

THE RESEARCH FOUNDATION

The State University of New York

FINAL FINANCIAL PLAN

Fiscal Year 2009-10



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Introduction

The Research Foundation (RF) provides SUNY faculty, students and staff with support and flexibility that allows them to focus on research and other programs funded by federal and state governments, private sector companies, and nonprofit foundations. These programs encompass a wide range of disciplines and activities from basic and applied science and engineering research to training and education programs. The RF also moves inventions made by researchers to the marketplace to benefit society and the New York State economy.

The State University of New York through the Research Foundation engages in sophisticated research and other sponsored programs that literally change the world.

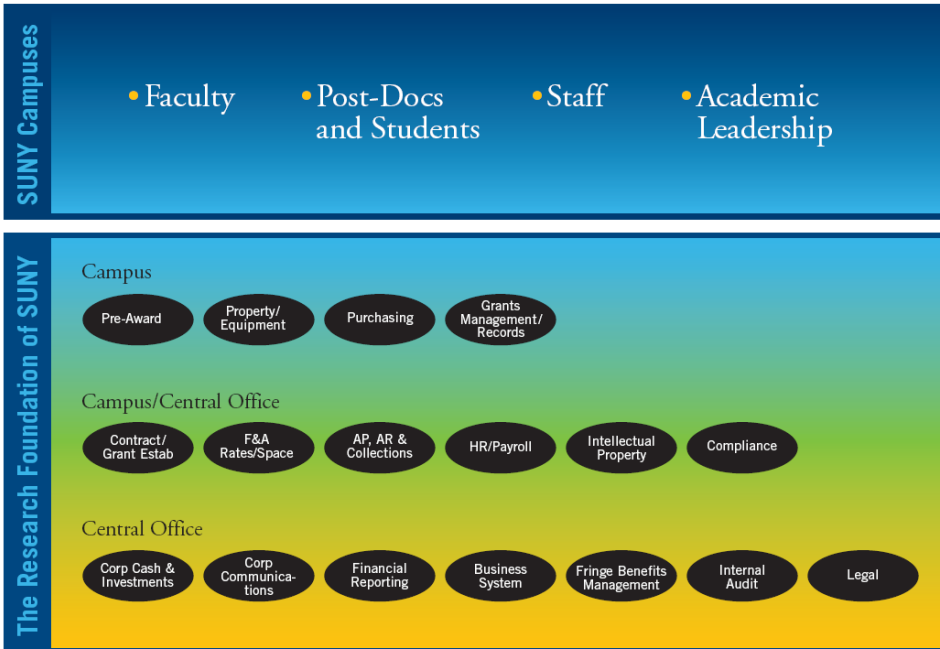
As a private, nonprofit educational corporation, the RF has the independence and authority to enter into business arrangements that support research. This authority and independence gives the RF the capability and flexibility to support research and other types of programs. Sponsored programs typically operate on very short timeframes and carry requirements the RF is well designed to meet:

- compliance with federal and state regulations and sponsor terms and conditions
- prefunding of expenditures prior to sponsor reimbursement
- flexibility to employ people within the project start and end dates
- ability to enter into contracts with sponsors, subcontractors and other partners

At the same time, the RF's attention to detail and compliance with all federal, state, and sponsor regulations – as well as its commitment to ethics – ensures that research and other sponsored programs are conducted in a climate of investigation and integrity.

Research Foundation staff at 30 state-operated campuses and the central office in Albany work together to support the SUNY research enterprise.

THE SUNY RESEARCH ENTERPRISE



Sponsored Program Employees

An estimated 12,400 people worked directly on research and other sponsored programs in calendar year 2008, including 5,600 SUNY students. Funding for these positions came from external sponsors for specific research grants or other programs. In addition, the RF was the pass-through entity for 1,400 fellowships in 2008.

Administrative Staff

Administrative staff at the Central Office and at the thirty SUNY locations provides administrative support for research and other sponsored programs. This includes helping faculty, staff and students find funding for their projects, purchasing supplies and equipment, and submitting financial reports to project sponsors, among many other activities. Administrative staff also helps protect and commercialize intellectual property that derives from conducting research. RF administrative employees are paid from the reimbursements sponsors provide to cover overarching facilities and administrative costs.

Governance and Oversight

RF operations managers appointed by the RF Board of Directors (based on the recommendation of the respective campus president) are responsible for the day-to-day administration of sponsored programs (i.e., support of financial, human resource, procurement and reporting activities) at each campus.

The RF Board of Directors oversees all aspects of the corporation. The voluntary, independent board is composed of business and industry leaders, SUNY researchers, as well as campus and system administrators. The RF board appoints all corporate officers, including the President who serves as the chief executive officer.

The RF was established in 1951 as a non-profit, tax exempt corporation and supports SUNY pursuant to an agreement approved by the State Comptroller, Director the Division of the Budget, and the Attorney General.

The RF adheres to government regulations, sponsor requirements, ethical standards administrative best practices, and faculty and staff needs.

RF Statistical Snapshot

- Total Employees: 17,160 (total during calendar year 2008) including 5,600 students
- Fellows: 1,400
- Research Expenditures: \$850 million
- SUNY Faculty and Staff Conducting Programs: 2,555
- Sponsored Program Awards/Grants: 7,279
- Sponsors: 1,757
- Patents: 44
- Licensing and option agreements: 52
- Invention disclosures: 289
- Patent applications: 209

As SUNY's needs have changed and expanded over the years, the RF's emphasis has adapted to serve the university community. The RF believes that the needs of the SUNY community (faculty, students and staff) and sponsors should drive how the RF operates, not the other way around. When new realities and challenges present themselves, the RF is committed to finding practical solutions that meet SUNY's needs while maintaining the RF's resolute commitment to the highest ethical and fiscal standards.

Financial Plan

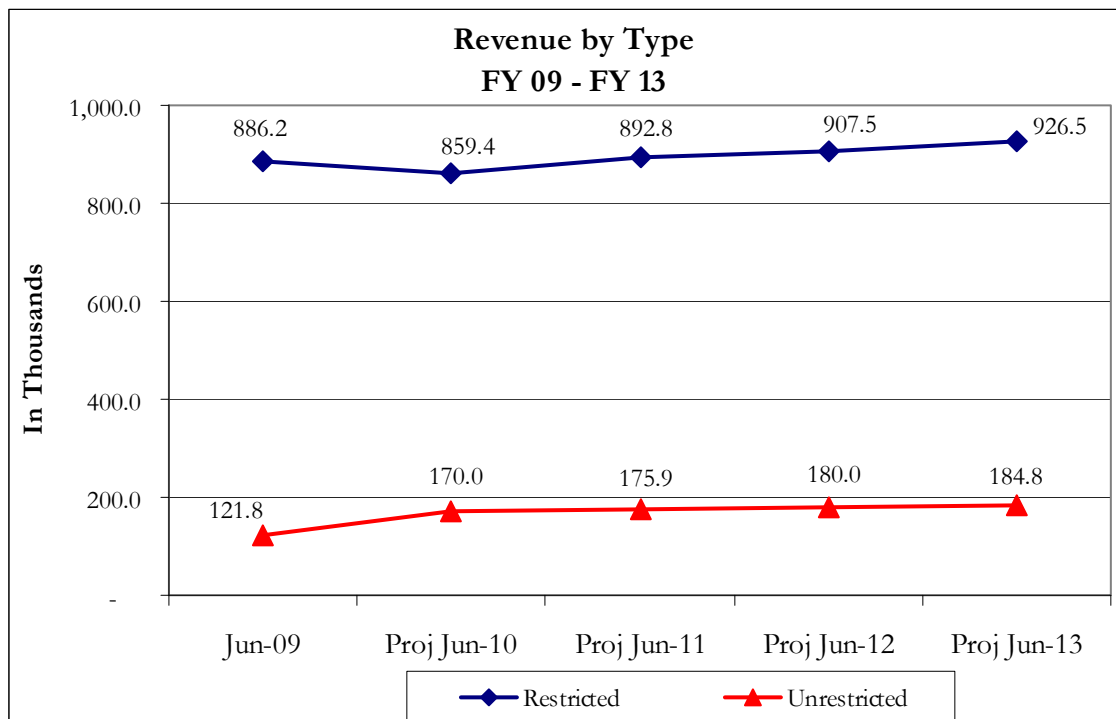
The 1977 Agreement requires the RF to submit a financial plan, or operating budget, on an annual basis. The Financial Plan provides an analysis of the revenues that the RF expects to receive and how the RF will allocate its resources to SUNY campuses, central office, and SUNY System Administration throughout the fiscal year. Revenues are categorized as restricted or unrestricted. Restricted revenues have limitations on their use by law, the donor, and the grantor or external third parties. Unrestricted revenues are funds earned by RF activities that are supported by resources over which the board has discretionary control.

Executive Summary

Revenue

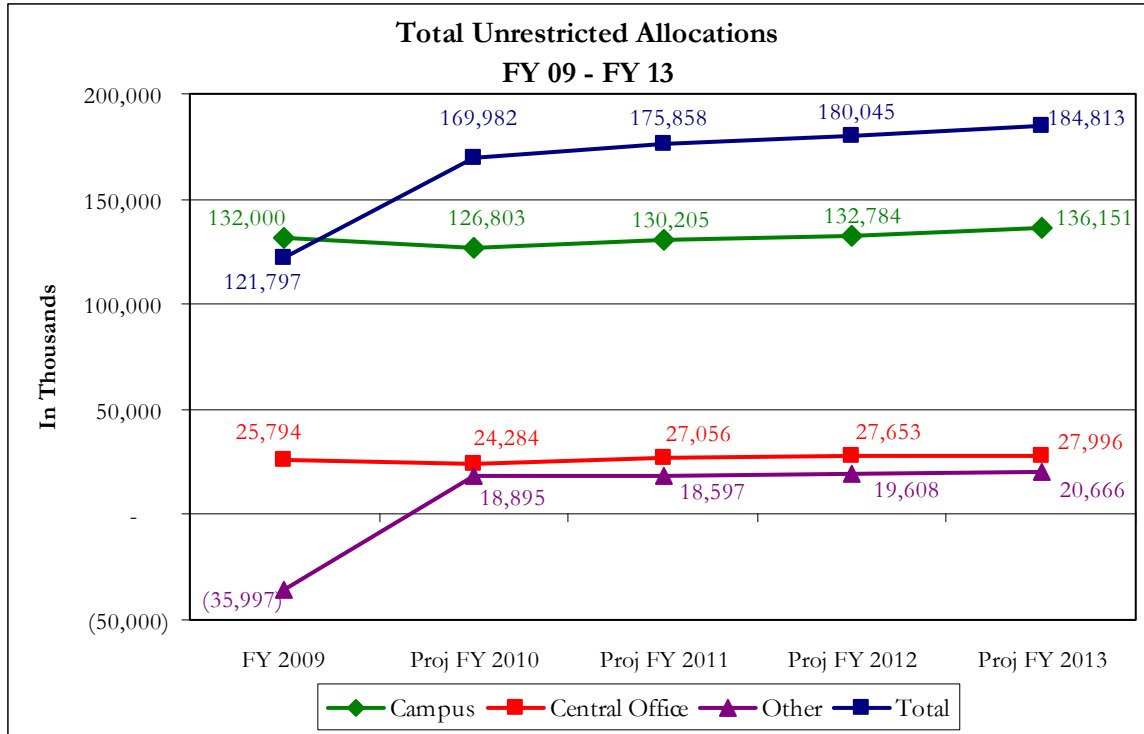
In fiscal 2010, revenue (also described below as “activity” since both sponsored research and agency revenues are based on spending) is projected to increase by 2.1% overall. Due to the uncertain economic climate, optimistic-case and worst-case projections are presented to assist with planning. Highlights:

