



## **The Research Foundation for SUNY**

### **Frequently Asked Questions (FAQ)**

#### **History, Purpose, and Organizational Structure**

##### **What is the RF?**

The Research Foundation for The State University of New York (RF) is the largest comprehensive university-connected research foundation in the country. It exists to serve the State University of New York (SUNY) by providing essential administrative services that enable SUNY faculty to focus their efforts on the education of students and the performance of life-changing research across a wide range of disciplines including medicine, engineering, physical sciences, energy, computer science, and social sciences. The RF is a private non-profit education corporation that is tax-exempt under Internal Revenue Code (IRC) Section 501(c) (3).

##### **What does the RF do?**

The RF works with the academic and business leadership of SUNY campuses to support research and discovery through administration of sponsored projects and technology transfer and management of intellectual property for public benefit and economic growth. The RF provides SUNY with a central infrastructure of people, technology and processes that enable faculty: to write and submit grant proposals to agencies, foundations and companies; establish contracts and manage funding that is awarded to run campus-based research projects; protect and commercialize intellectual property created within those projects; and promote transparency and accountability throughout the process.

In the 2016 fiscal year, across SUNY's 30 state-operated campuses, the RF managed \$920.3 million in research expenditures related to 7,102 projects that produced more than 300 new inventions.

##### **How, when, and why was the RF created?**

In New York, two state agencies are responsible for chartering or incorporating private corporations - the New York State Department of State, which incorporates for-profit and not-for-profit corporations, and the State Education Department/Board of Regents, which charters education corporations. Education corporations include academic institutions, libraries, museums, and organizations that serve an educational purpose.

The RF was chartered in 1951 by the New York State Board of Regents as a non-profit education corporation, governed by its own independent and self-perpetuating board of directors, with the following purposes, as set forth in its charter:



- a. To assist in developing and increasing the facilities of State University of New York to provide more extensive educational opportunities for and service to its students, faculty, staff and alumni, and to the people of the state of New York, by making and encouraging gifts, grants, contributions and donations of real and personal property to or for the benefit of State University of New York;
- b. To receive, hold and administer gifts or grants, and to act without profit as trustee of educational or charitable trusts, of benefit to and in keeping with the educational purposes and objects of State University of New York; and
- c. To finance the conduct of studies and research in any and all fields of the arts and sciences, of benefit to and in keeping with the educational purposes and objects of State University of New York

### **What is the 1977 Agreement between SUNY and the RF?**

In 1977 SUNY and the RF entered into an Agreement to formalize the relationships, duties, and responsibilities of both entities in regard to the sponsored program activities of the University. The Agreement, which became effective June 1, 1977, incorporates the Resolution, adopted by the Board of Trustees of SUNY, March 8, 1962, and amended May 14, 1964, which previously had been the enabling authority for the RF's acting as fiscal administrator of the SUNY's research, training and other sponsored funds. The Agreement was approved by the state director of the budget, the comptroller, and attorney general.

### **What is the organizational structure of the RF?**

The RF comprises a [central office](#) and operating units at 30 state-operated campuses across New York State, and is governed by a board of directors.

The [RF Board of Directors](#) oversees the operations of the corporation in accordance with its stated mission and purpose. This voluntary and independent board draws members from various constituencies including SUNY faculty, researchers, campus and system administrators, as well as individuals representing business, industry, and community sectors.

[RF Operations Managers](#) (OM) at the 30 state-operated campuses are appointed by the RF President on the recommendation of the respective campus president. The RF President delegates to each OM the authority to execute the powers and duties necessary to conduct RF business at his or her campus in a manner consistent with the RF's policies and overall system of controls.

OMs and Deputy OMs are bound by all RF [Policies](#) and [Procedures](#), including but not limited to:



[RF Code of Conduct](#)

[Annual Code of Conduct Acknowledgement and Certification](#)

[Conflict of Interest Policy](#)

[Annual Conflicts of Interest Disclosure Form](#)

[Signature Authority Policy](#)

[Guidelines for Responding to Sponsor, Regulatory and Investigative Inquiry Risk Tolerance Policy](#)

[Managing Financial Risks at the Research Foundation](#)

[Responsibility for Losses Policy](#)

## **Corporate Governance**

### **How is the RF governed?**

The RF Board of Directors is responsible for ensuring its corporate bylaws are consistent with all statutory and regulatory guidance and best practices in non-profit governance. The Audit Committee is responsible for overseeing the audit function, material compliance and legal issues, and the overall RF system of controls. The Executive Committee is responsible for ensuring good governance and practices within the board. Other committees include the Nominating Committee, the Finance Committee and its Sub-Committee for Investments. Each committee is governed by the bylaws and a charter that outlines its specific responsibilities.

### **How does the RF ensure alignment with SUNY?**

The SUNY Chancellor serves as an advisory member on the RF Board of Directors and the RF President is a member of the Chancellor's leadership cabinet. The RF President works with SUNY's Vice Chancellor for Research and Economic Development to support research and discovery at SUNY.



