



2014 OPERATING PLAN

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Fiscal Year 2014 Operating Plan

Purpose

The Research Foundation's strategic planning methodology calls for an annual Operating Plan to outline specific action steps that the RF central office will take in a one-year period to implement the Strategic Plan.

The Operating Plan also describes the uses of board-allocated RF funds and the sources of those funds for the fiscal year.

Growth through Innovation and Collaboration: A Strategic Plan for the RF

The Strategic Goals of the RF, as identified in the Strategic Plan launched in 2009 are:

1. *Provide outstanding sponsored program administration services and stewardship to the SUNY community (faculty, students and staff) and sponsors, respectively.*
2. *Assist campuses in increasing sponsored program funding.*
3. *Increase technology transfer and commercialization in support of SUNY's efforts to revitalize New York's economy.*

2014 Operating Plan Overview

The 2014 Operating Plan for the RF central office is an exciting, forward-looking and action-oriented plan designed to support SUNY research and innovation on many levels, including:

- Excellent sponsored programs administration.
- Growth in interdisciplinary and intercampus research opportunities.
- A focus on human capital development – particularly for SUNY students.
- A strong connection to Governor Cuomo's agenda for strengthening New York's economy.

Plan Highlights

Some of the exciting elements within the plan include:

- Launching four "Networks of Excellence" - Networking the scientific and scholarly expertise spread across the system around a set of shared research activities aimed at creating a progressive and durable culture of collaboration, enhancing the research environment across all campuses, and advancing knowledge to solve major problems facing the world today.
- Supporting Governor Cuomo's innovation agenda, including Tax-Free Zones, the Innovate New York Network, the Venture Capital Fund, and the Incubator Hot Spot program.
- Creating a program to inculcate graduate students into the SUNY culture of research integrity and assist them in transitioning to careers in academic research. Also continuing the program launched in the current fiscal year to provide undergraduate students with research experiences to help bridge the gap with STEM graduation rates at SUNY.
- Bringing on grant writing resources to help SUNY respond to large center-type opportunities that require collaboration and coordination among many campuses and to scale up the RF's successful programs such as the Technology Accelerator Fund.

Funding the FY 2014 Operating Plan

RF Direct Activity (in millions)

	2011 Actuals	2012 Actuals	2013 Plan	2013 Estimated	2014 Plan
Grants and contracts	\$ 794.9	\$ 781.1	\$ 826.2	\$ 902.4	\$ 938.5
Contracted services	166.5	176.3	183.1	197.3	184.8
Total	\$ 961.4	\$ 957.4	\$ 1,009.3	\$ 1,099.7	\$ 1,123.3

Sources of Allocable Funds (in millions)

Grants and contracts indirect dollars	\$ 145.6	\$ 149.3	\$ 138.2	\$ 140.6	\$ 141.1
Cost recoveries for contracted services	5.7	6.8	6.6	6.6	7.1
Equity distribution from Brookhaven Science	1.8	1.6	1.8	1.4	1.5
Fees paid by third parties for Service Centers	4.5	15.0	4.5	15.8	12.9
Royalties from licensees	11.5	10.5	9.3	8.4	8.4
Nonsponsored & Other Income	10.4	15.6	10.6	16.4	13.5
From corporate reserves	-	-	5.2	5.2	2.0
Generated through Investment (net)	14.1	1.8	10.6	11.6	7.8
Total	\$ 193.6	\$ 200.6	\$ 186.8	\$ 206.0	\$ 194.3

Uses of Allocable Funds (in millions)

Royalties paid to inventors (40% of total)	\$ 4.6	\$ 4.2	\$ 3.7	\$ 3.4	\$ 3.4
Central office operations	25.6	24.3	24.5	24.3	24.9
Corporate reserve	2.2	2.2	2.6	7.3	2.3
Action Items and systemwide collaboration	1.6	3.5	7.6	8.2	9.6
SUNY strategic plan support	2.6	2.5	2.6	2.6	2.7
Campus operations and research support	144.8	164.2	137.8	154.8	147.2
Investment reserve	12.2	(0.2)	8.0	5.4	4.2
Total	\$ 193.6	\$ 200.6	\$ 186.8	\$ 206.0	\$ 194.3

Actuals – Actual activity for that fiscal year

Plan – Projections provided for Board approval

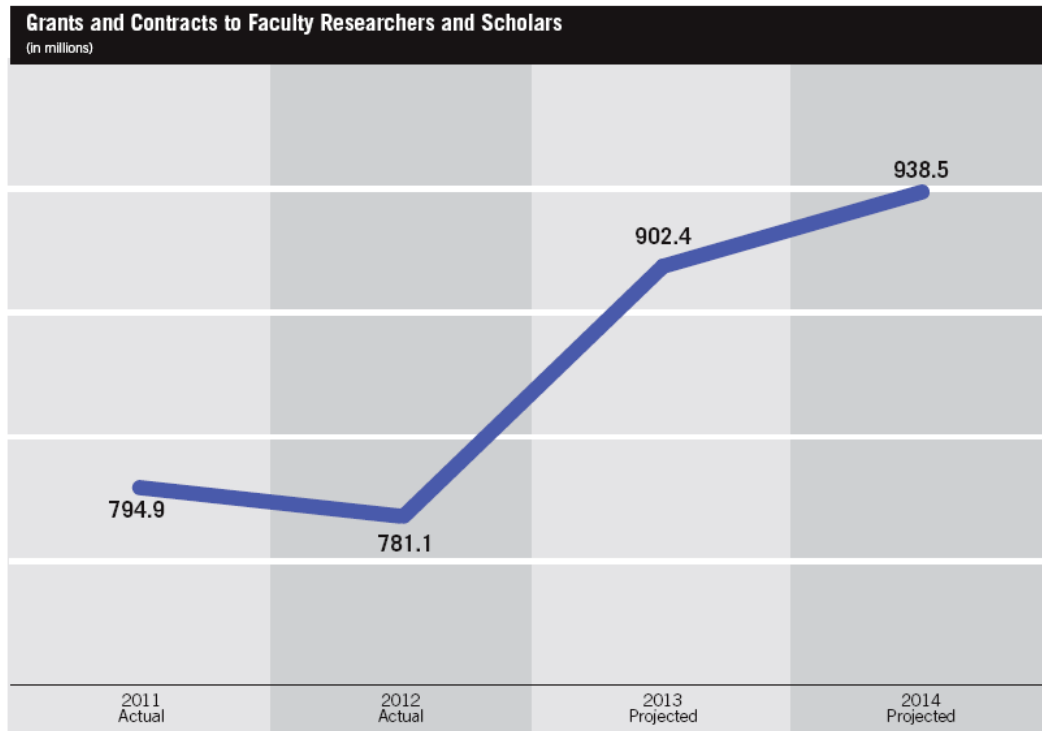
Estimated – FY 2013 updated projections at February 2013

RF Direct Activity

The funds received by the RF are generated by campus activity – primarily grants and contracts to faculty researchers and scholars. These include grants and contracts to individuals, collaborative programs, multidisciplinary centers, and institutes.

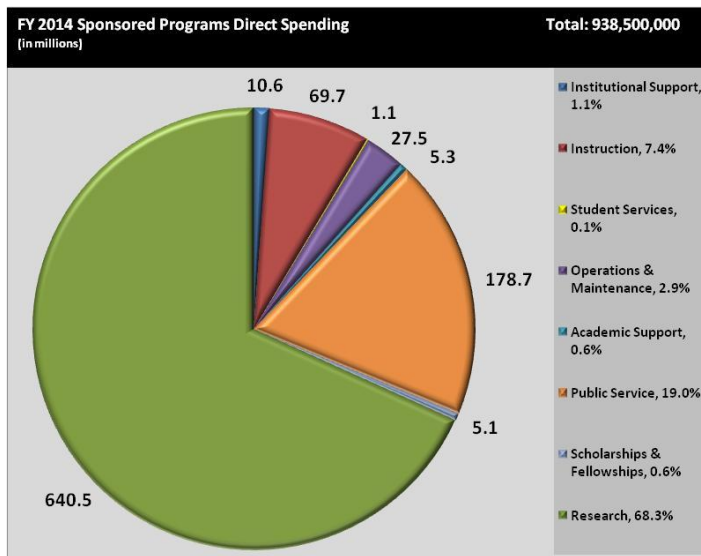
Grants and Contracts

Grants and contracts to faculty researchers and scholars provide direct dollars for things that can be identified specifically with a particular sponsored project. In FY2014, the direct dollars within grants and contracts to faculty researchers and scholars are projected to increase from \$902.4 million to \$938.5 million.



