MEMORANDUM

TO:     Doug Whitlock, President
FROM:  Harry Moberly, Jr., Executive Vice President for Administration
RE:    Externally-Sponsored Projects Workgroup Policy Recommendations
DATE: August 13, 2008

Since January, I have served as Chair of the Externally-Sponsored Projects Workgroup. We have completed the review of eight draft policies to ensure alignment with state and federal mandates for the securing and implementation of grant awards at EKU. Another guiding purpose of our work is to ensure that newly proposed policies do not stifle but rather advance scholarship and external fund development among colleges, departments, faculty and staff.

The attached policies have been revised to incorporate suggested recommendations of this workgroup. Two policies received considerable discussion, both having financial implications for the institution. Policy 4.4.10 addresses the recovery and distribution of facilities and administrative costs. The key recommendations of this workgroup are reflected in the attached policy draft and are summarized below.

**Beginning with Fiscal Year 2008-2009:**

- The established rates for distribution of Facilities and Administrative Costs at EKU remain the same:
  - 55% is applied to the university general fund
  - 15% to College Deans
  - 20 % to Department Chairs
  - 10% to Project Directors (PIs)

- In addition to college deans, the distribution will be extended to include all administrative units for the F & A recovered from their externally-sponsored projects.

Eastern Kentucky University is an Equal Opportunity/Affirmative Action Employer and Educational Institution
Prior to the distribution of recouped Facilities & Administrative costs, an estimated pre-budgeted amount of $170,060 be extracted from the overall total and applied in the following way:

- Fund two additional positions in Sponsored Programs Accounting to enhance current infrastructure.  
  
  **Total estimated cost is $112,560**
  ($42,000 each plus 34% fringe for each)

- Increase two specified pools in the Office Graduate Education and Research:
  
  1. Increase from $65,000 to $100,000 the amount of funds available for faculty research grants
  2. Increase from $77,500 to $100,000 the amount of funds available as university matching funds
  
  **Total cost is $57,500**

Policy 4.4.8 sets forth conditions for faculty and staff members who receive compensation through a grant sponsored agreement. Again, workgroup recommendations are reflected in the attached policy draft. In addition to other considerations, this policy ensures that when faculty members receive course release to perform functions associated with externally sponsored awards that departments be guaranteed the necessary resources to cover courses, such as payment of overload, hiring of graduate assistants, or part-time faculty.

When this workgroup reconvenes in the coming academic year, discussion will continue to explore additional ways that salary savings may be used to support external fund development among colleges, departments, and administrative units. Such discussions will include a review of the amount of salary savings generated annually, current practices regarding course coverage when faculty members are granted release time, and other budget and resource management implications regarding the use of salary savings.

Upon your review and approval, I recommend the attached policies be presented for consideration by your Cabinet and subsequently considered for approval by the Board of Regents. Thank you for your consideration of this matter.