-Admin & Fin	19.69%	16.97%
SPA-Research	26.22%	26.22%
Research Utilities & Ins	13.17%	13.85%
Provost	5.58%	6.26%
VP Research & Econ. Dev.	8.37%	9.05%
President	1.86%	1.86%
Dean/College/Dept	25.11%	25.79%

The committee briefly discussed the desirability of examining “F&A distribution plans at other peer public research institutions” and we suggest that if such information can be obtained in the next few months it should be considered at a subsequent meeting, and become part of the report to the Senate next year.

The memo from President Dooley lists the entities that have different distribution rates (“specific arrangements”) than the standard above. While the manual language requires suggests that these are not permanent, and should be reviewed (“have a defined term (no more than three years) after which they shall be reviewed and, if appropriate, re-established or renegotiated”), changes seem rarely to take place, and specific arrangements that might be established as an entity is formed remain, even as the entities become established, mature, and sometimes decline.

There is also occasionally some lack of clarity about what constitutes an entity, and who does or does not belong under its ‘umbrella’. This represents further scope for overhaul: better organization/definition of such entities, reporting requirements, and a subsequent review of those “specific arrangements”. This scope is reflected in a review of entities being undertaken by VPRED and it is likely that “any recommendations for changes in distribution to be considered for implementation in the subsequent fiscal year” will derive from this review, rather than any fundamental change in the standard overhead distribution. At the same time, the Faculty Senate’s Research and Creative Activities “Centers” Sub-Committee is undertaking a parallel census of “centers and the like” and while that may have a broader scope, and include non-research-focused entities, the two efforts will likely complement each other.

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Chair