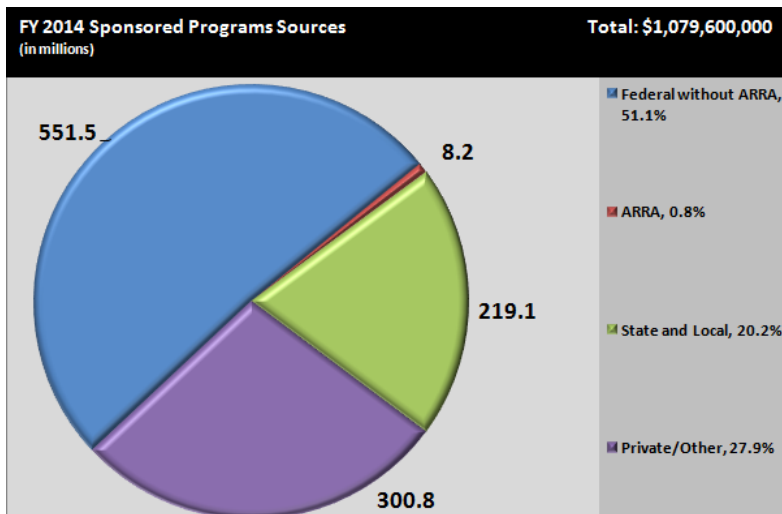
RF 2014 Operating Plan

The categories in which grant and contract funds are expected to be spent in FY2014 are depicted in the pie chart below.



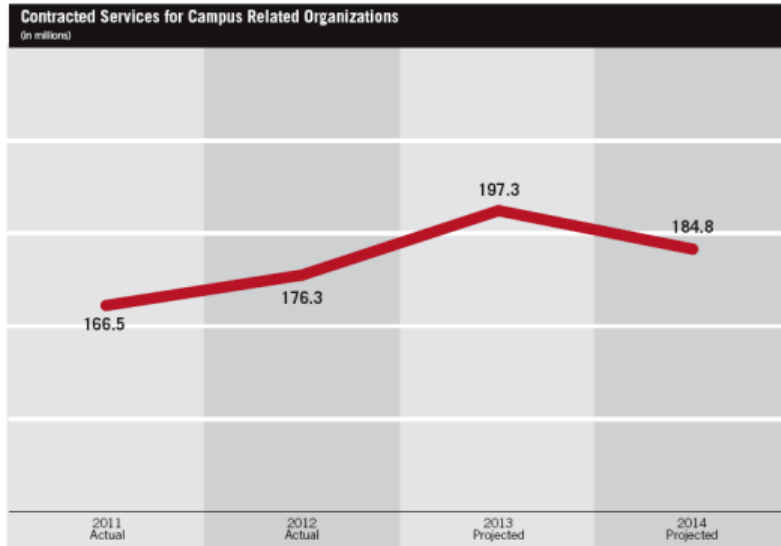
Cost recoveries for grants and contracts to faculty researchers/scholars are sometimes called indirect costs, overhead, or “facilities and administrative” costs. Cost recoveries come in the form of reimbursements by sponsors for things that cannot be directly and uniquely assigned to any particular project. In FY2014, cost recoveries are expected to be \$141.1 million.

Total grants and contracts funding (direct plus cost recoveries) is projected to be \$1,079.6 million (\$938.5 direct and \$141.1 in cost recoveries). The majority of the funds (51.1%) will be from federal sponsors, as depicted in the chart below.



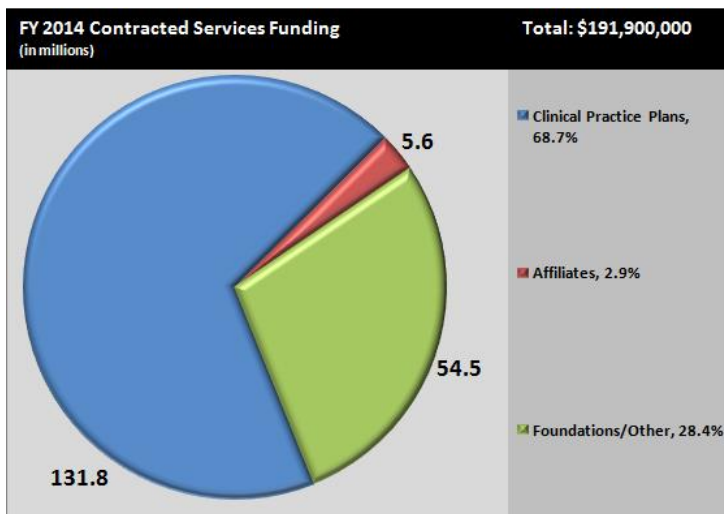
Contracted Services

Campus-related organizations using RF human resources, payroll, and purchasing/payables administration services (for example, clinical practice plans and campus-based foundations), will see a decrease in activity from \$197.3 million to \$184.8 million.

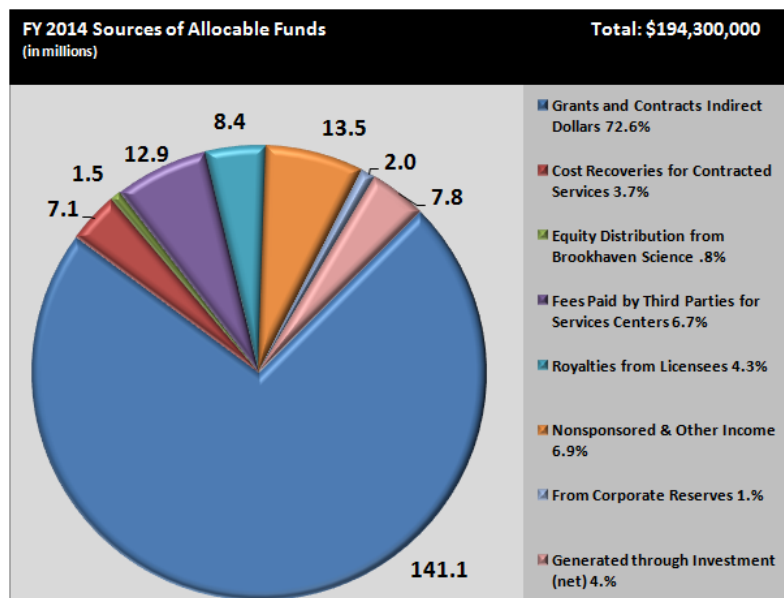


The RF recovers costs associated with providing contracted services for campus-related organizations through charging fees. In FY2014, cost recovery for contracted services to campus related organizations is expected to be \$7.1 million.

Total funding (direct plus recovery through fees) is projected to be \$191.9 million in FY2014 (\$184.8 direct and \$7.1 recovery through fees). The primary users of these services are clinical practice plans, as depicted in the chart below.



Sources of Allocable Funds



Grants and Contracts Indirect Dollars

In FY2014, cost recoveries for grants and contracts (indirect dollars) are projected to slightly increase from \$140.6 million to \$141.1 million.

Cost Recoveries for Contracted Services

The recovery of costs associated with providing shared services to campus-related organizations will increase from \$6.6 million to \$7.1 million.

Equity distribution from Brookhaven Science Associates

The RF is a partner in Brookhaven Science Associates LLC (BSA), which runs Brookhaven National Laboratory. The LLC provides equity distributions to the members. It is anticipated that in FY2014, equity distributions will increase slightly to \$1.5 million.

Fees paid by Third Parties for Service Centers

The RF recovers costs from businesses and industries using RF-owned facilities, such as an MRI facility or nanotechnology clean room. This activity is projected to decrease from FY2013 estimates to \$12.9 million in FY2014 due to activity at College of Nanoscale Science and Engineering (CNSE).

