



PROGRAM INCENTIVE POLICY 2009-2010

Facilities and Administrative Costs (F&A Costs)

Facilities and Administrative Costs (often referred to as indirect costs) are costs paid by agencies that enter into grants or contracts with Gustavus for research and other projects. They are provided to the College as a reimbursement for real costs incurred in maintaining the infrastructure for research and program implementation. Typically, F&A costs cannot be readily identified with a particular project. Examples of such costs include the following: maintenance of physical facilities, depreciation of buildings, insurance, utilities, information technology, instrumentation, library expenses, and accounting/grants management staff.

Gustavus negotiates with the federal government a rate that is based on salaries and wages in grant budgets. The current rate, which is negotiated every few years, is 50% of salaries and wages for projects that involve at least 48% of its activity on campus and 26% for projects that mostly take place off campus. Some funding agencies allow only a small percentage of F&A cost recovery; some do not allow any recovery.

Program Incentive Policy

With this policy, Gustavus Adolphus College chooses to make a budget allocation to the principal investigator(s) or project director(s) of the grant, using the amount of F&A cost recovery as a yardstick¹. Its purpose is to provide incentives to those who have helped generate F&A cost recovery to the College to enhance their teaching, research and scholarship, or program. The amount of this "Program Incentive" is 25% of the recovered F&A cost recovery. Normally, this policy applies to any grant that has F&A cost recovery, and includes individual research, departmental, interdisciplinary, non-academic and institutional grant awards unless otherwise specified by the appropriate division Vice President at the time of the grant application approval.

The following guidelines provide the parameters for use of this allocated fund:

- Program Incentives may be used for research-related expenses, including faculty and student stipends; professional travel for principal investigator(s) or project director(s) (collectively referred to in this document as PIs) and students; and teaching and student-learning enhancement initiatives. Use of funds is at the discretion of the principal investigator(s) or project director(s). Acceptable uses include the following:
 - Research or teaching equipment and/or laboratory-based materials and supplies
 - Summer faculty and student stipends, plus related benefits (e.g., FICA, Worker's Compensation) to conduct research or develop/revise a course

¹ Revisions to the amount of F&A cost recovery due and owing to Gustavus will impact/revise the Program Incentive in a manner to be determined by the academic dean, or appropriate vice president in the case of a non-academic project.

- Fees for laboratory analysis (e.g., soil chemistry, water chemistry, DNA sequencing, X-ray crystallography)
 - Travel expenses to conduct research (e.g., research library or collection, field site, conferring/working with collaborators)
 - Travel expenses for PI or student presentations at professional meetings
 - Expenses for a PI to attend a professional conference (e.g., pedagogy, assessment)
 - Equipment maintenance
 - Student/employee labor costs during the academic year (e.g., work-study)
 - Computer hard- and software
 - Miscellaneous expenses, including library acquisitions, journal subscriptions, society membership fees, and publication costs, postage, copying
 - Up to one course release (with approval of the department chair) per year
- PROGRAM INCENTIVE funds will be held in a designated, discretionary account line in the budget of the department or program office of the PI.
 - If there are multiple PIs from the same or different departments or programs, the primary PI (first listed on the proposal) should work with co-PIs to determine how and for what uses the Program Incentive funds should be applied. Efforts should be made to ensure that these discretionary funds are distributed equitably². While these funds will benefit the PI and co-PIs, the budget line reflecting this allocation will appear in the budget of the department (academic) or division (non-academic) of the primary PI.
 - A one-page proposal of how the funds will be used will be submitted to the appropriate division Vice President for approval. A request to use the funds in a different manner than suggested above may be made at that time.
 - A one-page report is to be submitted to the appropriate division VP by September 1, reporting on the use and impact of Program Incentive funds during the preceding fiscal year.
 - Unspent Program Incentive funds can be carried forward throughout the grant period but must be spent within one year after the grant period ends.
 - Since F&A cost recovery is the yardstick by which Program Incentive funds are determined, PROGRAM INCENTIVE funds available each fiscal year will be based upon the amount of F&A cost recovery receipted during that year and any balance carried forward from a previous year.
 - In the event that Program Incentive funds are used for inappropriate purposes, the Associate Provost and Dean of the Faculty or division VP may revoke the PI(s)'s access to them. In such cases, the allocation will revert to the operating budget of the College.
 - This policy is retroactive to June 1 of the preceding fiscal year, with any unused allocations carried forward as delineated in this policy (i.e. within one year of the end of the grant period).

² If conflicts arise, the Associate Provost/Dean of the Faculty, or appropriate vice president in the case of a non-academic project, will determine the appropriate disbursement of funds among the parties.