



# FISCAL YEAR 2016 OPERATING PLAN

June 4, 2015

## Table of Contents

<b>Fiscal Year 2016 Operating Plan.....</b>	<b>3</b>
Background .....	3
RF Plan Supporting the SUNY Research and Innovation Strategy.....	3
Funding the FY 2016 Operating Plan .....	4
Sponsored Activity .....	5
Direct and Indirect Activity by Sponsor Type.....	5
Agency Services .....	6
Unrestricted Campus Activity .....	6
Campus Initiatives.....	7
Corporate Chargebacks .....	7
Corporate Reserve.....	7
Investment Income and Investment Reserve .....	7
Fringe Pool.....	8
Salary Plan.....	8
SUNY Research and Innovation Strategy.....	9
Campus Initiatives .....	11
<b>Appendix A: Sponsored Program Revenue Projections.....</b>	<b>16</b>
<b>Appendix B: Central Office Operations.....</b>	<b>17</b>
<b>Glossary .....</b>	<b>21</b>

## Fiscal Year 2016 Operating Plan

### Background

The 1977 Agreement between The Research Foundation (RF) and the State University of New York (SUNY) calls for the submission of an annual financial plan for approval by the Board of Directors. The Fiscal Year (FY) 2016 Operating Plan (Operating Plan) describes planned areas of focus for the RF and provides the financial plan for the upcoming fiscal year.

### RF Plan Supporting the SUNY Research and Innovation Strategy

The FY 2016 Operating Plan lays out the RF's proposal to support the SUNY Research and Innovation Strategy and the SUNY Excels Performance Management system. The RF's action plan targets four strategies to grow research and positively impact the economy of NYS:

#### Proposal Development

- Implement a *Pre-award and Compliance System (PACS)* to support key business processes for proposal development and research compliance management across our campuses.
- Continue the *Networks of Excellence* and identify a sustainable path for growth of a portfolio of externally sponsored research conducted by interdisciplinary teams from multiple SUNY campuses in targeted areas.

#### Business, Jobs, Economic Impact

- Participate as a partner in *Accelerate Long Island*, a \$3 million dollar investment program under which RF will serve as a co-investment manager to commercialize technologies and invest in new companies in the Mid-Hudson, New York City, and Long Island Regions. The program is funded by a \$1.5 million grant from Empire State Development (ESD) and \$750K matching funds each from the RF and investment firm Top Spin.
- Hold a SUNY Academic and Industry Roundtable (SUNY AIR) event to convene industry and research and development (R&D) leaders in clinical and translational research, including clinical research informatics. Representatives from the pharmaceutical and medical device industries that are interested in partnering with SUNY to conduct clinical and translational research will be invited to attend.

#### Sponsored Program Services

- Implement *E-time Reporting* to reduce the manual, paper-based processing of employee timesheets.
- *Reduce administrative burden* from faculty through improved dashboards, compliance focus on high risk areas, operational efficiency and cost effectiveness, and learning and development.

#### Students

- Provide memberships to graduate students in the New York Academy of Sciences to assist with their career development and professional networking.

## Funding the FY 2016 Operating Plan

	2013 Actual	2014 Actual	2015 Plan	2015 Estimate	2016 Plan
<b>Restricted Campus Activity</b>	(in millions)				
Grants and Contracts Direct Costs	843.1	877.0	795.7	729.1	716.2
Agency Services Direct Costs	202.3	178.1	188.8	190.0	190.5
<b>Total</b>	<b>1045.4</b>	<b>1055.1</b>	<b>984.5</b>	<b>919.1</b>	<b>906.7</b>

## Unrestricted Campus Activity

Grants and Contracts Indirect Costs	140.1	126.8	133.4	124.3	125.9
Royalties from licensees	8.8	13.2	9.4	13.6	10.7
Royalties paid to inventors (40% of total)	(3.5)	(5.3)	(3.8)	(5.4)	(4.3)
Fees Paid by Third Parties for Service Centers	14.2	14.3	16.8	12.6	13.4
Equity distribution from Brookhaven Science Associates	2.8	1.6	1.4	1.7	1.7
Nonsponsored & Other Income	24.8	13.1	11.1	11.0	10.5
Bank of America Rebate	0.3	0.3	0.3	0.3	0.3
Investment Income (gross)	10.1	17.8	12.5	9.5	10.5
Corporate Chargebacks	(37.8)	(37.2)	(36.1)	(35.4)	(33.4)
<b>Subtotal</b>	<b>159.8</b>	<b>144.6</b>	<b>145.0</b>	<b>132.2</b>	<b>135.3</b>
Agency Services Cost Recoveries	6.9	6.9	7.1	7.5	7.8
Corporate Chargebacks	(2.7)	(2.8)	(2.9)	(2.9)	(3.2)
<b>Subtotal</b>	<b>4.2</b>	<b>4.1</b>	<b>4.2</b>	<b>4.6</b>	<b>4.6</b>
<b>Total</b>	<b>164.0</b>	<b>148.7</b>	<b>149.2</b>	<b>136.8</b>	<b>139.9</b>