- **Restricted:** Sponsored program restricted revenue and activity is projected to decrease 5.4%, which is partially offset by a 7.4% increase in the smaller agency line. The decrease in sponsored activity reflects stabilization at the College of Nanoscale Science and Engineering after the completion of major upfront capital and infrastructure expenditures that occurred in previous years. Note that campus estimates of sponsored program activity, which are the basis for the plan, were completed prior to passage of the American Recovery and Reinvestment Act (ARRA) of 2009.
- **Unrestricted:** Total unrestricted revenue in fiscal 2010 is expected to recover by 39.6% after the significant investment market losses in fiscal 2009.



Allocations

Fiscal 2010 allocations to campuses, at \$126.8 million, are expected to decrease \$5.2 million compared to fiscal 2009 levels due primarily to decreases in gifts and other revenues. There will be variances among individual campuses; see Exhibit D for the planned allocations by campus (plus history since 2005). The allocation methodology for fiscal 2010 is unchanged from fiscal 2009.



Central office operating expenses have been reduced by 6% for fiscal 2010. The cost savings will enable the return of about \$1.4 million to the campuses, which will be allocated based on equipment purchases, in order to decrease the cost burden on campuses with capital-intensive spending.

In accordance with the Investment Policy and Guidelines, no investment income will be allocated to the campuses in 2010 as the RF rebuilds its investment reserve.

Working Capital

Fiscal 2009, total working capital declined mainly due to investment income losses of approximately \$45 million. Net unrestricted working capital is \$36.7 million. This balance represents a relatively small cushion for covering expenditures and assuring operating liquidity for an organization of the RF's size.

For fiscal year 2010, total working capital is anticipated to decrease due to the projected decline in sponsored program activity and new spending of approximately \$14 million by BioBAT, Inc. related to construction at the Brooklyn Army Terminal. Net unrestricted working capital is anticipated to decrease due to unrestricted expenditures exceeding revenues. During fiscal 2010, it is projected that the investment income rate of return will be 7%.

Longer Term Outlook

Sponsored program revenue growth is anticipated to remain at about 3% annually through fiscal year 2013. Note that campus estimates of activity were completed prior to passage of ARRA and will be reviewed again in January 2010. See the charts starting on page 20.

Fiscal Year 2009-10 Operating Budget

The Research Foundation's (RF) operating budget allocates revenue for the coming fiscal year. The figures in the "Plan" column are used in the detailed description of each line item in the pages that follow.

Operating Budget (in thousands)

| | Fiscal 2009 Actual | Fiscal 2010 Plan | Fiscal 2010 | |
|---------------------------------------|-----------------------|---------------------|--------------------|------------------|
| | | | Optimistic Case | Worst Case |
| Restricted Revenue: | | | | |
| Sponsored Program Direct | \$723,908 | \$685,176 | \$744,134 | \$629,281 |
| Agency Direct | 162,256 | 174,216 | 191,610 | 156,841 |
| Total Restricted Revenue | 886,164 | 859,392 | 935,744 | 786,122 |
| Unrestricted Revenue: | | | | |
| Sponsored Programs F&A Cost Recovery | 126,053 | 131,908 | 142,807 | 119,449 |
| Agency Service Fees | 5,333 | 5,826 | 6,408 | 5,244 |
| Investment Income - Operational Funds | (44,575) | 10,748 | 21,496 | - |
| Equity Distribution from LLCs | 1,730 | 1,500 | 1,500 | 1,500 |
| Royalties | 14,416 | 10,072 | 11,080 | 9,064 |
| Gifts and Other | 18,840 | 9,928 | 10,954 | 9,053 |
| Total Unrestricted Revenue | 121,797 | 169,982 | 194,245 | 144,310 |
| Total Revenue | \$1,007,961 | \$1,029,374 | \$1,129,989 | \$930,432 |
| Allocations: | | | | |
| Direct Restricted Allocation | \$886,164 | \$859,392 | \$935,744 | \$786,122 |
| Unrestricted Allocation: | | | | |
| SUNY Campuses | 132,000 | 126,803 | 139,915 | 112,282 |
| Central Office | 25,794 | 24,284 | 24,284 | 24,284 |
| SUNY System Administration | 2,428 | 2,566 | 2,566 | 2,566 |
| Royalty Inventors' Share | 5,766 | 4,029 | 4,432 | 3,626 |
| Corporate Reserve | - | 3,669 | 5,972 | 1,366 |
| Investment Income Reserve | (44,191) | 8,631 | 17,076 | 187 |
| Total Unrestricted Allocation | 121,797 | 169,982 | 194,245 | 144,310 |
| Total Allocations | \$1,007,961 | \$1,029,374 | \$1,129,989 | \$930,432 |

Key to columns:

- The “Fiscal 2009 Actual” figures present final Fiscal 2009 activity.
- The “Fiscal 2010 Plan” figures present campus- provided best estimates of revenue based on six months of actual data for the 2009 fiscal year.
- The “Fiscal 2010 Optimistic and Worst Case” columns present scenarios reflecting a growth rate fueled by increased federal spending for 2010 and a worst-case scenario reflecting flat federal spending and reductions in nonfederal spending in 2010.

A visual representation of the plan concept is on page 8.

Revenue

Allocation

Reserves

R E S T R I C T E D

Money dedicated to a specific grant or agency



Expenses dedicated to a specific grant or agency account

U N R E S T R I C T E D

- F&A cost recovery
- Agency service fees
- Investment income
- Equity distributions from LLCs
- Royalties
- Gifts and other



SUNY campuses

Central office operations

1. Percent of revenue
 - Centralized 3.7%
 - Decentralized 2.7%
2. Agency service fees at cost

Other

- SUNY System Administration (.3%)
- Royalty payments to inventors



- Corporate reserve
- Investment reserve

2 0 1 0 A S S E S S M E N T

Total assessment percentages = 4.0% (centralized) and 3.0% (decentralized).

Assessment base = weighted average revenue FY2007 — 20%; FY2008 — 30%; FY2009 — 50%.

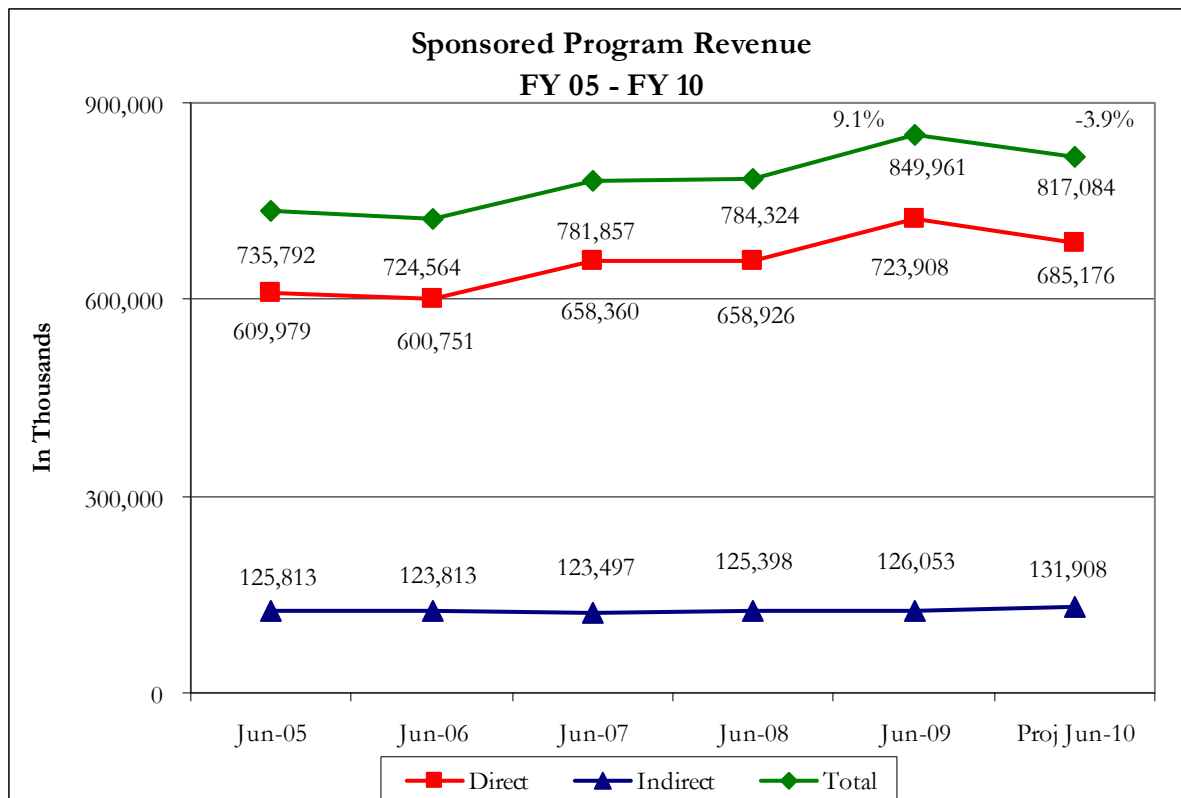
2 0 0 9 A S S E S S M E N T

Total assessment percentages = 4.0% (centralized) and 3.0% (decentralized).