## Compliance and Controls

### What structure of compliance and controls exists at the RF to ensure the integrity of its operation?

The RF [Office of Compliance Services](#), [Office of Internal Audit Services](#), and [Office of General Counsel](#) work together with the programmatic and operational leaders at the RF's central office and across SUNY's 30 state-operated campuses to implement, monitor, and enhance the RF's system of controls. These controls comprise over 100 policies, including policies that govern procurement and hiring across all RF locations.

All RF administrative employees are required to annually certify compliance with the RF's [Code of Conduct](#).

The Office of Compliance Services provides expertise and guidance across the RF and SUNY system in the areas of ethics, risk management, and internal controls. The office coordinates corporate-wide policy and procedure development and training related to corporate ethics, conflicts of interest, and investigations, and assists subject matter experts in other program areas such as effort reporting, cost transfers, and export controls.

The Office of Internal Audit Services works in collaboration with management to provide independent appraisals, recommendations, and analyses of the financial and operational controls of all offices and recommends changes in procedures to improve efficiencies and reduce or eliminate duplicate effort. In order to ensure that the audit function is fully independent of management, Internal Audit reports directly to the Audit Committee of the Board.

All allegations of misconduct are reviewed by the Chief Compliance Officer and are investigated consistent with relevant corporate policies and procedures. The Office of Compliance Services works with Internal Audit and General Counsel to investigate fraud-related matters that are either identified through the [RF Ethics Hotline](#) or otherwise brought to management's attention via the RF Fraud and Misconduct Policy.

## Management of Activities and Research Funding

### What activities are managed by the RF?

Activities managed by the RF include:

1. Sponsored Programs Administration/Management of Research Funding
2. Technology Transfer and Management of Intellectual Property
3. Agency Services



## **1. Sponsored Programs Administration/Management of Research Funding**

### **What is sponsored programs administration?**

Funding allocated to research at SUNY is collectively called “sponsored programs.” The administration of sponsored programs on behalf of SUNY is one of the essential services the RF provides to the SUNY research community. When a grant or contract is awarded to a SUNY faculty member, the RF administers and manages these funds to ensure compliance with university, grant sponsor, and government policies and procedures.

### **What are sponsored programs funds?**

Sponsored Programs funds are the funds provided by sponsors through grants and contracts that support research programs at campuses. A sponsor is an individual or entity that provides funds dedicated to a specific area of research at a SUNY campus. Sponsors may include the federal government, New York State, private companies, foundations, and individuals.

### **How does the RF manage the sponsored program funds awarded by sponsors to campus researchers?**

Funding received by the RF in the form of a sponsored award is administered at the direction of the faculty member on whose behalf the award was received, subject to the policies and procedures of the given campus, as well as the RF, along with any other state or federal requirements. All activity at a campus location takes place with the oversight of the OM who has designated authority to conduct RF business at his/her campus.

The RF supports its operation across SUNY’s 30 state-operated campuses as part of the administrative structure of the SUNY research enterprise. Costs associated with this administrative operation are allocated to each campus and paid to the RF through a variety of sources including indirect cost (F&A) recovery or through direct payment by a given campus.

### **What are Facilities and Administrative Funds (F&A) that are associated with sponsored programs administration?**

Facilities and Administrative (F&A) costs are those costs associated with providing and maintaining the infrastructure that supports the research enterprise and which cannot easily be identified with a specific project but are rather allocated as a percentage of total direct research funding. F&A costs are incurred by institutions for expenses such as utilities; buildings and grounds; operation and maintenance; library-related expenditures; and university services like telephones, computer infrastructure, postage services, etc.

F&A funding reimburses the RF and SUNY for part of the cost of doing business during the course of a sponsored project.



## **2. Technology Transfer and Management of Intellectual Property**

### **What is the RF's role in supporting technology transfer and managing intellectual property?**

Pursuant to [SUNY policy](#) and federal law, the RF holds title to intellectual property (IP) developed at SUNY. Inventors and creators disclose these inventions to the RF for an evaluation of patentability and market potential. If results are favorable, the RF supports SUNY campuses to protect IP through patents, copyrights, and trademarks. To achieve public utilization, the rights in these IP assets can be granted to industry partners who commit to invest in the effort to translate early stage inventions into products and services that impact human health and welfare worldwide.

SUNY inventors have contributed to some of the most transformative technologies in history, including the heart-lung machine, bar code scanner, MRI and several FDA-approved products, all of which were managed by campuses through the RF.

### **What are royalties?**

Royalties are fees paid by company partners who license IP rights, often as a portion of product sales revenue. As it becomes increasingly common for universities to partner with start-up companies to advance early stage IP, the RF also supports campuses to take equity in these ventures in lieu of cash royalties. In either case, the proceeds of licensing SUNY IP is always shared with its creators at a rate of 40-45%. Royalties are awarded to creators in recognition of their meritorious service to the public and as an incentive to engage in scholarly and research activities that have a significant impact on human health and welfare.