## Corporate Chargebacks

Central Office Assessment	25.5	25.3	24.5	24.5	23.9
SUNY Strategic Plan Assessment	2.7	2.7	2.6	2.6	2.5
Agency Services (cost allocation)	2.7	2.8	2.9	2.9	3.2
Bank of America Rebate (cost allocation)	0.2	0.2	0.3	0.3	0.3
Campus Initiatives (funded by investment income)	0.0	4.0	4.0	4.0	2.9
Investment Advisory & Treasury Operations (funded by investment income)	2.1	2.2	2.5	1.9	1.6
Corporate Reserve (funded by investment income)	7.3	2.8	2.3	2.2	2.2
<b>Total</b>	<b>40.5</b>	<b>40.0</b>	<b>39.0</b>	<b>38.3</b>	<b>36.6</b>

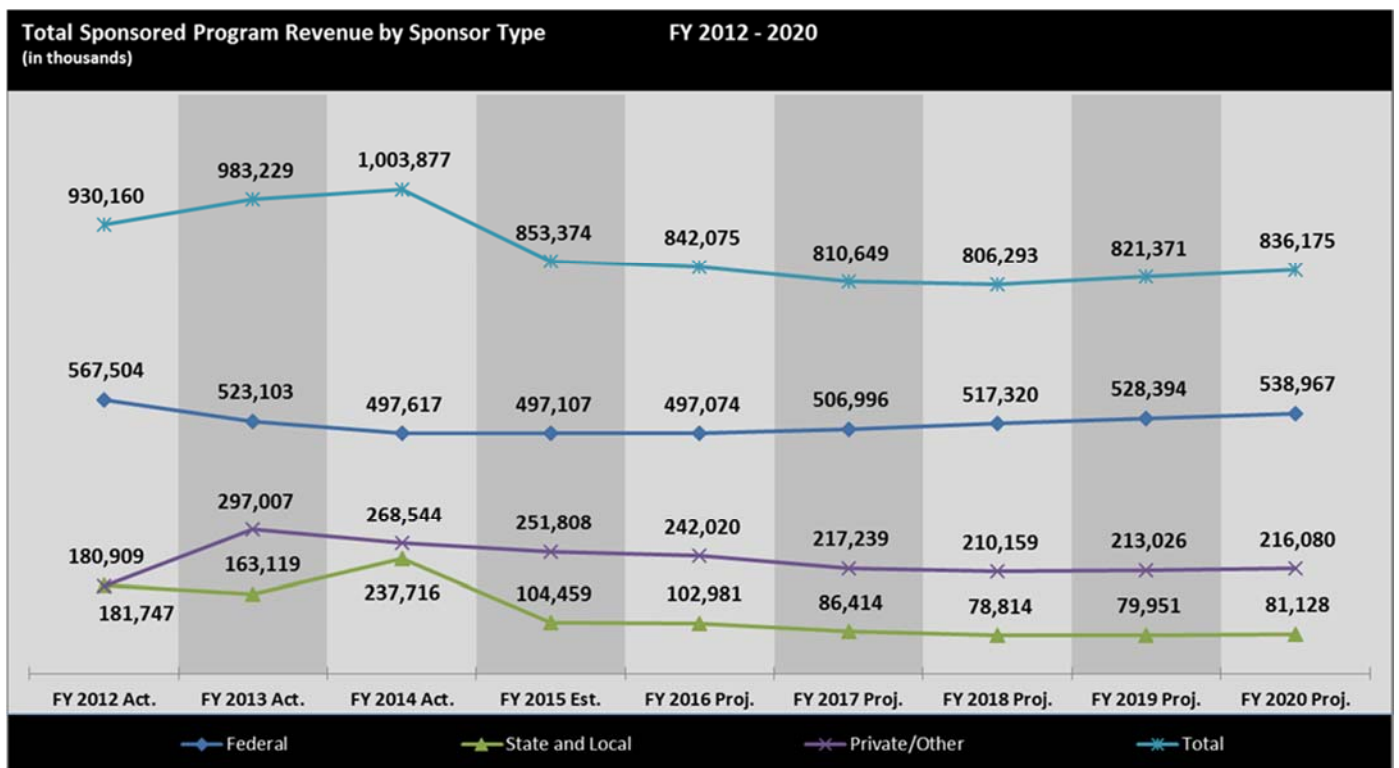
## RF 2016 Operating Plan

Revenues are categorized as restricted or unrestricted. Restricted revenues have limitations on their use by the grantor or other external third parties.