Assessment base = weighted average revenue FY2006 — 20%; FY2007 — 30% and FY2008 — 50%.

Treasury and Investment costs are offset against investment income in accordance with the Investment Policy.

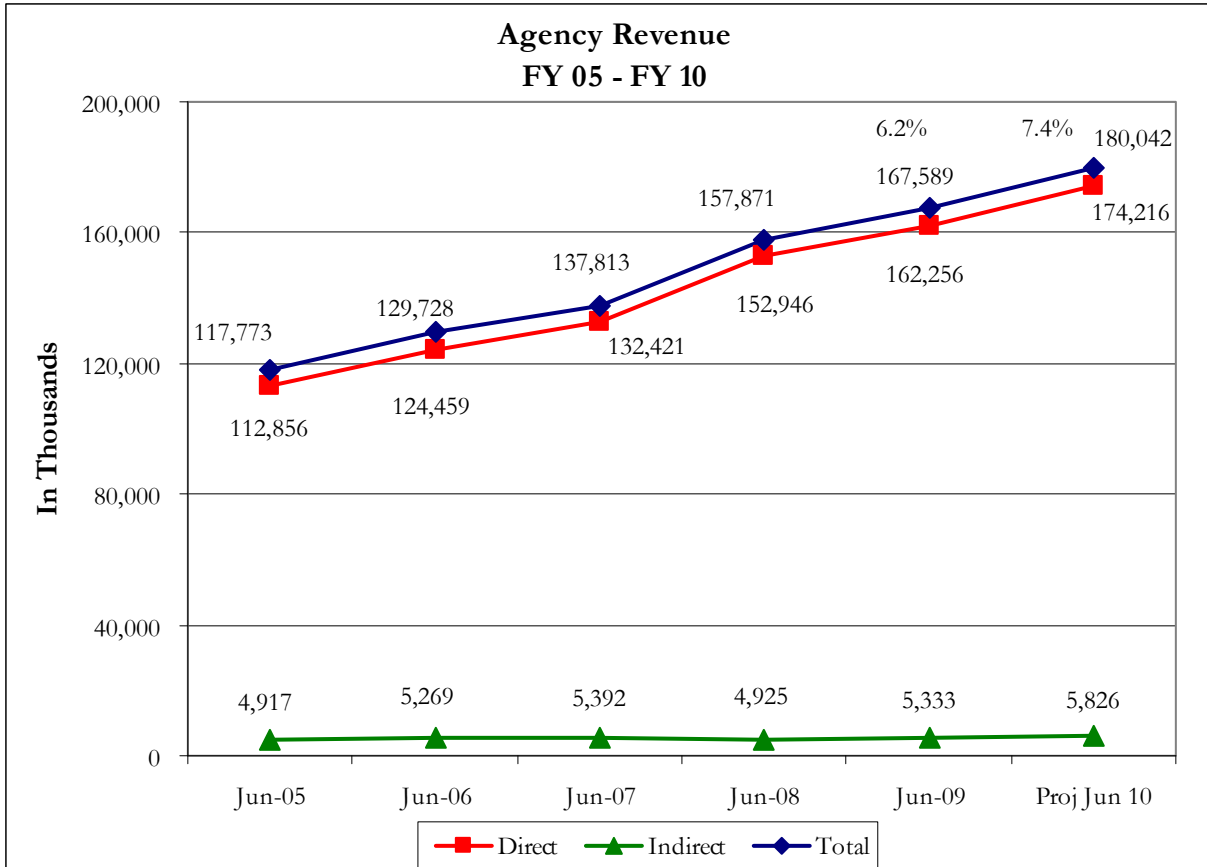
Revenue



Fiscal Year 2009-10

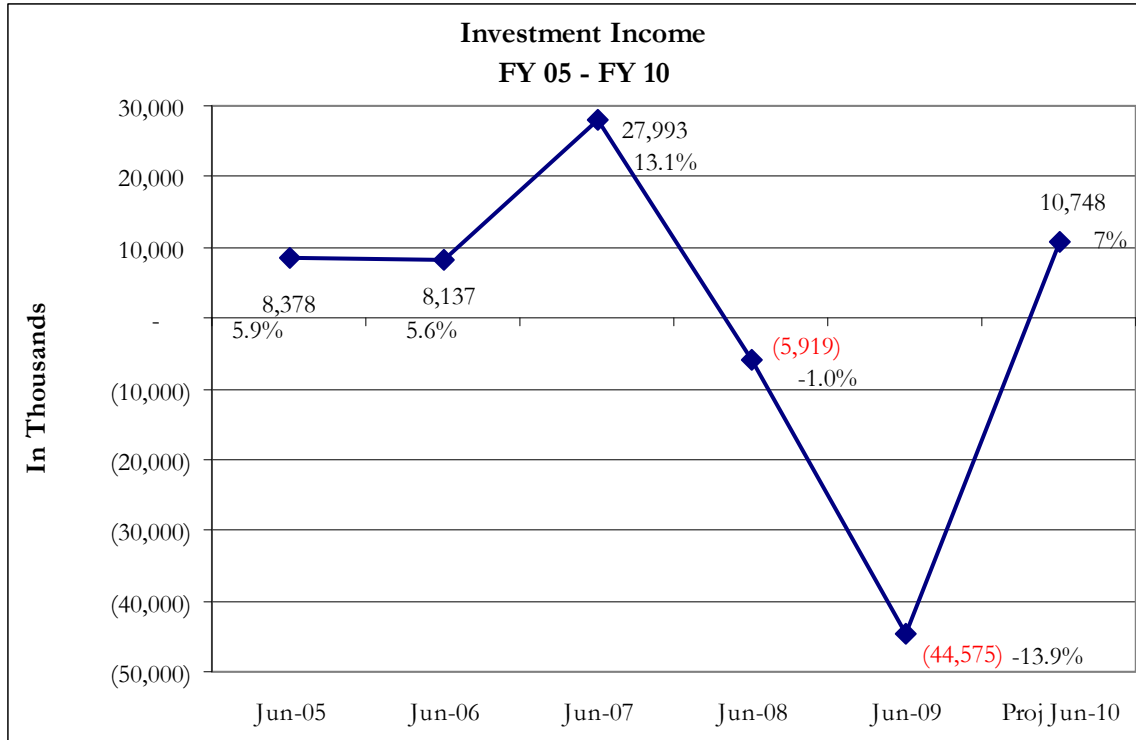
Each campus projected sponsored programs activity by looking at requests for funding from sponsoring agencies, the current volume of actual awards and the current levels of direct cost and F&A cost expenditures. Note that campus estimates of activity were completed prior to passage of the ARRA.

For 2009-10, sponsored programs activity is projected to decrease by 3.9% to \$817 million, including \$685 million in direct and \$132 million in F&A (indirect) cost recoveries. The decrease reflects stabilization of ongoing operating expenditures after the completion of major upfront capital, tooling and infrastructure expenditures at the College of Nanoscale Science and Engineering at Albany.



Fiscal Year 2009-010

For fiscal year 2009-10, agency direct revenue is expected to increase 7.4% to \$174.2 million as compared to 2008-09 and agency service fees are also expected to increase 9.2% to \$5.8 million. Increases are mainly attributable to BioBAT construction project activity. BioBAT, Inc. is a private, not-for-profit corporation formed by the Research Foundation (acting on behalf of SUNY Downstate Medical Center) and the New York City Economic Development Corporation to develop the Brooklyn Army Terminal into a site for biotechnology expansion, manufacturing and research.

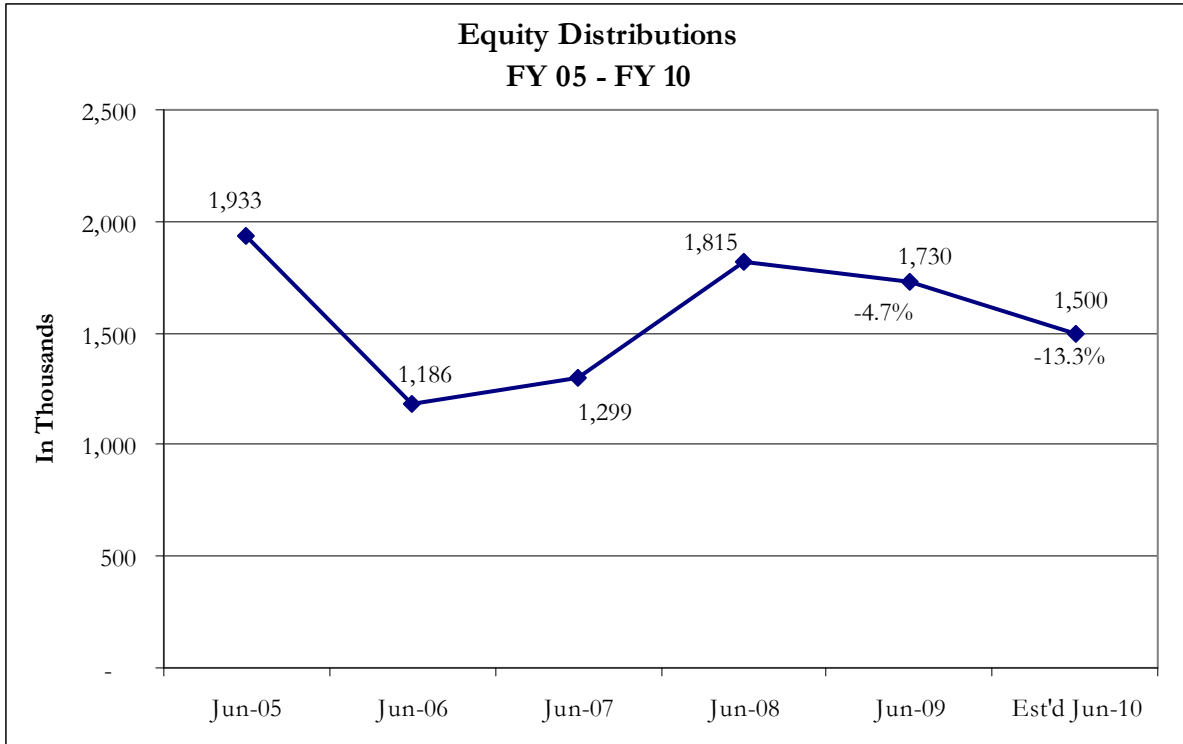


Note: the percentages shown above indicate the rate of return for the RF's operating cash.