Royalties from Licensees

Traditional Intellectual Property (IP) commercialization generates royalties from companies that have licensed RF-owned intellectual property. Royalties are projected to remain flat at \$8.4 million in FY2014.

Nonsponsored and other Income

Campuses retain balances remaining from fixed price sponsored awards and receive other types of non-sponsored revenue. In FY2014, the RF expects this funding to decrease from \$16.4 million in FY2013 to \$13.5 million in FY2014.

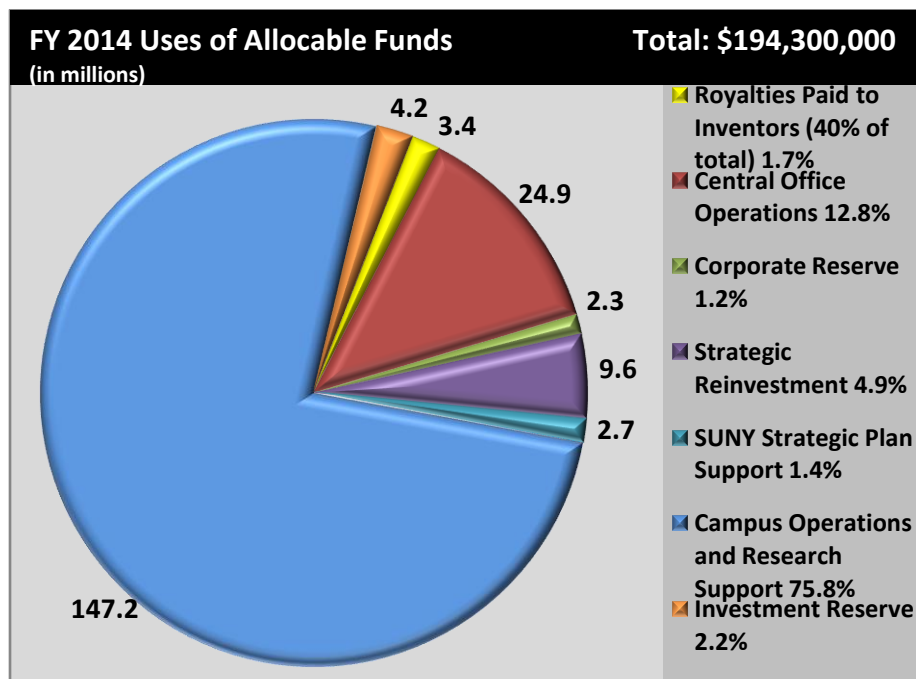
Distribution from Corporate Reserves

In the FY2013 Operating Plan, the board approved the use of \$6 million of the corporate reserves for funding technology costs related to the outsourcing of IT, the upgrade of the Oracle Business System, and new hardware. Today, there is an estimated \$2 million in additional costs to complete the upgrade, fund the hardware, and pay technology costs over the seven year plan. No new funds are requested at this time and over the next 12 months we will perform a detailed review of our technology direction. See Page 24 for additional details on source and use of both corporate and investment reserves.

Generated through Investment

Investment income reflects a long-term expected, risk-adjusted return for our operating pool. The RF expects net investment income to reach \$7.8 million in FY2014. For planning purposes based upon an average investment balance of \$160 million we expect net income of \$7.8 million using a return of 6% which is the target long term return of the operating pool. Income is net of treasury and investment related expenses estimated of \$1.8 million.

Uses of Allocable Funds



Royalties Paid to Inventors (40% of total)

The SUNY Patent Policy dictates that 40% of royalties be paid to the inventor of intellectual property. In FY2014, this is anticipated to remain flat from FY2013 at \$3.4 million.

Central Office Operations

Central office operations provide a centralized infrastructure in support of the SUNY research enterprise across the state and around the world. The allocation to central office operations will increase from \$24.3 in FY2013 to \$24.9 in FY2014. The increase is mainly attributed to hiring of a new CFO and COEUS business analyst. See Page 25 for details on central office services and costs.

Corporate Reserve

In FY2013, the corporate reserve will be allocated \$7.3 million by funding from investment income in order to maintain a more adequate balance. In FY2014, the corporate reserve will be allocated \$2.3 million by funding from investment income. The RF's board of directors agreed on a goal to maintain the reserve at 10% of indirect cost recoveries. At the end of FY2014, the reserve will represent 4% of indirect cost recoveries, 6% below the board target. See page 19 for a table that depicts the beginning balance, allocations to, distributions from, and ending balance for the corporate reserve for 2013 – 2014.

Strategic Initiatives

The RF will allocate \$7.0 million to Strategic Initiatives. See page 12-13.

Systemwide Collaboration Support

The RF will allocate \$2.6 million to programs that support collaboration inside and outside of SUNY. See page 15.

SUNY Strategic Plan Support

The allocation to SUNY Strategic Plan support will increase from \$2.6 million in FY2013 to \$2.7 million in FY2014. SUNY anticipates spending the allocation to support their Strategic Plan.

Campus Operations and Research Support

Campus allocations are expected to decrease from \$154.8 million in 2013 to 147.2 million in FY2014. The reduction is due to reduced third party and gift & other revenue. There continues to be no allocation of investment income in FY2014 as the RF rebuilds the investment reserve (see next section).

Investment Reserve

In FY2014, investment income will fund \$4 million to strategic reinvestment and \$4.2 million to the investment reserve. See page 19 for a table that depicts the beginning balance, sources, uses and ending balance for the investment reserve for 2013 – 2014.

Calculating the Allocations

Campuses are allocated the funds that they recover or earn (less the assessments described here).

An assessment formula determines the amount of funding available for central office operations, systemwide collaboration support and funding the action steps: 2.7% of revenues (all campuses) plus 1% of revenues (centralized campuses for sponsored program support). The “revenues” base is less equipment and comprises the weighted average of total revenue for the past three years: 50% prior year, 30% two years prior, 20% three years prior. In extraordinary circumstances, the RF may need to request funds from the corporate reserve to cover costs associated with action steps or systemwide collaboration support.

In FY2014, the projected assessment is \$31.2 million. Of this amount, \$24.9 million will be allocated to central office operations (87% of the assessment) and \$ 3.6 million (13% of the assessment) will be allocated to funding action steps and systemwide collaboration support. After the end of the fiscal year, the assessment will be recalculated based on actual revenues.

The SUNY Strategic Plan support allocation is \$2.7 million and derived by a formula (.3% of last three years weighted average revenues).

Strategic Initiatives

In fiscal year 2014, specific projects, programs, and activities will be launched, guided by this Operating Plan, and governed through the RF planning and project management process.

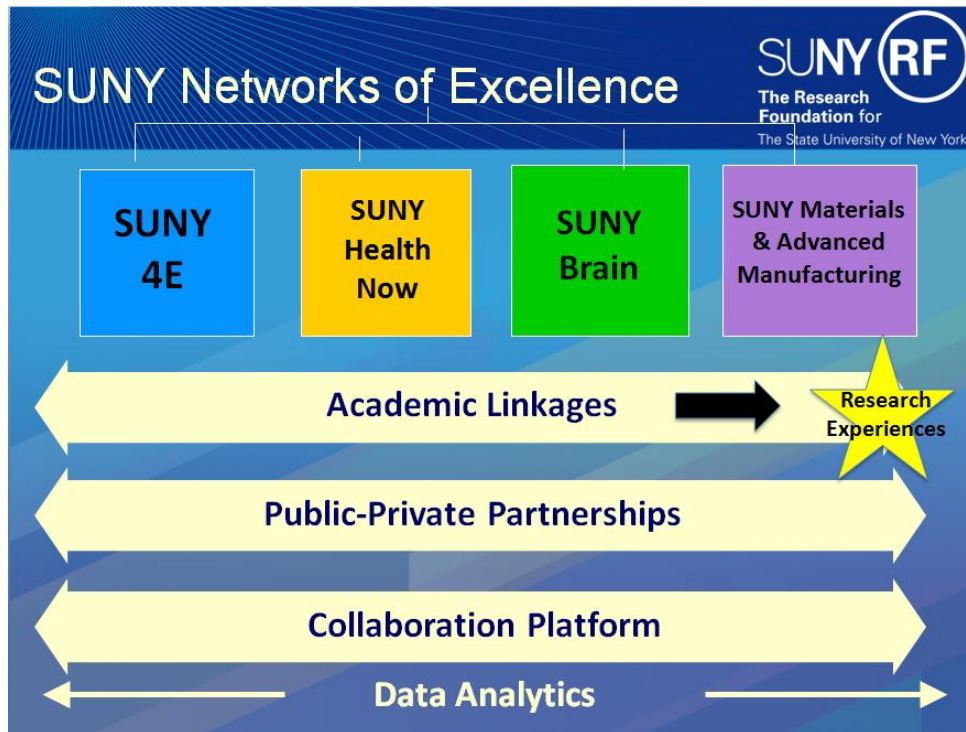
Networks of Excellence

These stimulus funds will be provided to faculty-led groups to develop large-scale proposals to funding agencies. The vision is for the networks to be self-sustaining after five years; they require an aggressive ramp up with a built-in sunset as each network becomes self-sustaining.