### Sponsored Activity

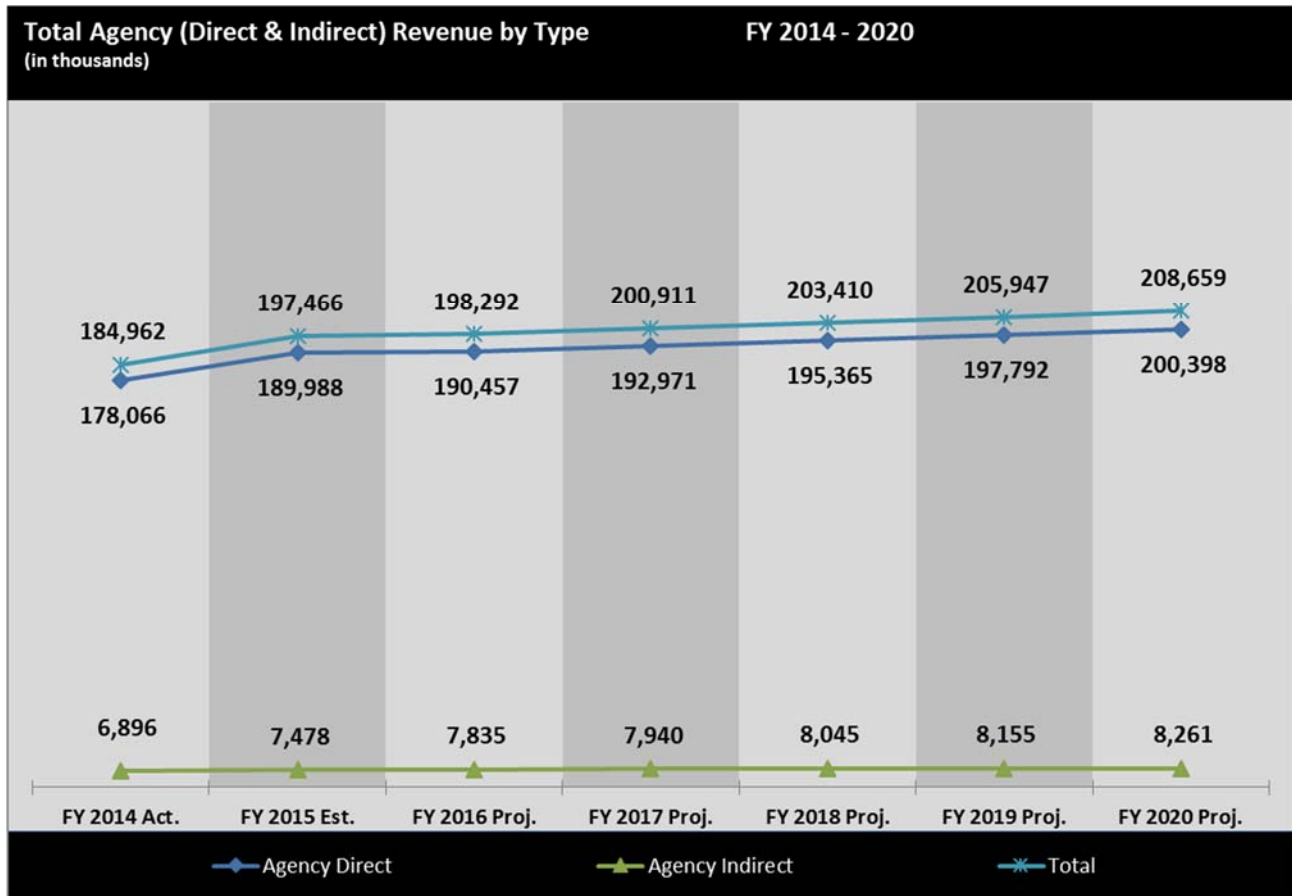
One of the essential services the RF provides to the SUNY research community is Sponsored Programs Administration. Campuses project five years of grants and contracts direct and indirect activity by sponsor type. (See Appendix A for campus projections.)

### Direct and Indirect Activity by Sponsor Type



### Agency Services

With systems already in place to support sponsored programs, the RF is able to generate funds by providing “agency services” to campus related organizations. Examples of campus related organizations are Stony Brook’s Clinical Practice Management Plan (CPMP) and the Binghamton University Foundation. Campuses project five years of agency services direct and indirect activity by source of funds.



### Unrestricted Campus Activity

Unrestricted revenues are earned by various RF activities and are supported by resources over which the board has discretionary control. Unrestricted revenues are allocated to each campus predominantly based upon the revenue generated by each.

Revenues for royalties from licensees, fees paid by third parties for service centers, equity distributions, nonsponsored and other income are distributed to campuses as received. Royalties paid to inventors (40%) are paid by campuses upon receipt of royalty revenue.

### Campus Initiatives

The RF continues to support SUNY research and innovation initiatives. Initiatives that support our campuses are paid for through a combination of corporate chargebacks and external borrowing. In 2016, approximately \$8.5 million of campus initiatives are planned, of which \$4.6 million is expected to be externally financed. The initiatives to be financed relate to a Pre-Award and Compliance Systems and E-Time Reporting.

### Corporate Chargebacks

Campuses are allocated the unrestricted funds that they recover or earn, less the chargebacks described below.

An assessment formula provides support for central office operations and initiatives: All campuses are assessed 2.7% of revenues plus centralized campuses are assessed an additional 1% of revenues for incremental sponsored program services. The revenue base is exclusive of revenue to fund equipment purchases and is weighted over the previous three years: 50% prior year, 30% two years prior, 20% three years prior.

The SUNY Strategic Plan assessment is derived by a formula (.3% of last three years weighted average revenues).

Agency service fees are derived based upon an allocation of costs. Bank of America Rebate costs are offset against the income generated from the Bank of America program. Campus initiatives, investment advisory fees, treasury operations, and the corporate reserve are offset against investment income.

### Corporate Reserve

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

Corporate Reserve (in thousands)	2015 Estimated	2016 Projected
Opening balance	\$7,270	\$9,470
Allocations to reserve:		
Investment income allocation	2,200	2,200
Ending balance	\$9,470	\$11,670

### Investment Income and Investment Reserve

The following tables show the activity related to investment income and the investment reserve.

