

## Cost Recovery Policy for the School of Management

### Rationale

1. The University at Buffalo expects all units, such as SOM, to fund its programs from a budget that includes income from State operating resources, Income Fund Reimbursable (IFR), Indirect Cost Recovery (ICR) and development activities (fund raising, generally into UBF accounts).
2. State operating funds provide a base for the support of the School, but does not adequately support SOM research.
3. Research is part of a tenure or tenure-track (T/TT) faculty member's workload. Generally, tenure/tenure-track faculty workload is defined as 40% teaching, 40% research and 20% service/advisement. To the extent possible, the cost to the University of doing this research must be recovered whenever possible.
4. External sponsors are expected to pay the full cost of research projects, which includes faculty time expended during the academic year and summer, indirect costs, other personnel, supplies and support service costs.
5. All research projects (narrative and budget documents) should be written according to SUNY Research Foundation policies and procedures. Specific attention should be paid to the "Effort Reporting Policy" found here: [http://www.rfsuny.org/media/rfsuny/policies/effort\\_reporting\\_pol.htm](http://www.rfsuny.org/media/rfsuny/policies/effort_reporting_pol.htm)

### Implementation

Every proposal submitted by a School of Management faculty member where a portion of their time will be spent on work related to the grant, must contain a percentage of his/her academic year salary with appropriate fringe benefits added. These amounts are meant to be reflective of actual faculty effort on a grant and in no case should the budgeted IFR salary exceed the budgeted faculty effort. All effort will result in cost recovery IFR funds back to SOM per SUNY RF's policies and procedures. Minimum effort of 10% for a faculty member on a grant will be considered to be the equivalent of one course release. Approval from the faculty member's department chair should be obtained prior to including this in a grant. The cost of an adjunct or extra service to a faculty member will be paid from the salary recovery funds. The residual balance of cost recovery funds will be distributed (net of the 20% salary recovery fee charged by central UB offices):

- 70% to the faculty member
  - 30% to the Dean's office
1. Where IFR is truly prohibited by the sponsor, the RFP or similar documents stating the prohibition must accompany the proposal.
  2. Every proposal submitted by a SOM faculty member must contain budget items for all relevant recoverable service costs such as staff support, laboratory use, computer usage, chemical waste disposal costs, communications, copy work and shop work.
  3. PI's may not automatically eliminate service costs or salary recovery when sponsors award or negotiate a budget smaller than the one proposed by the PI(s). The Dean's Office must be consulted in any considerations related to this.
  4. The Dean's Office, working with the Department Chairs and Sponsored Programs Administration, will develop a process for encumbering all salary and salary equivalent charges when notice of funding arrives on campus.
  5. Workload assignments are the responsibility of the department chair. When a faculty member has achieved a course buyout(s), the timing of the release will need to be worked out with the department chair and the cost of an adjunct will be covered by the Dean's office.
  6. Budgeted faculty effort on a project not covered by IFR should be considered as cost share when it is required by the external sponsor.
  7. This policy also applies to faculty funded through Centers, Institutes, etc.

#### Dean's Office

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#### Use of Recovered Costs

- The Dean's Office will use its portion of recovered funds to support adjunct costs related to grant based course buyouts and support school wide initiatives that bring value to our programs, faculty and students. Assignment of these funds is the responsibility of the Dean.
- Faculty are encouraged to use their funds for furthering research progress, including support costs and helping departmental and center research initiatives whenever possible.