The four planned Networks of Excellence are:

- SUNY 4E (Economics, Energy, Environment and Education)
- SUNY Health Now
- SUNY Brain
- SUNY Materials and Advanced Manufacturing

Each network assembles scientists and scholars from varied campuses to engage in a joint program of research on a specific topic and enhance related experiential learning of students. Bringing together the varied expertise into a collective network, SUNY can better position itself to become a national and international scientific leader, compete for research grants, and educate the next-generation workforce.



Action Steps

Support a Best in Class Research and Innovation Operation

- **2014 Strategic Plan:** Create and launch a new Strategic Plan and Implementation Roadmap for the RF guided by the vision of a new RF president and a new board chair. We are entering the fifth year of the 2009 strategic plan, which was a 3-5 year plan that has served us well and left us poised and ready to take on new and ambitious goals and direction.
- **Business Intelligence:** Transform the RF's approach to what we measure, how we analyze it, and how we talk about it, with a strong focus on data integrity and improved presentation. We need to do a better job of not just providing accurate data to our customers, but providing them with the data in different formats and scenarios, as well as providing expert analysis of the data to aid in business decisions and goal setting.
- **Human Capital:** The RF will work with campuses to create a graduate student engagement initiative related to mentoring, on-boarding, career development, training, and ethics. SUNY should be a national model for graduate education at scale. The RF will also measure the success of the undergraduate research experiences pilot and continue to fund the allocations to that program.

Strengthen Controls and Compliance

- **Internal Controls:** Collaborate with campuses to ensure that RF functions are performed in an environment with strong, documented, and effective internal controls.
- **Record Retention:** Work with campuses to strengthen RF policies and tools used to retain and purge records – including system data, e-mails, documents, etc.
- **Research Integrity:** Work with campus vice presidents for research and other campus stakeholders to ensure that the Statement on Research Integrity recently passed by the SUNY Trustees is institutionalized across SUNY with faculty, staff, and students.

Improve Research Administration for Faculty

- **RF Enterprise Business System:**
 - **Phase One:** Continue the upgrade of the Oracle business applications to version R12. Key benefits include Manager Self Service (MSS), which provides an electronic end-to-end system for processing and approving human resources transactions as well as a new set of enterprise reporting tools. The upgrade is on schedule to go live in December 2013.
 - **Phase Two:** Rollout Oracle Advanced Benefits for open enrollment, allowing employees to make changes to their benefits online. This is scheduled for January 2014.
 - **Phase Three:** Analyze the manual processes used for RF employee time and attendance reporting and develop a plan for automating.
- **Website Redesign:** Develop a new website that expresses the RF as it exists today, improves the navigation structure and graphic design, and provides faculty and administrators with better access to tools and information to accomplish their work.

- **Pre-Award:** Look at ways to help campuses increase research proposal submittal rates.
- **Learning and Development:** Focus on initiatives across the entire system to support the RF's commitment to advancing human capital and supporting a sustainable workforce of experts.

Advance Innovation and Growth

- **Governor Cuomo's Innovation Agenda:** Support Governor Cuomo's Innovation Agenda, including Tax-Free Zones, the Innovate New York Network, the Venture Capital Fund, the Incubator Hot Spot program, and other initiatives that arise within the course of the year.
- **Innovation Programs:** Provide moderate support to initiatives designed to match inventors to sources of funding and support startups (e.g., pre-seed workshops, innovation showcases, etc.).

Systemwide Collaboration Support

Item	Description	FY2014 Dollars
Systemwide Networks		
Systemwide Funding Proposal Development	The RF will develop in-house capabilities to prepare and submit systemwide proposals.	92,549
Presidential Fellows	The Research Foundation is offering a unique opportunity to SUNY faculty and staff to influence and actively pursue SUNY's research agenda. Presidential Fellows will lead and foster multidisciplinary research collaboration among SUNY campus researchers and form partnerships with business, industry, government, and other academic institutions that will lead to important research discoveries and foster economic growth.	300,000
Innovation Counseling	A network of attorneys and other advisors with diverse expertise in innovation and partnership-related transactions to assist SUNY's Innovation Hubs. The counselors are staffed to I&P projects that have systemwide implications.	250,000
Technology Transfer Coordinator	A position to support the Innovation Hubs by assuming primary responsibility for faculty interaction and invention intake, triage, assessment, patent filing, and agreement negotiation for SUNY's 23 partner campuses.	No dollars (recovery from regionalization funding)
SUNY Moynihan Station Project	SUNY and the RF - together with Regional Planning Association (RPA) and other institutions, universities, and corporations – will work to launch the SUNY Empire Innovation Center, a joint academic / industry applied research center in the former Farley Post Office building as part of development of the new Moynihan Station in New York City. The center will engage top research faculty from throughout the SUNY system as well as scholars and researchers from other world class universities and corporate research institutions from across New York State and the Northeast Mega-region. The center will create a space to invent, design, develop, and market "saleable solutions" for global sustainability. Such solutions, based on multidisciplinary systems engineering approaches to the multifaceted challenges of our time, will lead to new knowledge economies, products, services, and New York State jobs.	No dollars
Systemwide Memberships and Sponsorships		
Corporate Memberships	These memberships afford the opportunity to partner with external groups to advance programs, network, attend educational events, and promote SUNY/RF initiatives. Membership requests often come directly from campuses. In the case of statewide or national organizations, membership benefits are offered to all campuses. For example, the RF is a member of the University-Industry Demonstration Partnership (UIDP), an organization that provides a unique forum for university and industry representatives to meet and discuss operational and strategic issues such as contracting, intellectual property, and	40,000

RF 2014 Operating Plan

Item	Description	FY2014 Dollars
	compliance matters.	
SUNY REACH (Research Excellence in Academic Health) - a program to unify and advance the research vision of NYS's public Academic Health Centers and integrated Medical Schools	The RF share of SUNY Reach's "Phase 1C budget" (total across all participants of \$813,397). The commitment is through 12/31/2013.	68,000
Sponsorship/Events	The RF sponsors events that directly align with and support SUNY's innovation agenda. All sponsorship requests are vetted with key campus constituents to validate need and are negotiated to produce the maximum value at the lowest possible cost.	100,000
Advisory Bodies		
Research Council	The Research Council is an advisory council to the SUNY Board of Trustees, the Research Foundation Board of Directors, the SUNY Provost and Campus Presidents. The SUNY Research Council lends deep and broad thinking and understanding to the question of SUNY's leadership as a 21st Century public comprehensive research-intensive university system. The Council considers and advises SUNY on strategies that encourage and nurture research as one of the primary missions of the University. The work of the Council informs strategic and operational planning at SUNY and the Research Foundation.	50,000
Systemwide Opportunity Programs¹		
Technology Accelerator Fund (TAF)	TAF provides funding to support the commercialization of SUNY-developed technologies.	250,000
Research Collaboration Fund	The SUNY/RF Research Collaboration Fund grant program encourages new and existing inter-campus collaborations and supports their development into long term partnerships with sustained growth. This targeted investment aims to help faculty researchers generate the preliminary results and data necessary to qualify for larger scale proposals for future funding.	350,000
Program to Enhance STEM Research Experiences for SUNY Undergraduates	The RF will allocate additional funding to the program to provide research experiences to SUNY undergraduates.	320,000
Systemwide Shared Tools		
Coeus Pre-award Hosting/System Support	COEUS is the pre-award electronic business system currently used by the four University Centers, Upstate, Downstate and	100,000

¹ The Faculty Travel Grant and Entrepreneur-in-Residence programs will be re-funded through requests for SUNY Strategic Plan support.