Investment Income (in thousands)	2015 Estimated	2016 Projected
Investment income	\$9,475	\$10,504
Treasury/investment expenses	(1,838)	(1,598)
Net investment income	7,637	8,906
Funding to corporate reserve	(2,200)	(2,200)
Funding to campus initiatives	(4,000)	(2,904)
Balance to investment reserve	1,437	3,802

**Investment Income and Investment Reserve (cont.)**

Investment Reserve (in thousands)	2015 Estimated	2016 Projected
Opening balance	\$(8,984)	\$(1,351)
Interest charge to campuses	6,196	5,291
Funding from investment income	1,437	3,802
Ending balance	\$(1,351)	\$7,742

**Fringe Pool**

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
2015	42.50	14.00	5.00	15.00
2016	44.00	16.00	5.00	15.00
2017	45.00	18.00	5.00	15.00
2018	45.50	20.00	5.00	15.00
2019	46.50	21.00	5.00	15.00

**Salary Plan**

Based on current and projected economic conditions and sponsored research funding levels, 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



## SUNY Research and Innovation Strategy

The table on the following page displays a snapshot view of the SUNY Research and Innovation Strategy, which was developed in fiscal year 2014 by the then Vice Chancellor for Research working closely with the doctoral campus Vice Presidents for Research. Some highlights:

- There are six major strategies.
- The programs, services, systems, policies, and events shown in the strategy represent those things that SUNY System Administration and the RF central office can do to supplement and complement campus efforts to grow research and innovation.
- The activities are color-coded to differentiate those that are SUNY-led and RF-supported, RF-led and SUNY-supported, or jointly-led

SUNY-led; RF-supported	Research Foundation-led; SUNY-supported	Jointly-led
<b>Recruit/Retain Top Research Faculty</b>	<b>Proposal Development</b>	<b>Businesses, Jobs, Economic Impact</b>
Master Innovators Offer up to \$1 million per start-up package to recruit world-class research faculty to SUNY.	Federal Relations Garner intelligence and bring faculty to Washington.	Industry Partnerships Attract business to NYS (START-UP NY). Develop industry relationships, remove barriers, connect industry with SUNY assets, and advance industry licensing of SUNY technologies.
NY SUNY 2020 Provide capital funding for selected campus projects designed to make SUNY a leading catalyst for job growth throughout the state and to strengthen academic programs and faculty recruitment and retention.	Proposal Development and Submission Provide services and electronic tools for proposal development, routing, and compliance.	SUNY Intellectual Property (IP) Leverage the infrastructure and knowledge base across the enterprise to protect faculty IP and move it to the marketplace. Provide internal opportunity programs to foster innovation.
Research Instrumentation Upgrade and support research instrumentation to ensure the productivity of researchers and advance the science of the future (proposed by VPRs).	System-wide Research Institutes Leverage system-wide research institutes like the Rockefeller Institute of Government and the NY Sea Grant.	Start-up Companies Help launch start-up companies generated from SUNY innovation and support their growth through incubator space, insurance, and venture investment.
Recognition Establish a culture of awards and recognition to celebrate the accomplishments of SUNY faculty.	Interdisciplinary Collaborations (NoEs) Assemble scientists and scholars from SUNY campuses to collaborate on a topic-specific, joint research program and enhance related applied learning of students.	Small Business Development Provide expert management and technical assistance through SBDC to start-up and existing businesses across the state to solve business problems and foster entrepreneurship.
Communication Widely broadcast and disseminate the outcomes of SUNY research and its impact on NYS and the world.	IT Collaboration Platforms Find/connect faculty across and outside the system. Share documents securely, collaborate via video and text chat, and track shared milestones.	Integrated Clinical Trial Network Design and develop a strong foundation for clinical trials to improve quality and compliance, reduce risk, and build SUNY-wide clinical trial information technology.
<b>Sponsored Program Services</b>	<b>International Partnerships</b>	<b>Students</b>
Reduce Administrative Burden for Faculty <ul style="list-style-type: none"> <li>Improved electronic tools</li> <li>Training/ compliance focus in high risk areas</li> <li>Operational efficiency and cost effectiveness</li> <li>Talent management and succession planning</li> </ul>	Partnerships in Strategic Areas Sustain a limited set of authentic, mutually beneficial partnerships in strategic areas of the world — countries and institutions that are focused on R&D and are solving similar problems/grand challenges.	Graduates and Undergraduates Expand SUNY students' participation in research to support applied learning.
		New York Academy of Sciences Partner with New York Academy of Sciences to support student engagement in New York State's STEM research community.

## Campus Initiatives

### *Strategic Investments to Drive Growth and Support SUNY Research*

The initiatives outlined in this Operating Plan directly support the SUNY Research and Innovation Strategy outlined on page 10.

Six focused strategies frame SUNY's work to grow research and positively impact the economy of New York State through new business and job creation: 1) Recruit retain top research faculty, 2) Facilitate proposal development and submission, 3) Provide faculty with effective sponsored program administration, 4) Develop strategic international partnerships, 5) Develop strategic relationships with industry, and 6) Expand SUNY students' participation in research.

The FY 2016 Operating Plan directly supports four of these strategies - funding a manageable portfolio of initiatives identified as having the greatest potential impact, leading the effort, and assigning resources to ensure it's completed as planned. The table below describes the portfolio in detail, including funding amounts and sources as well as the planned outcomes against which we will measure success.