Fiscal Year 2009-10

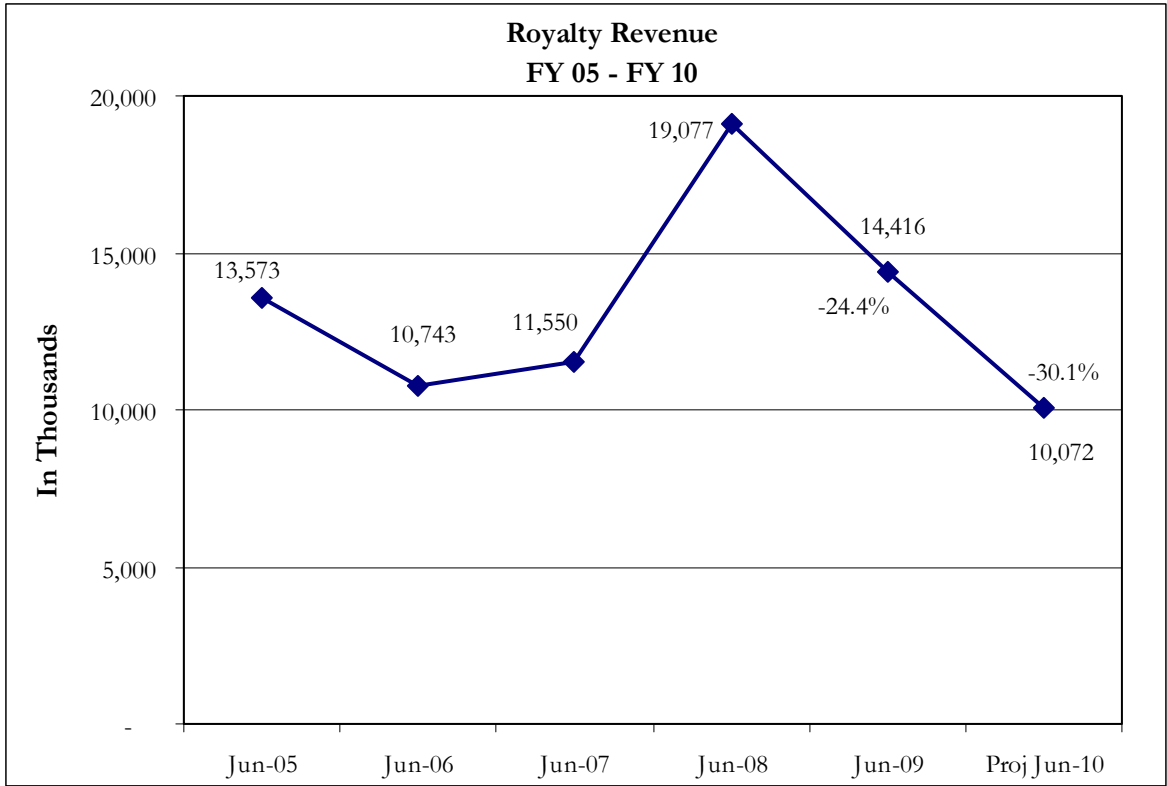
The RF, with the assistance of our investment consultant, projects the return on the portfolio using trend data and statistical analysis. Due to the diversified nature of our portfolio, which is spread among multiple asset classes, our investment return will rarely perform on a straight-line basis. Our medium duration operational pool has a long-term expected return of 8%, which we have risk-adjusted to 7% for next year and subsequent years. Additionally, we consider market conditions and believe that this return is achievable, particularly after two down market years.

The projected return of 7% for fiscal 2010 would produce net income of \$10.7 million. Investment income is recorded net of investment-related expenses such as managers' fees, consultants, custodians, banking and staff time associated with investment-related activities.



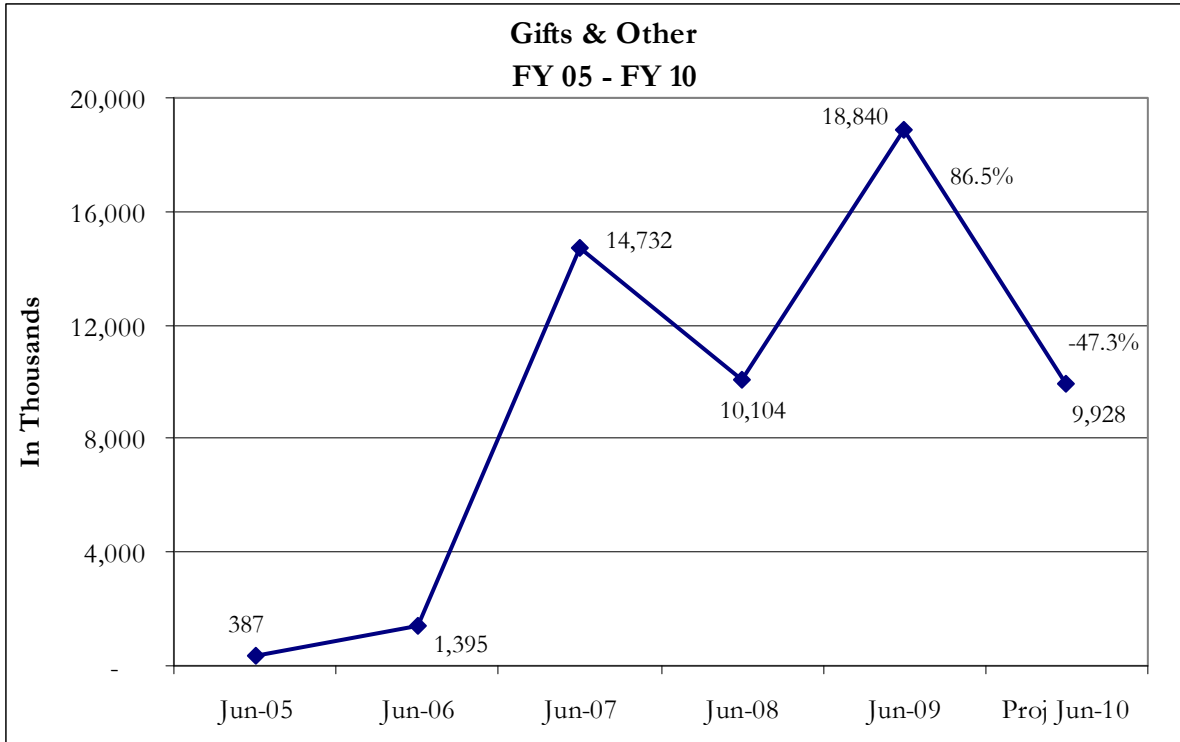
Fiscal Year 2009-10

The total estimated income from limited liability companies (LLCs) is \$1.5 million in 2009-10 wholly from Brookhaven Science Associates, LLC, as no revenues or losses are anticipated from the other LLC, Source Sentinel.



Fiscal Year 2009-10

The technology transfer offices estimate that royalties for fiscal 2010 will be \$10.1 million, compared to \$14.4 million for fiscal 2009. This is due to a non-recurring royalty payment at Stony Brook University in fiscal 2009. Note that the RF currently holds stock received in lieu of royalty payments in 16 companies



Fiscal Year 2009-10

Gifts and other revenues are projected to decrease RF-wide, with decreases in third-party recharges due partly to the slowing economy and partly to service center capacity being used for sponsored program work (rather than third-parties).

Allocations

Direct Restricted Allocation

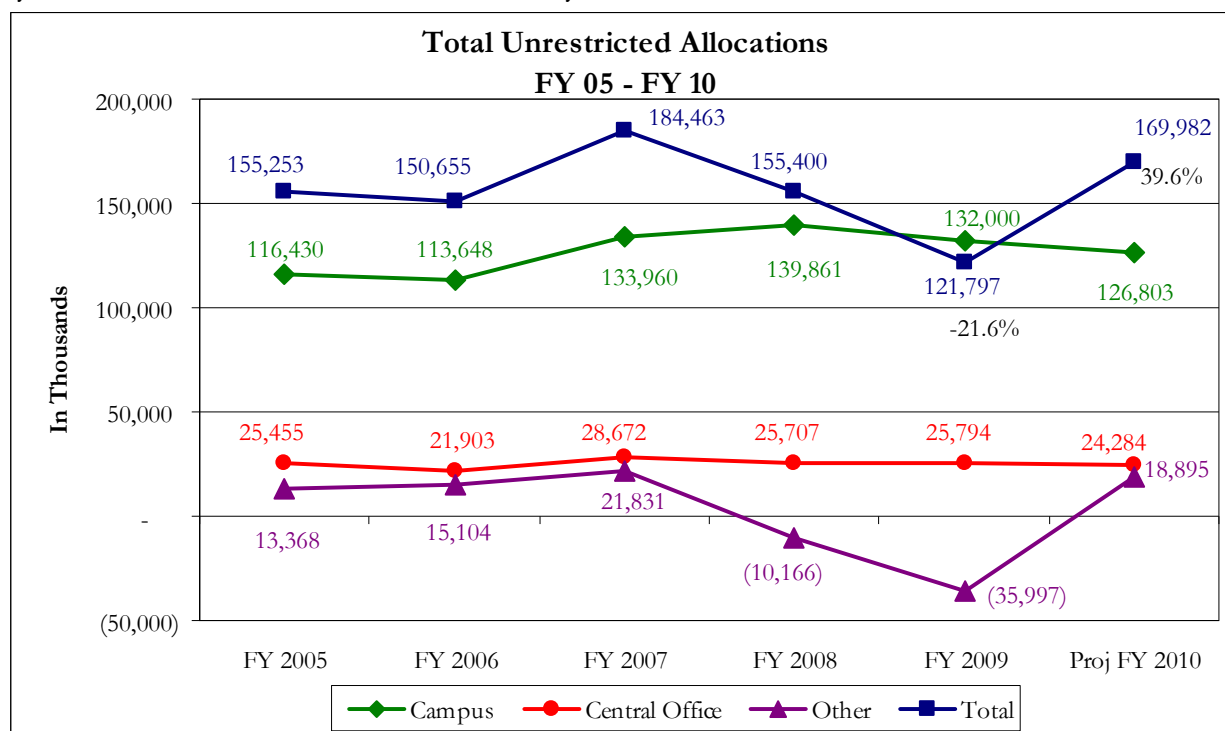
The direct restricted allocation represents the total of direct sponsored program revenue and direct agency revenue that is dedicated to specific sponsored programs or agency accounts.

Fiscal Year 2009-10

In 2009-10, the total restricted allocation is estimated to decline 3%, which reflects the net of decreased direct sponsored program activity and increased agency activity.