RF 2014 Operating Plan

Item	Description	FY2014 Dollars
	ESF. The RF will be working with the campuses to review several options for the pre-award business system, including the coordination of the COEUS platform utilizing the KUALI tool.	
Community of Science/Find a SUNY Scholar	Find a SUNY Scholar is a tool that allows faculty to learn of funding opportunities and collaborate with faculty from all over the world (and within SUNY) on research and scholarly endeavors.	No funding, but will be re-assessed in July after usage evaluation is complete
Innovation Community Chest (IC2)	The IC2 is a repository of innovation tools and resources that allow for effective and efficient decision-making at each phase of the SUNY innovation ecosystem. They include subscriptions to on-line databases, tools, collaboration forums, and references sources that support campus innovation.	140,600
Presidential Programs		
Science and Technology Alliance for Global Sustainability	<p>The Science and Technology Alliance for Sustainability (the "Alliance"), is an international partnership exploring the novel approaches that are needed to make full use of the potential of science and technology to inform equitable, sustainable solutions to the most pressing questions currently confronting humankind. The Alliance operates as an informal body comprising stakeholders from several pillars: the research and education community, research funders, operational service providers, and users.</p> <p>The core membership of the Alliance includes:</p> <ul style="list-style-type: none"> • The International Council for science (ICSU) • The International Social Science Council (ISSC) • The Belmont Forum • The United Nations Educational, Scientific and Cultural Organization (UNESCO) • The United Nations Environmental Programme (UNEP) • The United Nations University (UNU) • The World Meteorological Organization (observer) <p>The RF's President serves as co-chair and the RF is providing support to establish a permanent secretariat for the Alliance. RF staff is seeking outside funding to support the Alliance as well.</p>	35,000
Federal Relations		
SUNY Day DC	The SUNY Day DC federal advocacy program, now in its fifth year, receives support from key national decision makers. The event provides a forum for university leadership to meet with	30,000

RF 2014 Operating Plan

Item	Description	FY2014 Dollars
	<p>congressional members and staff, alumni, and prospective donors, and learn about educational initiatives from national higher education organizations.</p> <p>Members of New York’s congressional delegation attended the event and last year called on SUNY to apply its creativity, strength and imagination to protecting the homeland, building new industries that will provide jobs for an educated workforce, and ensuring that the United States remains a leader in all fields in the face of increased global competition.</p>	
Federal Relations Advocacy	The RF’s federal relations firm hired to help increase federal funding and proposal rates, and the lease for SUNY’s federal relations office in in Washington D.C.	370,000
Human Capital Development		
Learning and Development	<ul style="list-style-type: none"> • Learning Tuesdays • Research Administration - SPA Fundamentals • Learning & Development Council • SPA Fundamental Professional Development Scholarship Program • CITI (Collaborative Institutional Training Initiative) Program 	124,200
Other	Outside experts and fellows as needed to support special projects.	30,000
Total System-wide Collaboration		\$2,650,349

Appendix A: Key Financial Elements of the Plan

Corporate Reserve

The following table shows the activity related to the corporate reserve:

Roll forward (in thousands)	2012 Actual	2013 Estimated	2014 Projected	2015-19 Projected	Total
Opening balance	\$5,058	\$5,183	\$6,525	\$6,000	\$5,058
Allocations to reserve :					
Investment reserve allocation	2,209	7,286	2,350	11,872	23,717
Distributions from reserve :					
Legal Costs	(724)				(724)
Technology Accelerator Fund		(250)			(250)
Research technology services (net)	(1,360)	(4,794)	(2,875)	1,134	(7,895)
SUNY Press support		(900)			(900)
Ending balance	\$5,183	\$6,525	\$6,000	\$19,006	\$19,006

Note: Above table does not include additional expenses that may be approved by the board in future years.

Investment Reserve

The following table shows the activity related to the investment reserve. See Appendix C for funding and uses history:

Rollforward (in thousands)	2013 Estimated	2014 Projected
Opening balance	(\$22,689)	(\$17,241)
Investment income	13,639	9,600
Treasury/Investment expenses	(2,000)	(1,800)
Funding to corporate reserve	(7,286)	(2,350)
Charge to campuses	1,095	2,713
Strategic reinvestment	-	(4,000)
Ending balance	(17,241)	(13,078)

Fringe Pool

A strong employee benefit program is important for recruiting and retaining employees. The RF recovers the funds needed for the cost of employee fringe benefit programs, which include health insurance, retirement, Social Security, and other payments, by applying fringe benefit rates to accounts that fund employee salaries and wages. These rates are negotiated each year with the US Department of Health and Human Services.

Fiscal Year	Regular Employees	Graduate Students	Undergraduate Students	Summer Employees
2013	43.00	14.50	5.00	17.00
2014	41.00	15.00	5.00	17.00
2015	42.50	16.00	5.00	17.00
2016	43.00	16.00	5.00	17.00
2017	44.00	16.50	5.00	17.00

Salary Plan

Based on current and projected economic, budget and market conditions, and projected sponsored research funding, within the RF's salary plan for 2014, campuses may authorize increases up to the following for RF employees:

Employee Type	Cost of Living	Discretionary Pool
Administrative	2%	2%
Sponsored Program	2%	Based on funds availability within each sponsored program

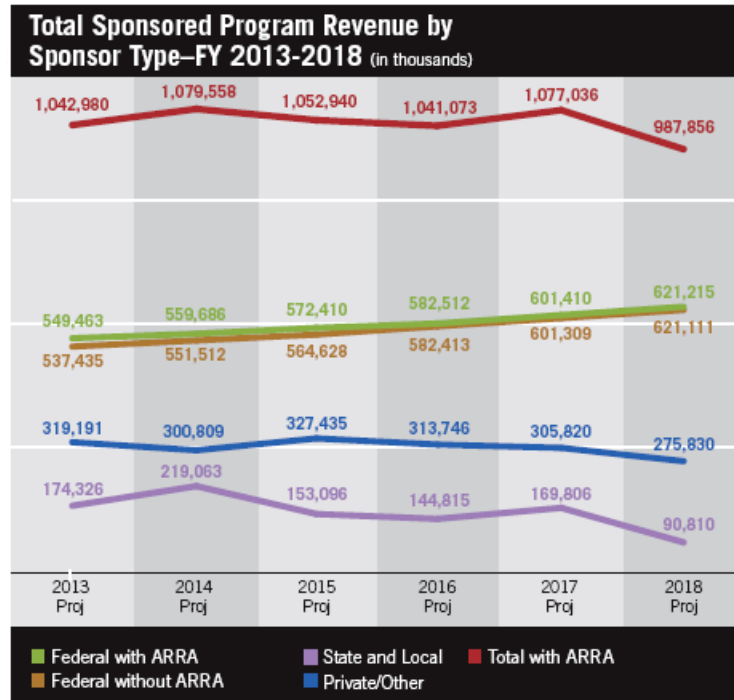
Campuses will be provided with instructions for filing their local implementation of the corporate plan with the Human Resources Office at Central Office.

Refer to page 21 for a chart that displays comparable increases for bargaining units within SUNY.