**A Transition Year**

FY2016 is a year of transition. SUNY will be conducting a search for a SUNY Vice Chancellor for Research and Economic Development and the RF will be conducting a search for a President. As the transitions occur, we will look at the organization structures, the assessment model, and coordinated communication (SUNY/RF) about SUNY research and innovation. We'll put mechanisms in place to keep the RF connected with SUNY and our campuses and continue our well-established learning and development programs.

**Total Investment** **\$8,504,000**

### Sources of Investment in Campus Initiatives

Investment income	\$2,904,00
Investment Pool <sup>1</sup>	750,000
Central office assessment	300,000
External borrowing	4,550,000
	\$8,504,000

**Proposal Development** **\$5,850,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
Pre-Award and Compliance System (PACS)	A new enterprise-wide Pre-Award and Compliance System (PACS) implemented for the 31 State-operated campuses. Faculty and research administrators will use the new system to create, route, and submit complete and compliant research proposals to sponsors.	<ul style="list-style-type: none"> <li>Easier proposal development and faster proposal routing</li> <li>Increase number of proposals submitted</li> <li>Improved and streamlined compliance</li> <li>Enterprise cost avoidance of \$18 million</li> </ul>	\$4.2 Million (FY 2015 \$2 million)	Borrow and payback through future assessment over time

<sup>1</sup> Source still under discussion

**Proposal Development (cont.)** **\$5,850,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
Networks of Excellence	Retool Networks of Excellence program based on Program Review Team recommendations.	<ul style="list-style-type: none"> <li>Objectives and measures of NoEs as specified by program review team</li> </ul>	\$1.5 Million (Note: includes federal relations at \$335K)	Investment Income plus \$350K from SUNY
Fellows	Faculty participation on key initiatives to advance goals, provide analysis, and/or lead a specific scope of work.	<ul style="list-style-type: none"> <li>Achieve the goals of assigned initiative</li> </ul>	\$150,000	Investment Income

**Businesses, Jobs, Economic Impact** **\$1,524,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
Accelerate Long Island	Accelerate Long Island (ALI) has been awarded a grant by ESD that allows ALI, RF and investment firm Top Spin to serve as co-investment managers to commercialize technologies and invest in pre-seed stage, high-growth NYS university-spun companies in the Mid-Hudson, New York City, and/or Long Island regions.	<ul style="list-style-type: none"> <li>Pro rata distribution of returns</li> <li>20% carried interest on capital gains (less a 2% management fee)</li> <li>Proof of concept for further venture funding activities and other potential campus-based regional investment opportunities</li> <li>Increase start-up companies spun from NYS universities</li> </ul>	\$750,000	Investment Pool <sup>2</sup>

<sup>2</sup> Source still under discussion

**Businesses, Jobs, Economic Impact (cont.)** **\$1,524,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
Industry Partnerships	<p>Convene industry R&amp;D leaders in key thematic areas through:</p> <ul style="list-style-type: none"> <li>• a SUNY Academic Industry Roundtable (SUNY AIR).</li> <li>• an Innovation Symposium to convene SUNY technology transfer, incubator, and New York State Centers of Excellence and Centers for Advanced Technology staff across the system with leadership of the NYS agencies.</li> </ul> <p>Help coordinate a clinical trials infrastructure, including shared SOPs, clinical trial management system, a system for de-identified Electronic Health Records (EHRs), and web matching for industry and patients.</p> <p>Implement a Customer Relationship Management (CRM) tool.</p>	<ul style="list-style-type: none"> <li>• Modernize the RF's approach to industry contracting</li> <li>• Cross-functional tools needed to enable faculty to collaborate with industry for clinical trials and testing</li> <li>• Growth in SUNY's industry sponsored portfolio</li> </ul>	\$180,000	Investment Income
Innovation Community Chest	<p>A collection of best in-class products and services that provide SUNY's research and innovation professionals with market intelligence reports, royalty benchmarks, patent and technology assessment tools, professional development opportunities, and more under a single procurement approach.</p>	<ul style="list-style-type: none"> <li>• Enterprise cost savings: \$1.5 million</li> <li>• Increase in commercialization activities and deals</li> </ul>	\$194,000	Investment Income
Commercialization	<p>Strengthen the commercialization of SUNY technologies through the Technology Accelerator Fund, Innovation Showcase, START-UP NY, and patent reform.</p>	<ul style="list-style-type: none"> <li>• Increase start-up companies spun from SUNY research</li> <li>• TAF returns</li> </ul>	\$300,000 (TAF)	Investment Income

**Businesses, Jobs, Economic Impact (cont.)**

**\$1,524,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
Sponsorships/ Memberships	Materials, travel, and sponsorship of events to promote SUNY Research and memberships in professional associations.	<ul style="list-style-type: none"> <li>ROI assessment of each sponsorship/ membership</li> </ul>	\$50,000	Assessment
Partnership Development	External legal and other advisory support to access the expertise needed to structure partnerships and ensure adequate controls and risk mitigation for the RF and SUNY.	<ul style="list-style-type: none"> <li>Reduced corporate risk</li> </ul>	\$50,000	Investment Income