Unrestricted Allocations

Allocations are made to (1) SUNY campuses, (2) central office, and (3) other, which include SUNY System Administration, inventors' share of royalties, and reserves.



SUNY Campuses

Campuses receive an allocation that may be used to support three major functions: (1) instruction, (2) organized research & other sponsored activities, and (3) institutional activities. The portion derived from royalties must be used to support research programs in accordance with the Patents and Inventions Policy. The allocation to each campus is calculated based on revenues earned, less assessments for central office and SUNY System Administration.

Fiscal Year 2009-10

Fiscal 2010 allocations to campuses are expected to decrease 3.9% compared to fiscal 2009 levels due primarily to decreased gift and other revenue, with variances among individual campuses. See Exhibit D for the planned allocations by campus (plus history since 2005). The allocation methodology for fiscal 2010 is unchanged from fiscal 2009.

Central Office

Central office receives a formula-based allocation to cover costs for the following:

- Serving as corporate headquarters of the Research Foundation.
- Providing a framework for performing operational activity at the campus level related to RF services.
- Performing centralized sponsored programs and technology transfer operational activity for campuses where volumes do not warrant performing the activity at the campus.

The allocation does not cover all central office costs. Investment and treasury costs are paid from investment income in accordance with the Investment Policy and Guidelines. Some OTPS costs associated with managing employee benefits are charged to the fringe benefit pool.

Exhibit A provides further details about central office.

Fiscal Year 2009-10

The formula-based allocation to central office is projected to remain flat. Central office operating expenses are expected to increase by \$1 million from 2009 to 2010. The difference between the amount allocated to central office and the amount dedicated to operating expenses (\$1.4 million) will be allocated to the corporate reserve.

The following chart shows the central office formula-based allocation for the 2009 and 2010 fiscal years.

Central Office (in thousands)

| | Fiscal 2009 Actual | Fiscal 2010 Plan |
|--|-------------------------------|-----------------------------|
| Central Office Formula-based Allocation: | | |
| Campus Assessment | \$25,770 | \$25,650 |
| Agency Service Fees | 24 | - |
| Investment Income Allocation | - | - |
| Total Central Office Formula-based Allocation | \$25,794 | \$25,650 |
| Central Office Uses: | | |
| Central Office Operating Expenses | \$23,260 | \$24,284 |
| Transfer to Operating Reserves | 2,534 | - |
| Transfer to Corporate Reserves | - | 1,366 |
| Total Central Office Formula-based Allocation Use | \$25,794 | \$25,650 |

Other

“Other” unrestricted allocations include SUNY System Administration, inventors’ share of royalties, corporate reserve and investment reserve.

Fiscal Year 2009-10

Other unrestricted allocations are a negative \$36 million in fiscal 2009 due to the \$44.2 million decrease to the investment reserve (see below). This amount will be allowed to accumulate in the investment reserve as a negative balance, rather than being charged to the

campuses or to the corporate reserve. In subsequent years, the expected positive investment earnings will be applied to building the corporate and investment reserves, so that after three or four years, those reserves will be funded as per board policy, and campuses can once again receive investment income allocations.

The following chart shows “Other” allocations for 2009 and 2010.

Other Unrestricted Allocations
(in thousands)

| | Fiscal 2009 | Fiscal 2010 |
|-------------------------------|--------------------|--------------------|
| | <u>Actual</u> | <u>Plan</u> |
| SUNY System Administration | \$ 2,428 | \$ 2,566 |
| Inventor’s share of royalties | 5,766 | 4,029 |
| Corporate Reserve | - | 3,669 |
| Investment Reserve | (44,191) | 8,631 |
| Total Other | \$ (35,997) | \$ 18,895 |

SUNY System Administration

SUNY System Administration receives a formula-based allocation that may be used by the chancellor in support of the University.

Fiscal Year 2009-10

The formula-based allocation to SUNY System Administration will increase from \$2.4 million to \$2.6 million in fiscal year 2010. The assessment percentage remains at 0.3% of revenue.

Inventors’ share of royalties

Inventors receive 40% of the royalties from their inventions.

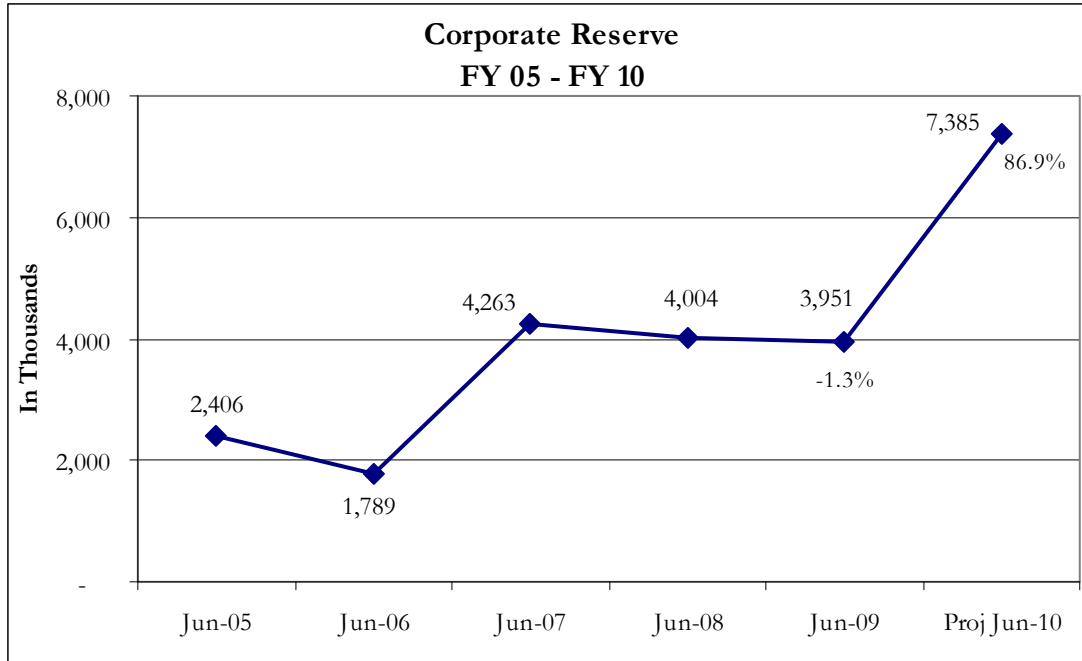
Fiscal Year 2009-10

In 2009-10, the inventors’ share of royalties is projected to be \$4 million.

Corporate Reserve

The RF maintains a corporate reserve to provide additional liquidity to cover cash flow and contingency needs. Funding of this reserve is provided through allocation of investment income. The RF’s board of directors agreed on a goal to maintain the reserve at a 10 % of F&A cost revenue. The annual funding calculation is 1.5% of the operational funds, however, the allocation depends on having income available. In fiscal year 2009, investment losses precluded the funding of this reserve.

The board of directors must approve expenditures from the reserve. If a major contingency occurs and the corporate reserve is not adequate, the RF board has the authority to adjust the allocations for the fiscal year or authorize the use of unexpended funds from previous years’ allocations.



Fiscal Year 2009-10

In 2009-10, with investment income projected at the positive 7% level noted earlier, the RF projects it will add \$2.3 million to the corporate reserve. Additionally, as noted above, there will be a one-time funding to the reserve of approximately \$1.4 million in 2009-2010. In order to reach the 10% of F&A goal, the RF will continue to fund the corporate reserve with an allocation from investment income. As a result, at the end of fiscal year 2010, the RF's corporate reserve is expected to be about 57% funded

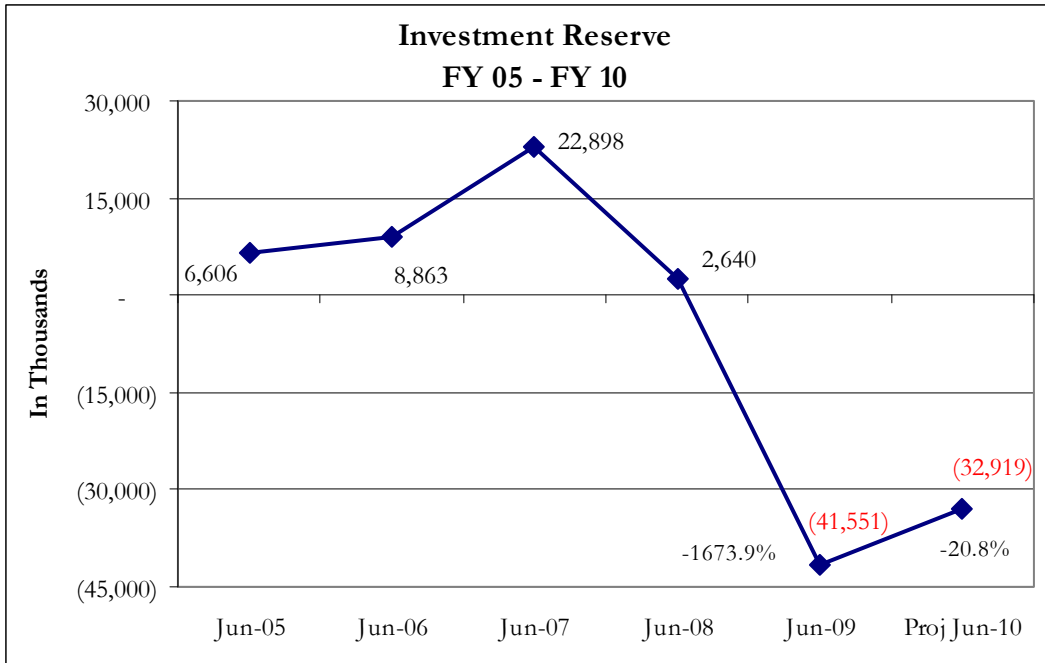
The following chart shows reserve balances for the 2009 and 2010 fiscal years.

**Corporate Reserve
(in thousands)**

| | Fiscal 2009 Actual | Fiscal 2010 Plan |
|---|-------------------------------|-----------------------------|
| Corporate Reserve Rollforward: | | |
| Opening balance at 7/1 | \$4,004 | \$3,951 |
| Corporate reserve allocation | - | - |
| Investment income allocation | - | 2,303 |
| One-time adjustment due to reduced CO costs in 2010 | - | 1,366 |
| Transfer for Unionization | (53) | (235) |
| Estimated Corporate Reserve Balance at 6/30 | \$3,951 | \$7,385 |

Investment Reserve

The RF maintains an investment reserve to help ensure campuses receive the projected distribution of investment income in a particular year as per that year's Financial Plan. Due to highly unusual market conditions, the reserve is currently negative. As the graph below indicates, there is a large negative balance as of the end of fiscal 2009 resulting from current year losses. These losses are not being allocated to campuses. Subsequent years' income will be used to rebuild the investment reserve over a three-to-four year period, during which time no investment income will be allocated to the campuses. The beginning of that rebuilding process is shown below, in the fiscal year 2010 projected reserve level.