Bargaining Unit and generally comparable RF population					
Increase Type	CSEA (Non-exempt RF ee's)	PEF (limited RF population – e.g. Computer professionals)	M/C (RF Exec/Confidential /HR)	UUP (Exempt Employees, Administrative E.1-6 & SP Exempt E.69,79,89,99)	Recommendation for RF FY 13-15 Corporate Salary Plan
Across the Board	2% - 4/1/14 2% - 4/1/15	2% - 4/1/14		2% - 7/1/14 2% - 7/1/15	FY2013/2014 - 2% FY2014/2015 - 2% (projected)
Lump Sum	\$1,000 (not added to base pay) starting April 1, 2013; (\$775 lump sum payable April 1, 2013 / \$225 lump sum payable April 1, 2014)	No lump sum payments		Add to base of \$500 on 7/1/13, \$250 on 7/1/14 and \$500 on 7/1/15	No lump sum payments
Step Increases	No changes in payments of step increments (3%-9% (1-5 grade increase) in current contract)	No changes in payments of step increments (\$877 - \$3,695 in current contract);		No step increases	No Step Increases
Longevity	No changes in Longevity payments from current contract (\$1,250 for 5 & 10 years, \$2500 for 15 yrs).	Longevity payments are lump sum payments in the amount of \$1250.		No Longevity payments; \$500 added to base for certain milestones	No Longevity payments
Disc. Increase	N/A	N/A		Incentive lump payments of .5% annually (1% at the end of the contract term.)	FY2013/2014 - 2% disc. Pool for Admin ee's (~1100) FY2014/2015 - 2% disc.Pool for Admin. ee's (~1100) Disc. subject to fund availability for Sponsored Program ee's.
Deficit Reduction Program	5 days in FY11, 4 days in FY12	9 Days	9 Days (SUNY MC received a 2% raise in FY2012-13)	9 days over 2 year period	No DRP
Pay back from DRP	Value of the 4 days from FY12 will be paid back	Will be paid back starting 4/1/15 over 39 pay periods	Will be paid back starting 4/1/15 over 39 pay periods	seven days paid back at the end of the contract; 2 days off	N/A

External Market Data - FY14 Salary Planning information from Lake Associates: Merit increase average forecast for all groups of employees is 3.0%; CPI Forecast +2.2%

Appendix B: Projections



Sponsored Program Revenue Projections

Location	Actual	Projections						% Change
	2012	2013	2014	2015	2016	2017	2018	
CNSE	\$223,654,839	\$366,234,502	\$390,641,825	\$353,725,295	\$328,558,484	\$342,241,938	\$229,950,924	2.82%
Stony Brook University	182,737,698	176,490,595	178,595,700	182,286,428	180,545,021	185,961,373	191,540,215	4.82%
University at Buffalo	157,116,809	151,183,000	150,142,000	151,783,000	153,606,000	155,464,000	157,359,000	0.15%
University at Albany	106,885,405	103,274,439	113,298,530	120,096,440	127,302,226	134,940,360	143,036,782	33.82%
Downstate Medical Center	62,361,048	57,342,804	57,511,391	58,661,619	60,421,466	62,234,110	64,101,134	2.79%
Binghamton University	40,196,877	37,164,658	39,190,756	41,321,086	43,658,678	46,153,902	48,674,452	21.09%
Upstate Medical University	36,926,766	33,163,100	33,128,100	33,128,100	33,941,075	34,959,308	36,008,088	{2.49%}
Buffalo State College	29,950,915	24,923,480	25,375,500	25,375,500	25,700,010	26,029,180	26,363,084	{11.98%}
SUNY ESF	15,073,421	16,598,000	15,703,500	17,197,000	17,712,910	18,244,298	18,791,628	{24.67%}
Sys. Admin - Provost	13,612,766	18,223,631	22,558,230	19,419,089	19,701,112	19,987,711	20,278,969	48.97%
College at Oneonta	7,022,350	6,503,349	5,553,927	4,521,298	4,547,951	4,575,139	4,602,870	{34.45%}
SUNY Plattsburgh	6,204,847	5,500,000	4,990,000	4,990,000	4,990,000	4,990,000	4,990,000	{19.58%}
SUNY Brockport	6,147,853	5,012,160	4,069,448	3,530,258	3,264,348	3,275,000	3,275,000	{46.73%}
SUNY Oswego	4,924,695	4,434,311	4,567,343	4,704,366	4,845,500	4,990,870	5,140,601	4.38%
SUNY New Paltz	4,001,070	4,078,346	4,083,191	4,154,371	4,226,015	4,298,980	4,373,286	9.30%
SUNY Cortland	3,455,923	2,990,500	2,803,000	2,673,000	2,699,730	2,726,729	2,753,996	{20.31%}
College of Optometry	3,381,262	3,140,212	3,865,832	4,039,794	4,222,454	4,414,246	4,465,630	32.07%
SUNY Potsdam	2,992,555	3,028,636	3,028,636	3,028,636	3,028,636	3,028,636	3,028,636	1.21%
Farmingdale State College	2,989,075	5,338,100	4,397,990	2,813,505	2,326,540	2,349,805	2,373,302	{20.60%}
SUNY Cobleskill	2,887,522	2,608,762	824,906	824,906	841,405	858,233	875,398	{69.68%}
SUNY Fredonia	2,853,575	2,668,791	2,695,478	2,722,434	2,749,657	2,777,153	2,804,925	{1.70%}
Purchase College	2,295,973	1,835,294	1,491,856	1,527,366	1,549,985	1,573,137	1,596,835	{30.45%}
SUNY Canton	2,164,314	2,012,600	2,112,600	2,112,600	2,122,600	2,202,600	2,352,600	8.70%
SUNYIT	2,062,898	2,128,600	2,205,290	2,285,643	2,369,836	2,458,055	2,550,496	23.64%
Alfred State College	1,867,996	1,723,949	1,132,722	504,512	529,634	556,041	583,709	{68.75%}
SUNY Geneseo	1,639,578	779,000	758,860	774,017	789,479	805,248	821,333	{49.91%}
Morrisville State College	1,585,262	1,074,076	1,074,076	1,074,076	1,074,076	1,074,076	1,074,076	{32.25%}
Old Westbury	1,546,550	1,636,007	1,697,925	1,768,722	1,848,535	1,937,630	2,131,395	37.82%
Empire State College	868,536	1,334,968	1,573,105	1,411,445	1,439,675	1,468,470	1,497,839	72.46%
SUNY Delhi	505,187	237,548	186,900	186,900	160,650	160,650	160,650	{68.20%}
Maritime College	247,160	316,273	299,000	299,000	299,000	299,000	299,000	20.97%
Total	\$ 930,160,728	\$1,042,979,691	\$1,079,557,617	\$1,052,940,406	\$1,041,072,688	\$1,077,035,878	\$ 987,855,853	6.20%