**Sponsored Program Services**

**\$600,000**

Item	Description	Outcome(s)	Recommended Investment	Source of Funds
E-time Reporting	Design and implement automation of the manual time and leave tasks at campuses. System will be implemented in May 2016.	<ul style="list-style-type: none"> <li>Eliminate an estimated 177,000 pieces of paper a year handled by campus HR staff</li> <li>Increase efficiency</li> <li>Align with campus systems</li> </ul>	\$350,000	Borrow and payback through assessment over time
Core Business Support	Activities identified by RF management to improve customer experience, ensure operational efficiency and cost effectiveness, support employees through learning and development, and improve transparency and coordination – with campuses and SUNY System Administration. This work includes enhancing the user experience and dashboards within the Report Center (Report Center 2.0).	<ul style="list-style-type: none"> <li>Positive customer service survey results</li> <li>Established efficiency metrics with 2015 baselines</li> </ul>	\$250,000 (for Report Center)	Assessment

**Students**

**\$30,000**

Initiative	Description	Outcome(s)	Recommended Investment	Source of Funds
NYAS Membership	Partner with New York Academy of Sciences to support student engagement in New York State's STEM research community.	<ul style="list-style-type: none"> <li>Active Graduate Student memberships</li> </ul>	\$30,000	Investment Income

**Remaining Agile to Respond to Opportunities/Threats**

**\$500,000**

Initiative	Description	Outcome	Recommended Investment	Source of Funds
Foundation Initiatives	Support growth and compliance initiatives that arise during the fiscal year.	Ability to quickly react and respond to changes in RF environment and capitalize on opportunities and respond to threats	\$500,000	Investment Income

## Appendix A: Sponsored Program Revenue Projections

Campus Name	Actual	Projections						% Change 2014 to 2020
	2014	2015	2016	2017	2018	2019	2020	
University at Albany	89,065,519	94,442,496	99,164,621	104,122,852	109,328,996	114,795,446	120,535,219	35.3%
SUNY Polytechnic Institute (CNSE)	365,508,174	219,578,346	197,829,353	170,423,148	152,323,206	152,634,863	152,955,587	-58.2%
Binghamton University	31,662,356	35,174,820	38,958,112	42,766,346	46,269,147	50,214,052	52,775,751	66.7%
University at Buffalo	151,012,729	155,412,703	166,218,000	151,075,000	152,729,000	154,409,000	156,116,000	3.4%
Stony Brook University	160,122,436	161,987,654	159,062,530	160,653,155	162,259,687	163,882,283	165,521,106	3.4%
SUNY Downstate Medical Center	60,631,230	39,787,571	36,560,345	34,310,822	32,868,402	33,116,355	33,371,747	-45.0%
Upstate Medical University	33,236,841	31,106,234	32,143,227	33,353,810	35,096,319	35,798,635	35,798,635	7.7%
SUNY Brockport	4,788,443	5,947,488	6,125,913	6,309,690	6,498,980	6,693,949	8,519,452	77.9%
SUNY Buffalo State	23,026,462	23,094,201	23,304,153	23,537,195	23,772,567	23,988,881	24,207,357	5.1%
SUNY Cortland	3,867,115	2,941,000	3,017,000	3,070,935	3,128,214	3,192,340	3,260,282	-15.7%
SUNY Fredonia	2,625,962	2,767,330	2,795,003	2,822,953	2,851,183	2,879,693	2,908,490	10.8%
SUNY Geneseo	709,767	1,589,441	726,391	748,182	770,627	793,746	817,560	15.2%
Old Westbury	2,265,181	3,798,410	1,918,096	1,956,459	1,995,587	2,035,499	2,076,208	-8.3%
SUNY New Paltz	3,662,523	3,887,197	3,926,068	3,965,329	4,004,982	4,045,032	4,085,482	11.5%
College at Oneonta	5,787,779	5,695,209	5,593,832	5,501,697	5,334,681	5,178,178	5,031,704	-13.1%
SUNY Oswego	5,804,016	5,977,246	6,156,563	6,341,260	6,531,499	6,727,444	6,929,269	19.4%
SUNY Plattsburgh	4,576,436	4,802,000	5,059,200	5,346,840	5,346,840	5,346,840	5,346,840	16.8%
SUNY Potsdam	2,714,976	2,525,483	2,525,483	2,525,483	2,525,483	2,525,483	2,525,483	-7.0%
Purchase College	1,815,692	1,603,457	996,552	876,529	883,542	890,585	514,580	-71.7%
SUNY Polytechnic Institute (SUNYIT)	1,513,462	1,487,900	1,009,500	1,009,500	1,009,500	1,009,500	1,009,500	-33.3%
Empire State College	1,513,032	1,550,935	1,191,952	1,180,764	1,180,764	1,180,764	1,180,764	-22.0%
Alfred State College	718,296	1,514,470	1,113,977	792,673	875,622	907,208	907,208	26.3%
SUNY Canton	1,412,600	1,546,794	1,546,794	1,546,794	1,546,794	1,546,794	1,546,794	9.5%
SUNY Cobleskill	1,746,017	1,367,808	1,395,165	1,423,069	1,451,530	1,480,561	1,510,172	-13.5%
SUNY Delhi	253,642	267,573	245,261	223,411	156,000	156,000	156,000	-38.5%
Farmingdale State College	4,588,302	4,037,000	4,074,000	4,179,000	4,196,121	4,207,390	4,218,802	-8.1%
Morrisville State College	1,102,903	996,840	1,650,540	1,612,641	1,610,743	1,246,846	1,230,940	11.6%
SUNY ESF	14,563,048	15,141,000	15,693,000	16,264,000	16,777,000	17,278,000	17,790,000	22.2%
Maritime College	771,646	793,961	754,312	708,571	729,827	751,723	774,275	0.3%
College of Optometry	3,058,834	2,823,918	3,268,980	3,367,047	3,452,140	3,539,436	3,628,991	18.6%
Sys. Admin - Provost	19,750,578	19,727,360	18,051,017	18,634,573	18,787,465	18,918,784	18,924,819	-4.2%
<b>Grand Total</b>	<b>1,003,875,997</b>	<b>853,373,845</b>	<b>842,074,940</b>	<b>810,649,728</b>	<b>806,292,448</b>	<b>821,371,310</b>	<b>836,175,017</b>	<b>-16.7%</b>



