READER’S GUIDE TO THE IRS FORM 990

This Reader’s Guide contains data and frequently asked questions to help explain information contained in the RF’s IRS Form 990.

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 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 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.

The RF is not a state agency. It is a 501(c)(3) non-profit educational corporation subject to IRS tax exempt status rules and must file an IRS Form 990 annually with the IRS. The form reports on the business and operation of an organization, and provides information on its mission, programs, governance, sources of income and finances. The RF’s IRS Form 990 is publicly available on the RF’s website.

<table>
<thead>
<tr>
<th>Key Data Points for the RF’s 990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
</tr>
<tr>
<td>Total Revenue</td>
</tr>
<tr>
<td>Program Expenditures</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Net Assets</td>
</tr>
<tr>
<td>Number of Employees</td>
</tr>
<tr>
<td>Compensation of Directors, Officers and Key Employees</td>
</tr>
<tr>
<td>Compensation of Five Highest Paid Employees</td>
</tr>
</tbody>
</table>
FREQUENTLY ASKED QUESTIONS

Financial Data
1. How much funding does the RF receive?

The RF’s Form 990 shows total revenues of $1.2 billion. This is made up of:
   - $958 million in sponsored program revenue
   - $191 million in agency services
   - $50 million in income from investments, royalties and other sources

2. Where does the $958 million in sponsored program revenue that the RF administers come from?

Sponsored programs administered by the RF on behalf of SUNY provide the largest source of RF income, including grants and contracts for research programs conducted at SUNY campuses. The RF manages these funds to ensure compliance with university, sponsor, and governmental policies and procedures.

3. What are agency services?

The RF is paid for providing services (human resources, payroll, and purchasing) to SUNY campus-related organizations, such as clinical practice plans, outpatient facilities, affiliated health care facilities, and campus-based foundations.

4. How does the RF’s funding get spent?

The RF uses its funds to support its mission to serve SUNY. Funds are allocated for:
   - Sponsored programs administration (contracts and grants)
   - Allocation to SUNY campuses
   - Services, systems, and infrastructure that support SUNY campuses including RF administrative expenses
   - Royalty income to inventors and their campuses
   - Corporate and investment reserves

For more information about the uses of RF funding, please see the RF 2020 Operating Plan.

5. Does the RF maintain funds for the support of SUNY?

Yes. These funds are used to support: (1) instruction, (2) organized research & other sponsored activities, and (3) institutional activities. A portion is also derived from royalties and must be used to support research programs in accordance with SUNY’s Patents and Inventions Policy. Research Management and Support allocations are unrestricted funds allocated through the Operating Plan approved by the Board of Directors.
6. How are the RF’s investments managed?

Decisions about investments are made by the RF Board of Directors finance committee. The RF also relies on the guidance and recommendations of an independent investment consultant to achieve targeted returns while limiting risk and providing a diversified investment portfolio. For more information on RF investment governance and policy, please see the RF Investment Policy and Guidelines.

7. Does the RF have investments or other activity in foreign countries?

Yes. As part of a diversified investment portfolio administered under the board-approved Investment Policy, the RF has a portion of its investments in foreign countries. Additionally, the RF administers sponsored program activity on behalf of SUNY throughout the world.

**Governance and Stewardship**

8. How large is the RF Board of Directors?

The RF Board of Directors was comprised of 16 voting members as of June 30, 2019. The Board manages the operations of the corporation in accordance with its stated mission and purpose. It is composed of individuals with a range of expertise in research, campus and system administration, finance, business and industry.

9. How much of the RF Board is independent?

14 of the 16 of the RF Board members as of June 30, 2019 were considered to be independent under the guidelines for Form 990 reporting, in this case meaning that two members had received compensation from the RF during the fiscal year for services unrelated to their participation as members of the Board. Members who left the Board during the fiscal year are not included in the determination of independent Board members on page 6 of the Form 990.

10. Why do some members of the Board receive compensation?

No member of the Board is compensated for being a director of the Board. RF compensation reported in the 990 relates to other duties performed by Board members (e.g.: research or administration). It is common to have a number of directors who receive compensation for other duties performed. For fiscal year 2019, two non-independent board members were compensated for their roles as SUNY campus presidents.

11. Does the RF have policies that cover conflicts of interest?

The RF has policies and procedures governing conflicts of interests. Each year, directors, officers, and key employees file a disclosure form regarding potential conflicts. Potential conflicts are managed pursuant to RF policy, and in the case of directors, officers, and key employees there is a review conducted to ensure the policy is properly implemented. These disclosures were reviewed and any potential conflicts were properly disclosed and managed.
Please also see the RF Conflict of Interest Policy. All RF policies and procedures, including conflicts of interest policy, are posted on the RF website for public view.

Additional Resources
For more information on the RF visit Who We Are, What We Do, our FAQ’s, and the RF 2020 Operating Plan.