Appendix C: Corporate and Investment Reserves: Funding and Use History

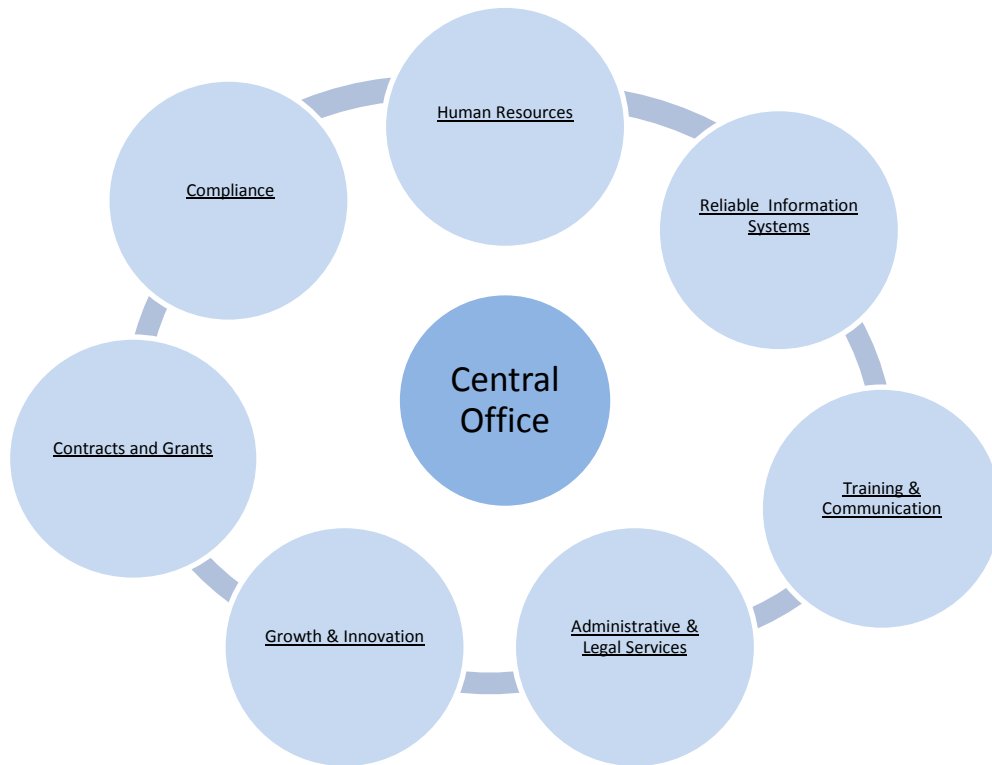
	Actual							Estimated	Projected
	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Corporate Reserve - Beginning Balance	\$2,406,154	\$1,788,926	\$4,262,922	\$4,003,835	\$3,950,590	\$4,925,033	\$5,058,705	\$5,183,066	\$6,525,107
Funding to Corporate Reserves	1,110,360	5,635,566	223,737	-	3,298,311	2,172,998	2,208,565	7,285,843	2,349,811
Technology Expenses	(1,727,588)	(3,161,570)	(482,824)	-	-	-	(1,360,250)	(4,793,802)	(2,874,918)
Legal/Litigation Expenses	-	-	-	(53,245)	(2,323,868)	(673,326)	(723,954)	-	-
Allocation for strategic initiatives	-	-	-	-	-	(1,366,000)	-	-	-
Technology Accelerator Fund	-	-	-	-	-	-	-	(250,000)	-
SUNY Press Support	-	-	-	-	-	-	-	(900,000)	-
Corporate Reserve - Ending Balance (A)	1,788,926	4,262,922	4,003,835	3,950,590	4,925,033	5,058,705	5,183,066	6,525,107	6,000,000
Investment Reserve - Beginning Balance	6,606,444	8,862,814	22,898,005	2,640,533	(41,550,719)	(34,714,116)	(22,461,133)	(22,689,210)	(17,240,504)
Investment income	10,322,776	29,929,854	(4,031,932)	(42,709,152)	10,491,934	16,337,977	3,477,417	13,638,717	9,600,000
Treasury/Investment Expenses	(2,257,883)	(1,936,778)	(1,886,818)	(1,865,979)	(1,822,768)	(2,265,323)	(1,669,565)	(2,000,000)	(1,800,000)
(Distribution)/Charge to Campuses	(5,808,523)	(10,952,956)	(14,338,722)	383,879	99,643	353,327	172,636	1,095,832	2,712,504
Funding to Corporate Reserves	-	(3,004,929)	-	-	(1,932,206)	(2,172,998)	(2,208,565)	(7,285,843)	(2,349,810)
Networks of Excellence	-	-	-	-	-	-	-	-	-
Investment Reserve - Ending Balance (B)	8,862,814	22,898,005	2,640,533	(41,550,719)	(34,714,116)	(22,461,133)	(22,689,210)	(17,240,504)	(13,077,810)
Total Reserve Balance (A+B)	\$10,651,740	\$27,160,927	\$6,644,368	(\$37,600,129)	(\$29,789,083)	(\$17,402,428)	(\$17,506,144)	(\$14,715,397)	(\$7,077,810)

Appendix D: Central Office Operations

What is RF Central Office?

The central office of the Research Foundation for SUNY exists to support SUNY faculty, staff and students. Staff at central office provide the administrative, legal, financial, regulatory, and technical infrastructure and manage internal grant funding programs that advance SUNY research and innovation.

Central office comprises 120 professionals serving 31 SUNY campus locations and programs and employees located around the world – from Stony Brook to Singapore, Niagara to Nigeria, Rockland to Russia.



Central office performs tasks that otherwise would have to be performed at individual sites, necessitating additional FTEs, equipment, tools, and systems at each location. These shared services eliminate redundancy and reduce costs. Central office provides efficiencies of scale and subject matter expertise with complex and difficult matters, providing each site with up-to-date information, expert counsel, and efficient execution.

Central office uses its unique system-wide vantage point to stimulate research and innovation across the SUNY enterprise:

The **Faculty Travel Grant Program** allows faculty to travel to meet with program officers at federal agencies – interactions that can be crucial to winning key grants.

The **Technology Accelerator Fund** provides the financial assistance necessary to get an invention from the lab to external funding or venture capitalists.

The **Entrepreneur in Residence Program** assigns business experts to budding campus projects, providing faculty with the professional services needed to get off the ground.

The **Collaboration Fund** incentivizes and funds projects across two or more SUNY campuses.

Increased **STEM Research Opportunities** for SUNY undergraduates create higher proficiency in science, technology, engineering, and math fields.

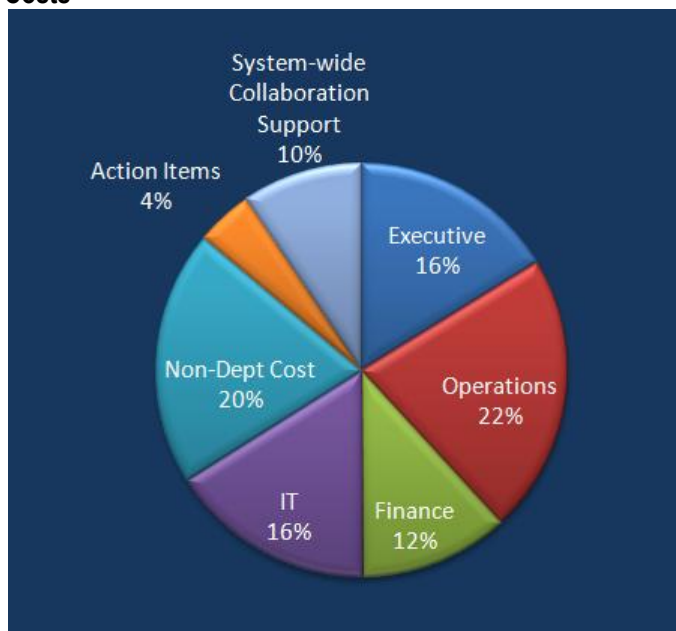
----- RF FOR SUNY BY THE NUMBERS -----
all data as of March 31, 2013 or calendar year 2012 when applicable

Current grants	6,278
Faculty members working on grants	2,618
SUNY campus sites served	31
SUNY research sites outside the US	75
Average daily cash expenditures for sponsored programs	\$5 million
Total job titles	155
Benefits programs managed (health, dental, disability, etc.)	22
Benefit costs, FY2012	\$82,310,134.37
Retirement contributions administered (basic & optional), FY2012	\$47,049,063.72
Internal audits	37
Resolved cases of litigation since 2001	2,000+
Affiliated corporations	19
Corporate insurance policies handled	25
Policies and procedures available on website	660
Total web page views, Nov 2012 – Mar 2013	9,639
Annual checks on abandoned property for 50 states	391 (totaling \$65,469.37)
Contracts and agreements executed per month	39
Approximate annual amount saved by each hub campus through shared tools for Intellectual Property Commercialization	\$215,000
Payroll transactions per month (all campuses)	21,267
2012 W2s	16,330
2012 1099s	3,145
2012 1042s	669

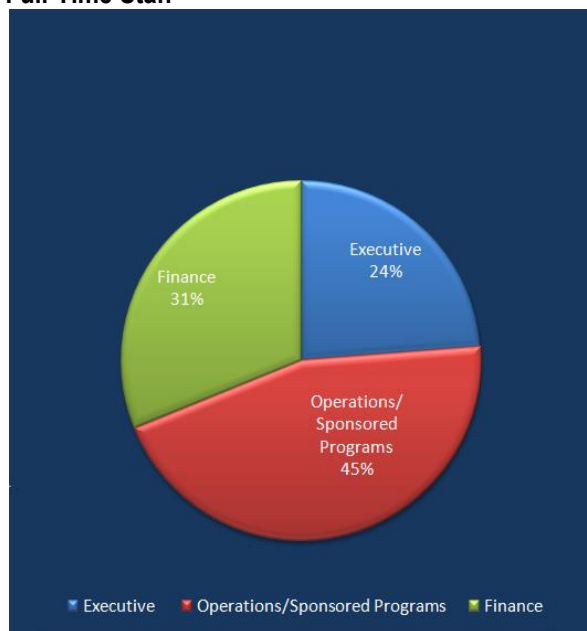
Central Office Functions and Other Expenses

All dollar amounts are FY 2014 projected costs

Costs



Full-Time Staff



CO Department Functions

126 FTEs

\$ 19,731,502

Below are thumbnail descriptions of each major central office function, which provide a brief overview of its responsibilities and value.