## Appendix B: Central Office Operations

The RF central office exists to support SUNY faculty, staff, and students. Staff at central office provide the administrative, legal, financial, regulatory, and technical infrastructure required to manage sponsored programs and technology transfer at the campus level.

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 critical shared services promote efficiencies of scale and brings subject matter expertise to bear on complex and difficult matters, providing each site with up-to-date information, expert counsel, and efficient execution.

The following tables provide a reconciliation of the 2016 Corporate Chargebacks per the Operating Plan to the funding of the central office budget. The cumulative surplus is to address contingencies that may arise.

	2015 Plan	2015 Estimate	2016 Plan
(in millions)			
<b>Funding of Central Office Budget</b>			
Corporate Chargebacks	\$ 39.0	\$ 38.3	\$ 36.6
SUNY Strategic Support Assessment	(2.6)	(2.6)	(2.5)
Corporate Reserve	(2.3)	(2.2)	(2.2)
Fringe Benefit Pool	1.4	1.4	1.4
External Borrowing	2.0	2.0	4.6
<b>Total</b>	<b>\$ 37.5</b>	<b>\$ 36.9</b>	<b>\$ 37.9</b>

<b>Central Office Budget Expenses</b>			
Salaries (incl Fringe)	\$ 17.0	\$ 16.5	\$ 17.0
Campus Initiatives	8.9	8.6	7.8
IT (outsource & pass thru)	6.8	6.3	6.5
Facilities	0.8	0.8	0.8
Insurance / Fees	1.2	1.2	1.2
Investment & Banking Fees	1.4	0.9	0.8
Benefit Program Costs	1.2	1.2	1.2
Other Costs	2.6	2.1	2.1
<b>Total</b>	<b>\$ 39.9</b>	<b>\$ 37.6</b>	<b>\$ 37.4</b>
Surplus/(Deficit)	\$ (2.4)	\$ (0.7)	\$ 0.5
Prior Year Cumulative Surplus	2.2	2.2	1.5
<b>Cumulative Surplus (Deficit)</b>	<b>\$ (0.2)</b>	<b>\$ 1.5</b>	<b>\$ 2.0</b>

## Central Office Function Descriptions

### *Executive & Support*

**Executive Office:** Leads the RF in providing services to the SUNY research community in sponsored programs administration, commercialization of innovation and intellectual property, industry collaboration, and public/private partnership creation and support. The RF President provides visionary leadership, management, and direction to establish and accomplish strategic goals while collaborating with and supporting the SUNY community and private partners.

**Strategy and Planning:** Develops the RF strategic and annual operating plans, monitors corporate projects, and coordinates leadership stakeholders of the organization (Research Council, VPRs). It ensures timely response to changes in the environment, efficient and stable strategic planning and project management, appropriate use of resources, enterprise-wide planning, and quality customer service for all stakeholders. It also interacts with a large and diverse audience across the enterprise to develop and facilitate the definition, collection, analysis, and reporting of metrics and key data elements that will enable data-driven decisions in support of RF and SUNY strategic efforts.

**Legal:** Provides legal services for the RF and individual SUNY campuses in the areas of sponsored programs, innovation and partnerships, technology transfer, labor and employment, and other key areas. Legal office staff responds to requests for legal advice from operations staff and leadership, identifies and solves legal problems, resolves disputes and manages litigation, and also proactively provides training and template development to mitigate various risks. Centralizing this service conserves resources and promotes standardization and legal compliance across all campuses.

**Internal Audit:** Provides independent assessment, recommendations, analyses, and other pertinent comments on the financial and operational controls of all offices, identifies changes in procedures to improve efficiencies, eliminates duplicate efforts, and reduces risks. Internal audit staff identifies areas of potential exposure, and shares process improvement suggestions 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.

**Innovation and Partnerships:** Stimulates meaningful interaction between industry, investors, and government, and the SUNY research enterprise. Its framework is to help SUNY campuses translate discoveries out of research into innovative products and services that improve society and impact state, regional, U.S., and global economies. It does this by supporting industry research; creating start-ups, accelerators, and incubators (and providing ongoing support); developing/managing targeted funds 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, consultative approach to match industry and investors to opportunities, consolidate negotiating power across the enterprise, and promote sustainable returns, growth, and value.