The following chart shows reserve balances for fiscal years 2009 and 2010.

Investment Reserves (in thousands)

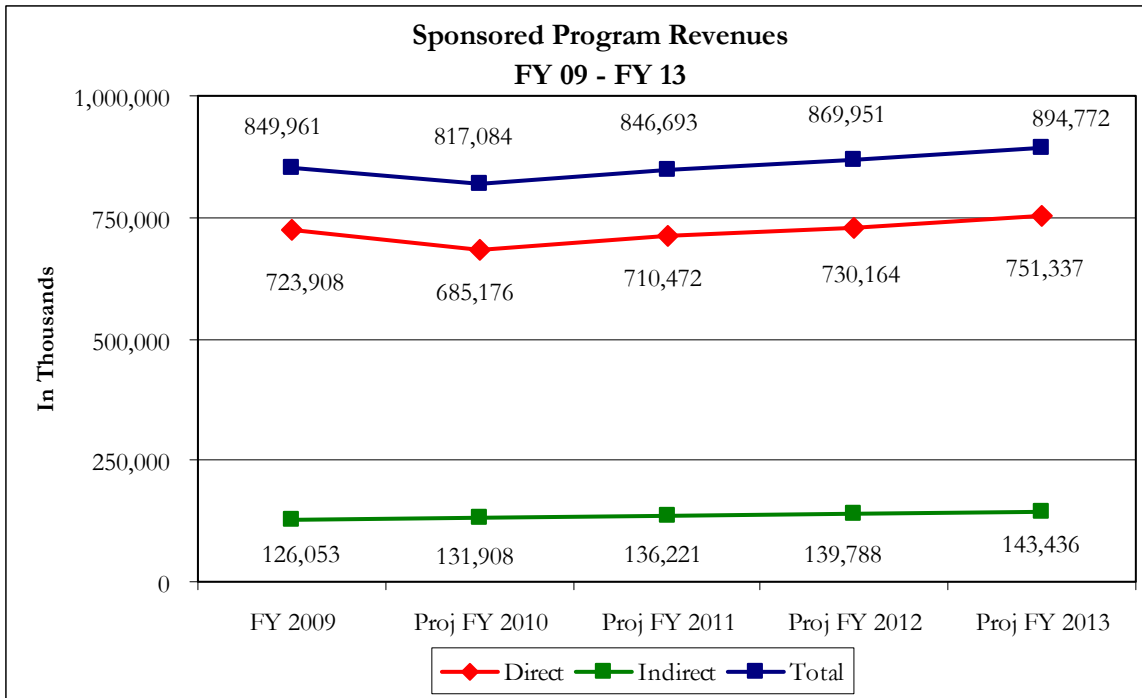
| | <u>Fiscal 2009 Actual</u> | <u>Fiscal 2010 Plan</u> |
|---|-------------------------------|-----------------------------|
| Investment Revenue/Allocation/Reserves | | |
| Investment income (net) - Operational Funds | \$(44,575) | \$10,748 |
| Allocation from Campuses per Deficit Rate | 384 | 187 |
| Allocation to Corporate Reserve | - | (2,303) |
| Investment Income to reserves | (44,191) | 8,632 |
| Prior year reserves | 2,640 | (41,551) |
| Investment Reserves at end of year | \$(41,551) | \$(32,919) |

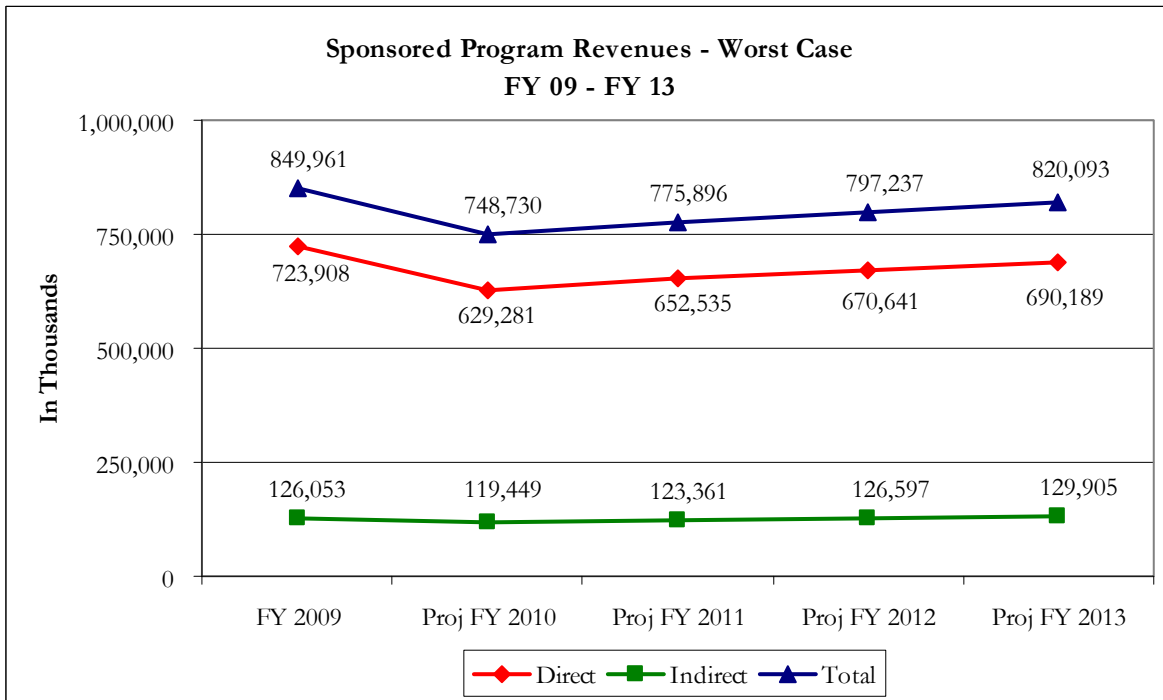
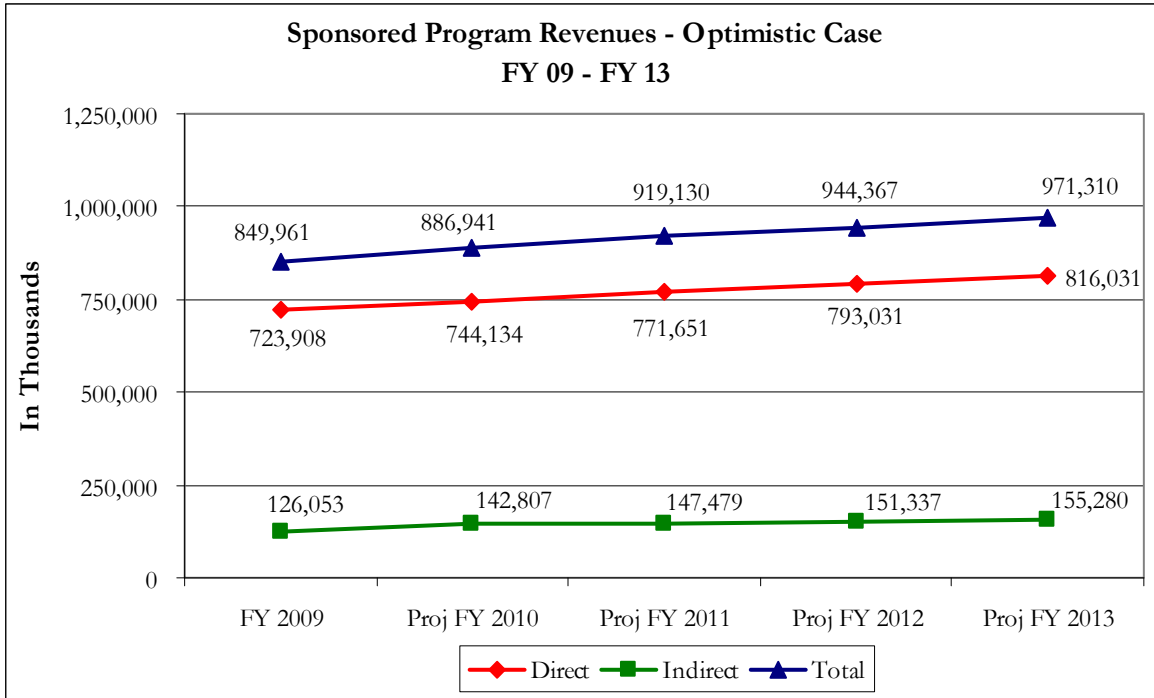
Forecasting

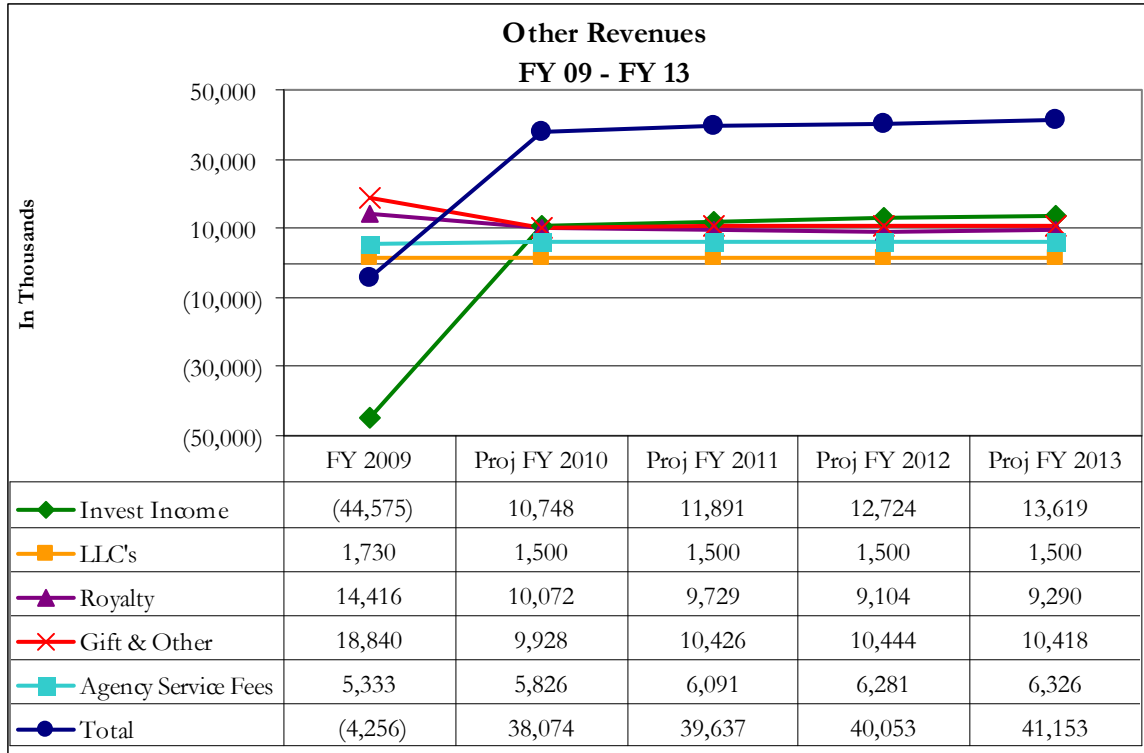
The Research Foundation forecasts revenues and allocations to help campuses and central office operate in a stable and predictable manner. The following charts show projections of revenues and allocations through fiscal year 2013. Due to the uncertain economic climate, optimistic-case and worst-case projections are presented to assist with planning.

