

POLICY MEMORANDUM

Policy No. 14

Spending Guidelines for Faculty Start-Up and Other Faculty Support Funds

March 20, 2014

The purpose of this policy is to provide guidance for determining which expenses may be charged to Faculty Support Funds, which include Research Incentive Funds (RIF), Residual Funds, travel and supplies accounts, and faculty "start-up funds." Faculty Support Funds must be used for the direct support of research. This policy is to ensure sound business practices, timely and accurate recording of expenses, and compliance with University policies.

- 1. Faculty Support Funds including "start-up funds" are provided to pay for expenses incurred in support of faculty research and scholarly activities for work performed while at the School of Medicine (SOM). Start-up packages provided to newly hired faculty are intended to provide the critical resources needed to allow faculty to establish a substantial, high quality, funded research program within two to three years. Faculty members are encouraged to use part, or all, of these funds as institutional matching on research proposals. (Please note that these guidelines do not address expenses related to sponsored research as specified by the University and Federal guidelines.)
- 2. Typical costs charged to faculty start-up funds include salary and fringe benefits for research support staff including but not limited to postdoctoral students, research associates/assistants, and the costs of equipment, travel, books, journals, electronic resources, laboratory and office supplies, professional membership dues, and services purchased from animal care and other research support facilities. All expenses from start-up funds will be reviewed annually at the time of the performance evaluation, and need to include specific documentation with reference to the research or scholarly activity that was supported. Non capital assets (see below) purchased with Faculty Support Funds are the property of the SOM. Any unspent balances, non capital assets, or items of value remain with the University upon the departure of a faculty member. Start-up funds may not be used for salary support for the faculty member.
- 3. Start-up funds will be made available during the annual budget allocation process, based on a review of the specific budget and justification submitted through the department chair.

Residual Funds are defined as monies that remain in a clinical trial study account after all clinical trial specific expenses have been paid, Residual Funds include monies that remain after completion of a fixed price contract. Residual Funds are limited to further support of research and scholarly activities. Fiscal management of Residual Fund accounts are the responsibility of the principal investigator's Department Chair who may delegate fiscal responsibility to the principal investigator.

RIF monies are derived from the SOM's indirect cost formula in accordance with University policy and SOM policy (See SOM Policy number 9). RIF is limited to further support of research and scholarly activity.

A. Non Capital Assets

Certain non-capital assets (e.g., items of value less than \$5,000) may be purchased using Faculty Support Funds. This type of asset is defined as tangible goods that yield service/ benefits over a number of years. Non capital assets purchased with Faculty Support Funds are the property of the School of Medicine. Examples of non capital assets are:

- · Scientific equipment
- Furniture and furnishings
- Computers or printers

The faculty member's department must maintain a complete list of these items which should be updated at least annually for additions and disposals.

B. Supplies

Laboratory and office supplies may be a significant expense for research conducted in basic and clinical science departments. All laboratory and office supplies purchased with Faculty Support Funds must be clearly documented as research or scholarly costs. The University has negotiated competitive prices for lab and office supplies with several vendors and University Procurement policies shall be followed. For more information on vendor partners see UMKC Procurement Services

C. Salary and Wages

If Faculty Support Funds are used to finance a research position, the prospective employee must be informed, in writing, that funding is temporary and that there is no commitment of employment after the funding is exhausted or the specific research project is completed. Funds must be adequate to cover salary, accrued vacation, and associated fringe benefit costs as determined through the fringe benefit rate established by the University. Salary dollars may be used to support graduate students, research assistants, laboratory assistants, and post-doctoral students.

D. Travel and Business Meals

Expenses relating to research travel and business meals must follow the University and SOM policies.

E. Consultants / Service Contracts

All consultant and service contract arrangements including space leases must be properly documented and University procedures for determining such arrangements followed. The SOM Business office should be contacted for questions concerning space leases and the SOM Office of Research Administration for consultant agreements.

F. Telecommunications

Costs associated with home Internet access and cell phone calls may be covered by Faculty Support Funds if they are for University research and scholarly activities. In order to receive reimbursement for these costs, approval and documentation must be provided as required by University Business Policy Manual.

G. Gifts and Other

University policy prohibits the use of Faculty Support Funds for gifts (employee and non-employee), donations, flowers, parties and/or any costs unrelated to faculty research or scholarly activities.

H. Roles & Responsibilities

- **1. The Faculty member** or his/her designee is responsible for ensuring that expenses charged to Faculty Support Funds are in accordance with this policy and consulting the Department Chair on any questions about the policy.
- 2. The Department Chair is responsible for ensuring the appropriate preparation and approval of requests, that all non capital assets are appropriately inventoried, for advising faculty members in his/her department on the appropriate use of Faculty Support Funds, and annually reviewing the use of these funds at the time of budget preparation and performance reviews.
- 3. The SOM Business Office and Office of Research Administration are responsible for ensuring that expenses charged to Faculty Support Funds are fair and equitable to the individual and the University, and are made in accordance with this policy and external regulations.

I. Length of Start-up Allocation Eligibility for a New Hire

Normally a new employee receiving a start-up package will have three years from the date of appointment in which to spend the allocated funds, unless otherwise state in the appointment letter or agreed in writing with the Dean of the SOM.

J. Start-up Accounts and Employee Termination

Start-up funds are intended to assist new faculty to build a research program at UMKC. As a result, upon notice of an employee's termination, funds designated for start-up expenses will no longer by expendable, unless the Dean of the SOM has given specific written approval. Any unspent balances, equipment, supplies or any items of value shall remain with the University upon the departure of a faculty member.

PREPARED BY: RESEARCH ADMINISTRATION

APPROVED BY: MM 4-10-2014

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