### *Sponsored Program Services/Operations*

**Centralized Grants & Contracts Administration:** Helps to successfully administer funding for campus research for the centralized campus locations. Grants & Contracts staff negotiate and execute grants, contracts, and subcontracts, establish and invoice accounts, and prepare required financial reports. Staff members serve campuses by solving business problems, helping to assure compliance with all sponsor terms and conditions, and offering critical training events. 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 23 campus locations.

**Office of Compliance Services:** Helps the RF and SUNY prevent, detect, and correct fraud, waste, and abuse and support compliance with the laws, rules, and policies governing the proper administration of sponsored research. It does this by developing, managing, and monitoring ethics policies (such as the Code of Conduct and Conflict of Interest policies), establishing an internal control methodology and supportive risk management solutions, overseeing information security, and developing/maintaining policy governance. Compliance Services also provides day-to-day support for campus research administrators, including reviewing award documentation and sponsor assurances of compliance, implementation of the OMB requirements, and responding to federal and state mandated reporting requirements. 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, conflicts management, and satisfactorily resolving audit findings. 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.

**Human Resources:** Takes a proactive approach to maintain positive employee relations at campuses. In addition to developing and maintaining competitive compensation and benefit programs to attract, retain, and motivate a talented workforce, the function provides guidance and training to campus administrators and 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.

**External Relations and Corporate Communications:** Responsible for external and internal communications. Staff produces press releases, research articles, annual reports, executive presentations, web and social media content, and other publications and communications that amplify and promote campus research achievement and SUNY and the RF's role in advancing New York's Opportunity Agenda. The function handles media inquiries, FOIL and FOIA requests to the RF, working with campus communications officers and operations managers as needed. The function supports other RF functions with internal communications. Centralizing this function gives each site access to communication resources and corporate public relations, media, and issue management support.

## *Finance*

**Treasury:** Responsible for various functions including payroll, investments, debt, insurance, facilities and treasury. This includes daily cash management and payroll operations. The Treasury function also includes investment oversight of operational funds, VEBA trust, pension plans, and debt/line of credit borrowing strategies. This function provides a shared payroll service for seven campuses and manages corporate facilities as well as other back-office corporate support including corporate-wide insurance and the corporate office at 35 State Street. Centralization of the Treasury function is an efficient and cost effective approach to dealing with the complexities of its role.

**Cost Accounting and Accounts Payable/Purchasing:** 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 (DHHS). It also oversees fixed assets, service center administration, and assists campus staff in other areas of federal compliance. The accounts payable/purchasing unit disburses funds (checks, electronic payment) for all operating locations, provides corporate oversight for procuring goods and services, and provides guidance for campus staff regarding compliance with laws and regulations, particularly in regard to the IRS.

**Financial Accounting:** Ensures the integrity of the business system and provides appropriate accounting methods and reliable financial information that are critical for operational success. The function completes annual audited financial statements and tax returns and fulfills campus requests for assistance with financial information and foreign tax exemption. It is responsible for the annual operating budget for the RF Operating Plan, including establishing and overseeing campus accounts and campus assessments and allocations.

## *Information Services*

**Information Services (IS):** Information Services is responsible for the information technology strategy, business intelligence, enterprise reporting, and business analysis. The RF's information technology outsourcing vendor supports specific day-to-day IS operations as well as projects that fit into the RF annual Operating Plan. This includes technology upgrades and customized technical support to increase compliance, reduce costs, and provide end users enhanced usability, performance, flexibility, and availability.

## Glossary

### **Agency Services Direct Costs**

Campus-related organizations using RF human resources, payroll, and purchasing/payables administration services (for example, clinical practice plans and campus-based foundations).

### **Bank of America Rebate**

The RF has a Bank of America Comprehensive Payables Program where rebates are earned from ePayables, ACH, and p-card/travel card activity.

### **Corporate Chargeback**

In fulfilling its responsibilities, the RF charges the campuses for the services it provides through either an assessment formula, allocation of costs, or direct offset to investment income.

### **Corporate Reserve**

The RF maintains a corporate reserve to provide additional liquidity to cover cash flow and contingencies. The RF's board of directors agreed to establish and maintain the reserve at 10% of indirect cost recoveries.

### **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.

### **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.

### **Grants and Contracts Direct Costs**

Grants and contracts to faculty researchers and scholars provide direct dollars for expenditures that can be identified specifically with a particular sponsored project. Examples include salaries, supplies, equipment and travel.

### **Grants and Contracts Indirect Costs**

Grants and contracts to faculty researchers and scholars provide indirect costs for 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 such as utilities and libraries.

### **Investment Income**

Investment income is projected based upon an assumed average investment balance and a targeted long-term investment return.

### **Nonsponsored and Other Income**

Campuses retain balances remaining from fixed price sponsored awards and receive other types of non-sponsored revenue such as gifts.

### **Royalties from Licensees**

Intellectual property commercialization generates royalties from companies that have licensed RF-owned intellectual property.

### **Royalties Paid to Inventors (40% of total)**

The SUNY Patent Policy dictates that 40% of royalties be paid to the inventor of intellectual property.

### **SUNY Strategic Plan Assessment**

SUNY System Administration receives a formula-based allocation that may be used in support of its strategic plan.