## **3. Agency Services**

### **What are agency services?**

With systems already in place to support grant administration and sponsored programs, the RF is able to support SUNY research by providing "agency services" to campus-related organizations. Agency Services include human resources, payroll and purchasing services provided to clinical practice plans, outpatient facilities, affiliated health care facilities and campus-based foundations. Examples of campus related organizations using RF contracted services are Stony Brook's [Clinical Practice Management Plan \(CPMP\)](#) and the [Binghamton University Foundation](#).

Agency Services are provided under a separate contract between the RF and the third party distinct from the 1977 Agreement with SUNY.



## **Affiliated Corporations**

### **What are affiliated corporations?**

Affiliated corporations are corporations created to support the competitiveness of SUNY campuses for unique research and innovation opportunities. The RF affiliated corporations program began in 1983 when the University at Buffalo (UB) developed an opportunity to partner with a local company called Calspan to enable its faculty and students access to unique applied research opportunities that the campus, alone, could not access.

With the support of the RF, UB and Calspan created a new company called Calspan-UB Research Center (CUBRC) and appointed a board of UB and Calspan community members to govern the organization. Today, CUBRC attracts nearly \$50M in sponsored research annually and employs over 140 people. After 33 years, this affiliate continues to support UB and Western New York, enabling access to otherwise inaccessible research opportunities for UB faculty and students, and contributing to the local economy.

### **Why and how does RF create affiliated corporations?**

An affiliated corporation can be created only at the request of a campus president with approval, first, by the SUNY Provost, and then by the RF Board of Directors, upon a demonstration that:

1. there exists a clear and identifiable connection between the proposed affiliate and the research mission of the campus or SUNY;
2. sufficient resources exist and expertise has been identified to support the maintenance of the proposed affiliate;
3. the business plan and financial model of the new corporation supports long term viability of the proposed affiliate;
4. no less burdensome vehicle exists to fulfill SUNY's objectives in undertaking the venture;
5. the creation of the proposed affiliate will not create or transfer any intolerable or unmitigated risk.

If a proposal meets all of these criteria and is approved by the SUNY Provost and RF Board, then the RF will file the required paperwork with the Secretary of State, establish the initial bylaws, and appoint a portion of the first board members on the recommendation of campus leadership. From that point forward, the organization operates independently under the oversight of its board of directors, as required by the applicable state and federal laws governing not-for-profit organizations.



### **What role does the RF have in the operation of affiliated corporations?**

RF affiliated corporations are generally established as membership corporations – each consisting of at least two corporate members, including the RF. The corporate members of an affiliated corporation – usually the RF and a campus philanthropic foundation – cannot and do not act to control them. The RF’s role is limited to the establishment of the entities, adopting and periodically amending their bylaws, and the appointment of a non-majority number of the board of directors on the recommendation of the campus president. The corporate members have no role in or oversight of transactions conducted by those RF affiliates. The extent to which these or other affiliates rely on RF, SUNY, or another organization’s policies as guidelines for procurement they conduct is exclusively the decision of the affiliated corporation’s independent board and officers.

### **Why were Fort Schuyler Management Corporation (FSMC) and Fuller Road Management Corporation (FRMC) created?**

FSMC and FRMC are affiliated corporations and were created to support the research and economic development missions of SUNY Polytechnic Institute. They are both not-for-profit corporations with independent boards of directors which manage the affairs and operations of the entities, including procurement.

#### **What is the purpose of FSMC?**

FSMC is an affiliated corporation created to facilitate research and economic development opportunities in support of New York’s emerging nanotechnology and semiconductor clusters. FSMC develops, constructs and manages world-class research, development and commercialization facilities to enable public-private partnerships. FSMC’s ownership of all facilities and infrastructure promotes and secures educational, innovation, and commercialization operations in support of the State of New York and the State University of New York.

Further information can be found on the FSMC website: [www.ftsmc.org/](http://www.ftsmc.org/).

#### **What is the purpose of FRMC?**

FRMC is an affiliated corporation formed to establish a state-of-the-art infrastructure in which new and technologically innovative businesses can develop and basic scientific research can be translated into commercially viable applications with emphasis on the most enabling nanotechnology fields in the global economy of the 21st century. FRMC plans, designs, develops, constructs, owns, operates and leases facilities necessary to enable such an environment with the ultimate objective that each initiative will advance the educational and research mission of SUNY Polytechnic Institute.

Further information can be found on the FRMC website: [www.frmc.us](http://www.frmc.us).





## **Employment/Compensation**

### **Why does the RF have employees at a particular campus or other locations?**

The RF supports SUNY's research, innovation and economic development mission at campuses across the state, which varies by campus and includes payment of salaries associated with that work. Some RF sponsored programs work is also performed at other locations, including non-campus locations. This is consistent with university practice across the country

## **Information about the RF**

### **How can I find out more information about the RF and regularly keep informed about its business and operation?**

The RF publicly shares its business and operation on its website – [www.rfsuny.org](http://www.rfsuny.org). Visitors to the website can review such information as:

[The RF Operating Plan](#)

[Key Performance Indicators](#)

[Audited Financial Statements](#)

[Annual Reports](#)

[RF Financial Concepts 101](#)

[Other Reports and Publications](#)

The RF complies with the [New York Freedom of Information Law \(FOIL\)](#).