Revenues

Revenue projections are based on information provided by campuses.

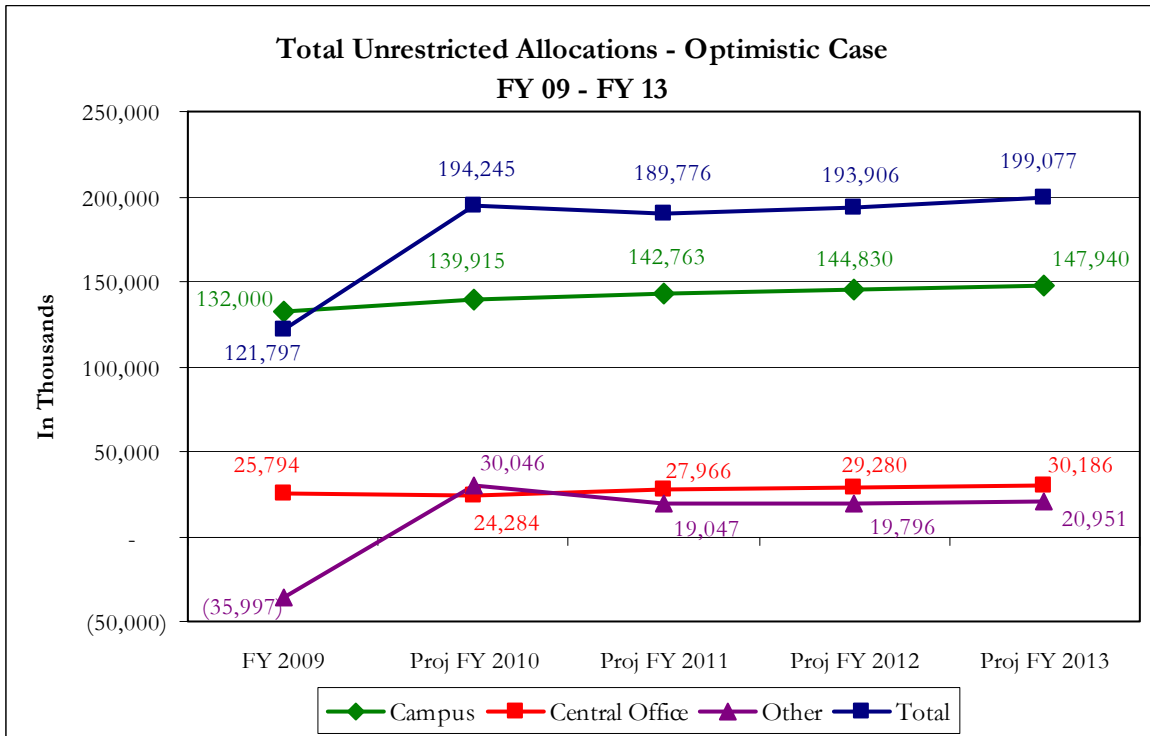
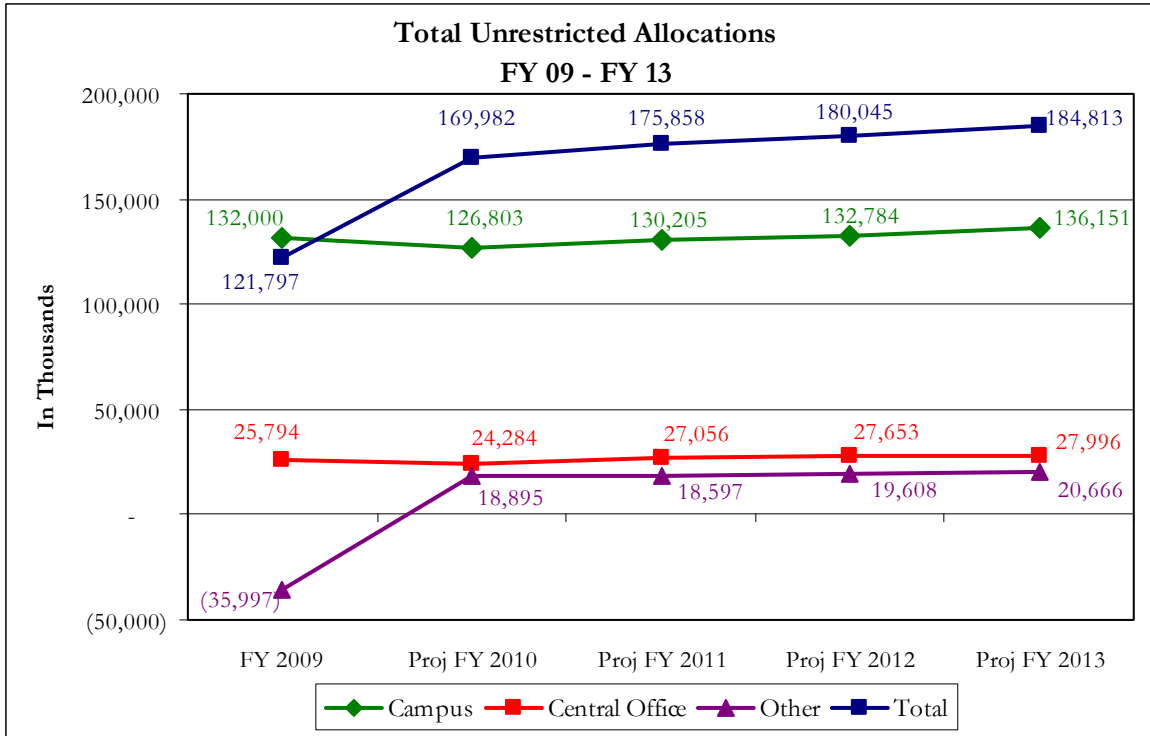


