



# **Incentive Return Task Force**

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# Incentive Return Task Force

- ▶ Carl Anderson, College of Engineering
- ▶ Will Cantrell, Department of Physics/EPSSI
- ▶ Jason Carter, Department of Exercise Science, Health, & Physical Education
- ▶ Jim Friendewey, School of Technology
- ▶ Deb Lassila, Office of Budget and Planning
- ▶ Terry McNinch, Michigan Tech Transportation Institute
- ▶ David Reed, Vice President for Research (Chair)
- ▶ David Shonnard, Department of Chemical Engineering/SFI

# ***MichiganTech***

The University provides General Fund support in the form of Research Incentive accounts to Investigators, Department Chairs, College and School Deans, Center and Institute Directors, and a variety of other entities.

The amount of General Fund support given is based on percentages of the Facilities and Administrative Cost recovery associated with sponsored projects.

# Michigan Tech

➤ In FY2009, with approximately \$10 million in Facilities and Administrative Cost recovery, about \$6.2 million was distributed as incentive returns.

➤ The percentages currently provided were established in the 1980s and were directly proportional to the administrative costs incurred by entities at that time.

➤ The percentages provided to Centers and Institutes were established in the early 2000s and modified in 2009.

# ***MichiganTech***

The Incentive Return Task Force was charged with reviewing our current practices, benchmarking other institutions, and making recommendations as to whether any changes or adjustments are needed to improve our research and graduate capacity and to meet our strategic goals.

# Michigan Tech

The currently stated purpose of providing these funds is:  
*“Michigan Tech research incentive funds are general funds allocated to Deans, Chairs, Center/Institute Directors, and researchers to provide resources to Colleges, Schools, Departments, Centers/Institutes, and researchers for use in enhancing research and graduate studies.”*

Given the University Strategic Plan and its emphasis on research and graduate studies, the Task Force believes this stated purpose is still appropriate. The recommendations below are meant to reinforce this intended purpose within the campus community.

# Michigan Tech

**Recommendation 1:** The Task Force recommends that our common terminology be changed and that what are currently known as “Research Incentive Funds” be referred to as “Institutional Research and Development Funds”.

# Michigan Tech

**Recommendation 2:** The Task Force recommends the following changes in the allowable expenses for IRAD funds:

**Recommendation 2a:** Approval for expenditure of IRAD funds for salaries and wages of account custodians remain within the reporting structure and that the approvals needed for such expenditures be changed from “Department Chair, College/School Dean, and VP for Research” to “the account custodian’s direct supervisor and their direct supervisor”

**Recommendation 2b:** An item be added to the Allowable Expenses explicitly recognizing that it is acceptable to use IRAD funds to pay for memberships in professional societies.



# Michigan Tech

The current standard return allocation is:

- 7.3 % to the College
- 12.0 % to the Department
- 6.0 % to the Investigators

**Recommendation 3:** The Task Force recommends that the standard IRAD allocation be 10% to the investigators and 20% to the administrative units, with a default split of 10% to the Departments and 10% to the College, with Schools to receive 20%.

# ***MichiganTech***

***Recommendation 4:*** The Task Force recommends that the President consider appointing a separate group to broadly examine faculty startup needs.

# Michigan Tech

**Recommendation 5:** The Task Force recommends that the amount distributed to Centers and Institutes be 20%; equal to the total distributed to administrative units in the standard allocation.

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*We note that this is intended to be in addition to the IRAD funds provided to the investigators (10%) and other administrative units (20%) in Recommendation 3.*

# Michigan Tech

**Recommendation 6:** The Task Force recommends that Centers/Institutes not be allowed to amend the standard allocation of IRAD funds received by Colleges, Departments, Schools, or investigators.

# Michigan Tech

**Recommendation 7:** The Task Force recommends that mechanisms be developed to hold all recipients responsible for appropriate uses of IRAD funds and accountable for achieving an appropriate level of results for the funds expended.

# Michigan Tech

**Recommendation 7a:** The Task Force recommends that the Provost work with Chairs, Deans, and individual investigators to develop methods of holding these individuals accountable for use of IRAD funds provided to them.

**Recommendation 7b:** The Task Force recommends that the Vice President for Research work with the Center and Institute Directors to develop a variety of explicit metrics to evaluate effectiveness of use of IRAD funds provided to the Center/Institute, and to include these in the periodic evaluation of entities.

# ***Michigan Tech***

**Recommendation 8:** Implement these recommendations at the beginning of Fiscal Year 2011.

## QUESTIONS