Executive & Support

31 FTEs

\$4,839,581

The Executive Office function leads the RF in providing outstanding services to the SUNY research community in sponsored programs administration, intellectual property commercialization, and public/private partnership creation and support. The Research Foundation of SUNY President provides effective and efficient leadership, management, and direction to establish and accomplish strategic goals while collaborating with and supporting the SUNY community and private partners. *2 FTEs*

The Legal function provides expert legal services not only on behalf of the Research Foundation itself, but also to individual campuses, particularly in sponsored programs, innovation and partnerships, labor and employment, and other key areas. It does this by responding to requests for legal advice from operations staff and leadership, identifying and solving legal problems, resolving disputes and managing litigation, and administering training and templates to prevent reputational, legal, and financial problems. Centralizing this service conserves resources and guarantees standardization and legal compliance across all campuses. *7 FTEs*

The Compliance function's primary purpose is to help prevent, detect, and correct any fraud, waste, and abuse. It does this by developing, managing, and monitoring ethical policies (such as the Code of Conduct and Conflict of Interest policies), establishing an internal control methodology and risk management, overseeing information security, and developing/maintaining policy governance. Given the critical nature of these activities for each campus and the opportunities for variance when handled separately, uniting these services under one infrastructure reduces risk and helps ensure an ethical and compliant environment for research activities.

3 FTEs

The Internal Audit Services function provides independent appraisals, recommendations, analyses, and other pertinent comments on the financial and operational controls of all offices, identifying changes in procedures to improve efficiencies, eliminate duplicate efforts, and reduce risks. In so doing, it identifies areas of potential exposure before they are identified by external parties, and shares process improvements across all locations. The function also assists sites with external audit processes and responses (i.e., OMB A-133, sponsor audits, regulatory audits), giving each campus access to expertise in these areas.

9 FTEs

The Innovation and Partnerships function enables and stimulates meaningful interaction between the business community and SUNY to increase SUNY's impact on local, regional, statewide, national, and global economies. It does this by supporting the creation of startups and incubators (and providing ongoing support); developing/managing funds, grants, and programs; promoting commercialization opportunities; increasing the profile of SUNY innovation through outreach; and leveraging government relationships. The nature of this work demands a cross-campus approach, to match investors to opportunities and consolidate negotiating power.

10 FTEs

Sponsored Program Services/Operations 55 FTEs \$ 6,475,413

The Data Management function works with departments, colleges, and campus administrators to understand their business needs, respond to data requests, and provide the metrics to meet all research and reporting requirements. Duties include developing reporting tools for principal investigators, data upgrades, training, documentation, and communication across the entire SUNY system. For example, the standardization of business elements in the Oracle (and other systems) is a corporate function that supports campus operations.

4 FTEs

The Sponsored Programs Compliance and Reporting function implements strategic projects and provides day-to-day support for campus research administrators. That support includes reviewing award documentation and sponsor assurances of compliance, preparing A-133 reports, invoice and financial report submissions, responding to federal- and state-mandated reporting requirements, and providing metric data. Staff members serve campuses by solving business problems involving: grant proposals and awards, compliance with terms and conditions, financial administration, effort reporting, education and training, and satisfactorily resolving audit findings.

11 FTEs

The Centralized Award & Contract Review and Negotiation function performs the critical work of helping secure funding for campus research for the centralized campus locations. It negotiates and executes grants, contracts, and subcontracts, including account set up and complete financial invoicing. Increasingly, this team is consulted by decentralized campuses with business problems arising from state and federal sponsorship, including standard terms and conditions. The RF achieves efficiencies by sharing the service and cost of grant and contract administration for 24 campus locations.

13 FTEs

The Strategy and Planning function develops the RF strategic and annual operating plans, monitors corporate projects, coordinates leadership stakeholders of the organization (President's Council, Research Council, VPRs, OMs), and manages all aspects of the OM relationship, including orientation, training, and regional hub activities. It ensures timely response to changes in the environment, efficient and stable strategic planning and project management, appropriate use of resources, and quality customer service for all stakeholders.

4 FTEs

The Human Resources function takes a proactive approach to maintain positive employee relations at campuses. In addition to developing and maintaining competitive compensation/benefit programs to attract, retain, and motivate a talented workforce, the function provides guidance and training to campus administrators/faculty to resolve HR issues in laboratories and offices, and ensures compliance with state, federal, and sponsor employment and workplace regulations. HR also creates a learning environment across campuses by offering Learning Tuesdays on "hot topics" and by developing both an enterprise-wide mentoring system and a succession planning process that can be adapted to individual campuses.

18 FTEs

External Relations and Corporate Communications works with campuses to amplify and promote campus research achievement. This includes creating publications and marketing pieces, social media posts, and corporate presentations, as well as managing the RF website and its content. External Relations staff coordinates with campuses on FOIL and FOIA requests; and assists with media inquiries and crisis management. Centralizing this function gives each site access to key communication resources and corporate public relations and media support.

5 FTEs

Finance

40 FTEs

\$ 3,689,000

The Treasury and Payroll function is responsible for all daily cash management operations, maintaining campus bank accounts, running payroll operations (including checks, taxation, deductions, cost transfers, etc.), handling receipts, and more. Depositing corporate cash into one centralized bank account provides better control over the cash receipts asset. Centralization is also the most efficient way to deal with the complexities of federal and state tax reporting. The Treasury function also includes investments and debt/line of credit borrowing providing asset allocation strategies and supporting campus borrowing needs. This function provides a shared payroll service for eight campuses that are not able to perform this at their sites plus manages the corporate facilities as well as other back office corporate support.

20 FTEs (includes 2 FTE's IS related)

The Cost Accounting and Accounts Payable/Purchasing function prepares large, complex Facilities and Administrative (F&A) rate proposals for 31 operating locations and negotiates rates with the federal Department of Health and Human Services. It also oversees fixed assets and assists campus staff in areas of federal compliance and safeguarding the assets of the corporation. Staff are fiscal stewards who disburse funds (checks, electronic transfers, etc) for all operating locations, provide corporate oversight for procuring goods and services, and oversee and provide guidance for the campus staff regarding compliance with laws and regulations, particularly in regard to the IRS. Having one office handle all of these “shared services” achieves great economies of scale, saving money and increasing efficiencies.

12 FTEs

The Financial Accounting function ensures the integrity of the business system, providing the accurate accounting methods and reliable financial information that are critical for operational success. The function works with health insurance carriers and negotiates with DHHS to develop fringe benefit rates. It completes annual audited financial statements and fulfills campus requests for assistance with financial information and foreign tax exemption. It compiles sources and uses of funds for the RF Operating Plan, including establishing and overseeing campus accounts for individual site allocations. Aggregating these services prevents gross duplication of efforts and standardizes best practices.

8 FTEs

Information Services

Outsourced

\$ 4,727,508

The RF’s information technology vendor manages and supports specific day to day IT operations as well as projects that fit into the RF Operating and Strategic Plans. This includes technology upgrades and customized technical support to increase compliance, reduce costs, and provide end users enhanced usability, performance, flexibility, and availability. Outsourcing this work is the most cost-effective way to ensure cutting-edge IT resources and management at a low cost to campuses.

Non Departmental Costs

\$ 5,197,459

As a corporation, generic expenses are incurred that support the general corporate stewardship or the business as whole. These expenses are not specifically identified to a department, such as:

Annual Audit	368,900
Facilities	780,000
Insurance	1,217,000
Outside legal	120,000
IT Software, Production Support, other	1,853,910
All other	857,649

Total Central Office Operations

\$24,928,961