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DATE: 06 October 2009  
[sent via e-mail]

TO: Department Chairs, Center & Institute Directors

FROM: James W. Tracy  
Vice President for Research

A handwritten signature in blue ink that reads 'J Tracy'.

SUBJECT: Returning facilities and administrative (F&A) income to departmental units

The current method for returning a portion of realized F&A cost income to the departments, centers and institutes that generated it (i.e., a combination of incentive and enhancement awards) is cumbersome to administer, lacks equity, and is unsustainable. Consequently, I am happy to announce implementation of the Research Enrichment Program. This revised approach, outlined below, will be more cost-effective to administer, will ensure a more equitable distribution of F&A income to academic units, and most importantly, will support the university's strategic objective of facilitating interdisciplinary research and collaborative scholarship.

For sponsored projects active on or after 01 July 2009 (i.e., FY2010), the distribution of F&A income to departments, centers, and institutes will be determined as follows:

1. A department, center or institute will receive an allocation equal to 10% of the actual F&A income realized on those awards for which it is the sole unit listed on the Internal Approval Form (IAF). This is equivalent to the Research Incentive Award that everyone is accustomed to.
2. In the case of collaborative projects involving two or more units, the participating departments, centers and/or institutes will share an allocation equal to 16% of the actual F&A income realized on those awards.

To be eligible for a share of this larger F&A allocation, a unit must contribute substantive resources to the project and it must be listed on the IAF at the time the proposal is submitted to the sponsor. Co-investigators must have committed effort on the project. Simply listing someone as a "consultant" will not count.

Research Enrichment Program funds will be awarded to units according to the distribution indicated in Item #8 of the IAF. It is the responsibility of co-investigators, chairs/directors and deans to agree upon the distribution and to complete and sign the IAF at the time of proposal submission.

It is always good to see new research collaborations develop during the course of a project. But for practical reasons, we will not edit the IAF of an active award to reflect such collaborations for the purpose of allocating F&A income. The collaboration certainly should be recognized on the IAF for the next competitive renewal application or for new applications.

The IAF has been revised to eliminate the “Enhancement” field and a description of the new program is being included. The revised paper IAF will go into effect on 15 October 2009. Please help us by ensuring that your investigators begin using the new form on that date. The change will also be announced in the electronic Grants Bulletin (<http://www.research.uky.edu/faculty/bulletin.html>). For your information, an electronic IAF is under development and should be available before the end of the fiscal year.

My office will not prescribe how the 16% F&A allocation is split among collaborating units. But I offer some points for consideration. First, it is axiomatic that collaborating units cannot each contribute full support to a given project. Second, each of the participating units must commit substantive resources to the project. So, it seems reasonable to divide the F&A allocation in general proportion to those committed resources. One simple approach would be to divide the F&A allocation equally among the units. Alternatively, the F&A allocation could be divided based on anticipated relative expenditures by the collaborating investigators. Some hypothetical cases are attached to illustrate program criteria and how units might choose to divide the 16% F&A allocation on collaborative awards.

The deans have agreed to abide by the principle of “reasonableness” — a good faith effort to divide the Research Enrichment Program funds fairly and equitably. They also have consented to binding arbitration by the Vice President for Research should the collaborating units be unable to reach an agreement on the distribution of Research Enrichment Program funds.

The Research Activity Award, which returns 5% of the actual F&A income to the deans will continue. In the case of collaborative projects across colleges, the Research Activity Award will be allocated in the same proportion as Research Enrichment Program funds.

As with any change in administrative procedures, questions or concerns may arise about implementation of the Research Enrichment Program. I would be happy to meet with you individually or collectively by college/unit to address questions. Please contact Annette Evans ([annette.evans@uky.edu](mailto:annette.evans@uky.edu)) to schedule a time.

Thank you.

attachment

cc: Academic Deans, Provost, Treasurer, ADs-Research, AVPs-Research

## Research Enrichment Program Hypothetical Case Studies

These cases are designed to illustrate the criteria for collaborative projects and how units might choose to distribute Research Enrichment Program funds.

**Case A:** Dr. P, a faculty member in the Department of Interesting Studies, has her laboratory in space assigned to the Center for Collaborative Science. In addition to space, the center provides access to shared research equipment (e.g., centrifuges, autoclave). But her department provides all administrative support for Dr. P's grants. Because both units contribute significant resources to supporting Dr. P's grant, this grant qualifies for a 16% F&A return allocation. The department chair and center director could agree that each would receive half of the F&A allocation, or 8% each. Alternatively, they could agree that space means more than administrative support and list 10% for the center and 6% for Dr. P's department.

**Case B:** Dr. P is a faculty member in the Department of Interesting Studies. She is also an affiliate of the Center for Collaborative Science. Her department provides both laboratory space and administrative support for her grant on which she is sole investigator. The center provides no substantive support for Dr. P's research, though it does provide a venue for her and her students to interact with colleagues sharing common research interests. Because the center does not contribute resources to the project, this grant does not qualify for a 16% F&A return allocation. Dr. P's department qualifies for a 10% F&A return allocation.

**Case C:** Dr. P and Dr. Q are colleagues in the same department, who are collaborating on a grant application. Dr. Q is the PI and will be responsible for conducting two of three specific aims. Dr. P will be responsible for the third aim and for analyzing large data sets produced by both labs. Because the collaborating investigators are in the same department, this award qualifies for only a 10% return of F&A income.

**Case D:** Dr. P and Dr. Q are in two different departments that could be in the same college or different colleges. They are collaborating on a grant application. Dr. Q is the PI and will be responsible for conducting two of three specific aims. Dr. P will be responsible for the third aim and for analyzing large data sets produced by both labs. This collaborative project qualifies for a 16% allocation of F&A income. Given the relative contributions, an equal division of Research Enrichment Program funds would be appropriate. Alternatively, it might be appropriate for the prime department to receive 10% and the collaborating department 6%. It would not be appropriate for the prime department to claim more than 10%.

**Case E:** Dr. Q has asked Dr. P, a colleague in another UK department, to be an internal consultant on his grant application. Because Dr. P is not a collaborating investigator with effort committed on the project, Dr. Q's application is not eligible for a 16% F&A allocation. It is eligible for a 10% allocation of F&A income to his department.

**Case F:** Dr. Q, Dr. P and Dr. R in different departments are collaborating on a program project grant with each serving as PI on a project and Dr. Q serves as program director. This project qualifies for 16% F&A return allocation. If the program grant includes an administrative core, an equitable division of those funds might be 5% for Dr. P, 5% for Dr. R and 6% for Dr. Q. If Dr. Q's department is providing all administrative support for the grant, a distribution of 4% for Dr. P, 4% for Dr. R and 8% for Dr. Q's department might be more appropriate.