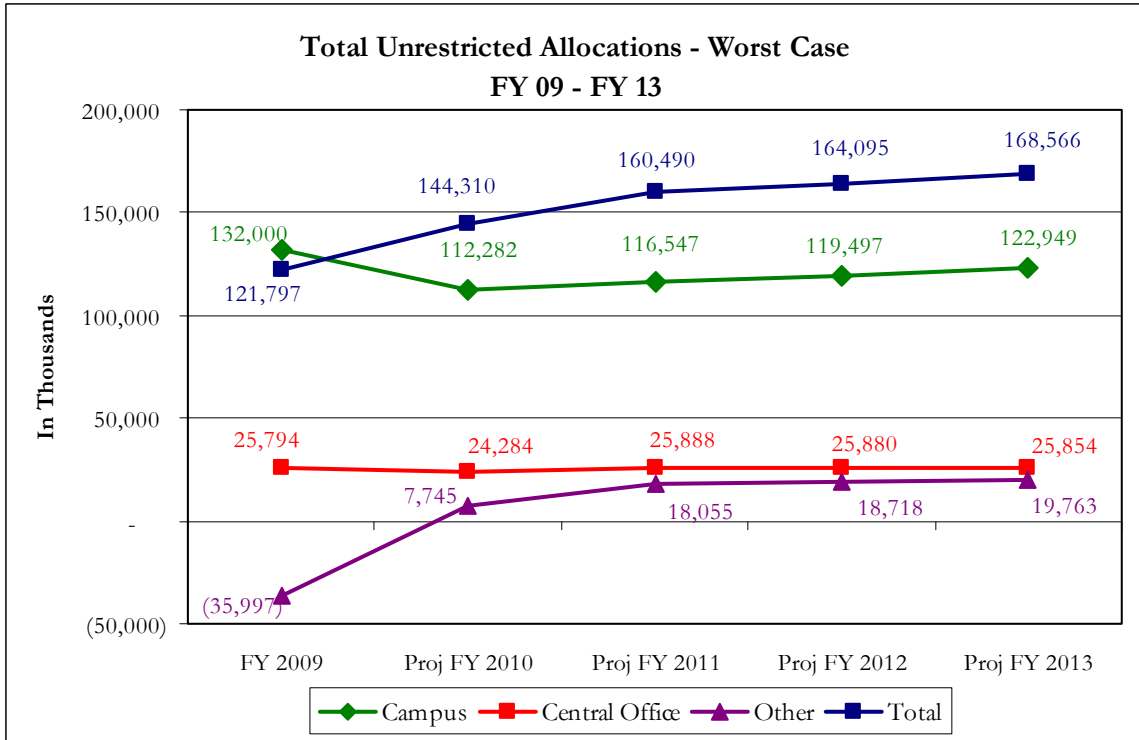




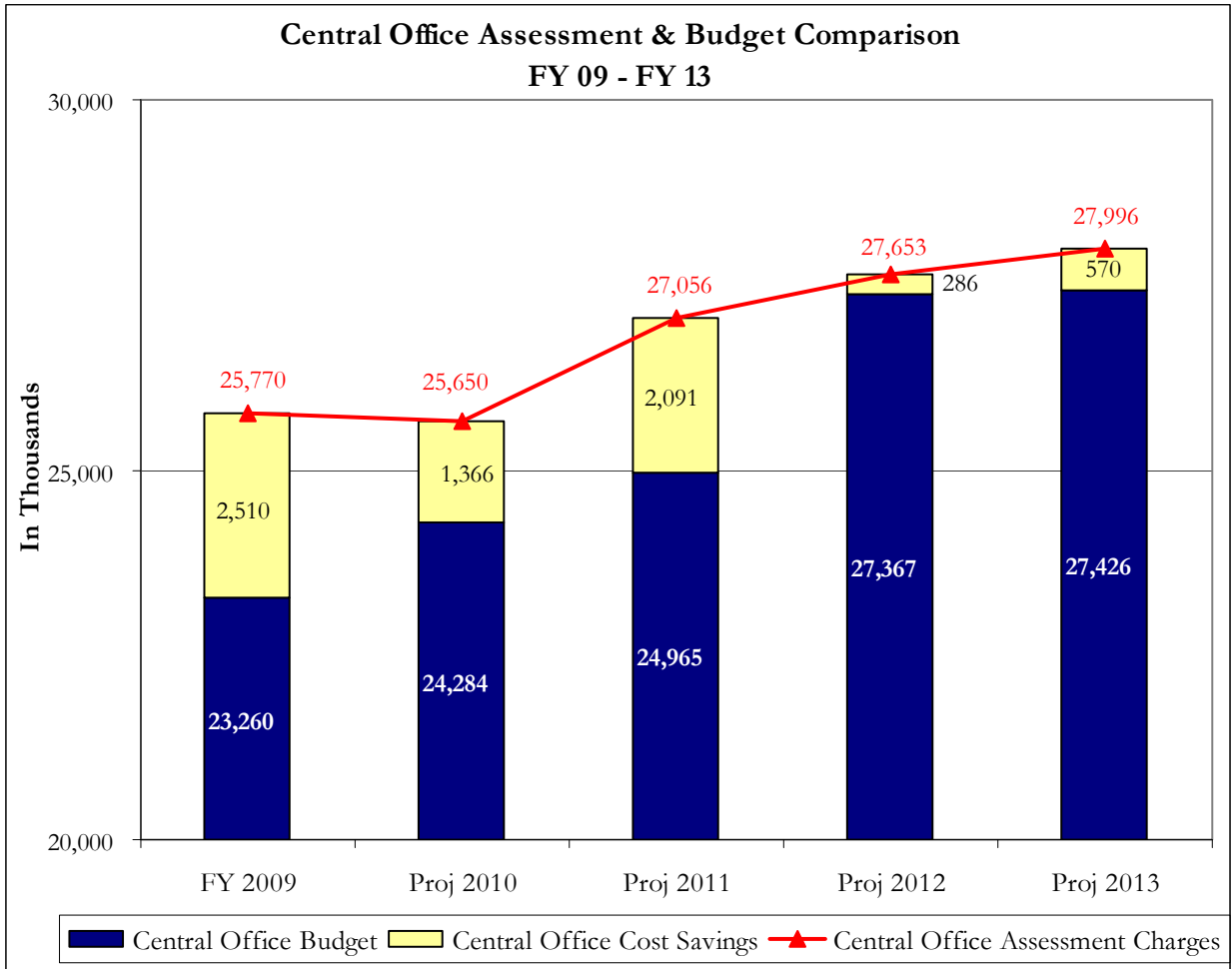
Allocations

The projections of allocations are based on the assumption that beginning in fiscal 2009, the assessment percentages will be 3.0% (decentralized) and 4.0% (centralized) on a weighted average base of total sponsored program activity, investment income, royalties, LLC, gifts and other. The central office formula-based allocation includes a set-aside for strategic initiatives. The “Other” allocation line on the chart below includes the allocations related to SUNY System Administration, inventors’ share of royalties, corporate reserve, and the investment income reserve. The large deficit in “Other” for fiscal 2009 is related to the investment income losses for the year.





Below is a comparison between the formula-based central office assessment and the central office budget projected through fiscal 2013. There is no projected increase to the assessment rates through fiscal 2013.

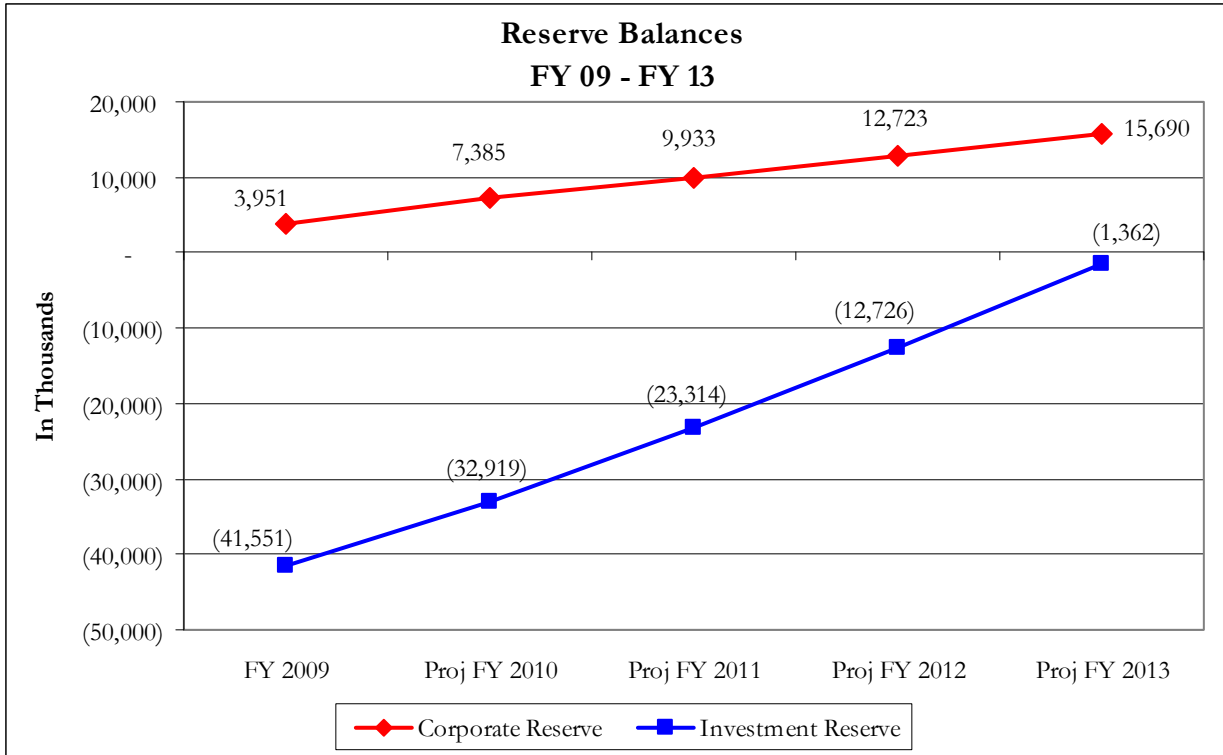


As noted in the above chart, the difference between the amount allocated to central office and the amount dedicated to operating expenses will be set aside and may be used by the SUNY chancellor with the approval of the RF board of directors to invest in long-term strategic initiatives designed to reduce costs and increase activity in the future. The large increase in the projected central office budget for FY 2012 is a direct result of fiscal 2012 containing 27 payrolls.

Reserves

Corporate reserve

Funding of the corporate reserve is expected to resume in fiscal 2010, at the end of which the corporate reserve is expected to be 57% funded. As previously noted, fiscal 2010 includes a one-time funding adjustment of \$1.4 million. Below is a graph showing the projection of corporate and investment reserves, as they are built over the next several years.



Fiscal Year 2009-10 Financial Budget

Working Capital

At the beginning of a new fiscal year, the RF forecasts the working capital needed to ensure adequate cash flow. The RF's projection of working capital enables us to estimate the potential use of additional cash flow for investments or, in the case of deficits, the use of our \$80 million line of credit.

Fiscal 2008-09

The RF had a significant decline in total working capital in fiscal year 2008-09, primarily due to significant investment income losses of approximately \$45 million.

Other impacts on working capital include increases in unrestricted campus balances, decreases in accounts receivable balances and sponsored program and agency advanced funding, increases in the fringe benefit pool and paying off the \$12 million line of credit.

Fiscal 2009-10

The RF projects a small decline in net cash provided by operating activities of approximately \$3 million in fiscal year 2010 due to unrestricted expenditures exceeding revenues, increased accounts receivables and decreased fringe benefit net credit balance. Part of the decline will be offset by positive investment income returns, increased sponsored programs and agency advances and borrowing on our line of credit.

Working Capital

(in thousands)

| | Fiscal 2009 Actual | Fiscal 2010 Plan | Fiscal 2010 | |
|---|-----------------------|---------------------|--------------------|------------------|
| | | | Optimistic Case | Worst Case |
| Unrestricted Working Capital: | | | | |
| Beginning campus unrestricted balance | 190,366 | 200,782 | 200,782 | 200,782 |
| Net Revenues | 10,416 | (7,300) | 5,497 | (21,473) |
| Total unrestricted balance | 200,782 | 193,482 | 206,279 | 179,309 |
| Sponsored Program & Agency Deficits | (126,574) | (155,536) | (171,090) | (139,982) |
| Investment Income Reserves (Deficits) | (41,551) | (32,919) | (24,506) | (41,395) |
| Corporate Reserves | 3,951 | 7,385 | 9,688 | 3,704 |
| Net Unrestricted Working Capital: | 36,609 | 12,412 | 20,371 | 1,635 |
| Restricted Working Capital: | | | | |
| Sponsored Program & Agency Advances | 189,918 | 198,649 | 218,514 | 178,784 |
| Fringe Benefit Net Credit Balance | 6,034 | 699 | 699 | 699 |
| Other | 22,120 | 27,542 | 26,937 | 28,147 |
| Line of Credit Borrowings | - | 12,000 | 12,000 | 25,000 |
| Net Restricted Working Capital: | 218,072 | 238,890 | 258,150 | 232,630 |
| Total Working Capital or Total Operational Cash: | \$254,681 | \$251,302 | \$278,521 | \$234,265 |

When the RF working capital exceeds immediate needs, the balance is generally invested in the operational investment pool. In addition to available working capital, the RF has an \$80 million line of credit to support liquidity needs of the organization and of sponsored programs. If the RF incurs debt to cover a campus' expenditures, that campus is responsible for paying the interest on that debt.

As an organization, the Research Foundation needs to be aware of specific restricted working capital components such as fringe benefits, lines of credit and corporate debt, which may cause a draw on the RF's operational cash.

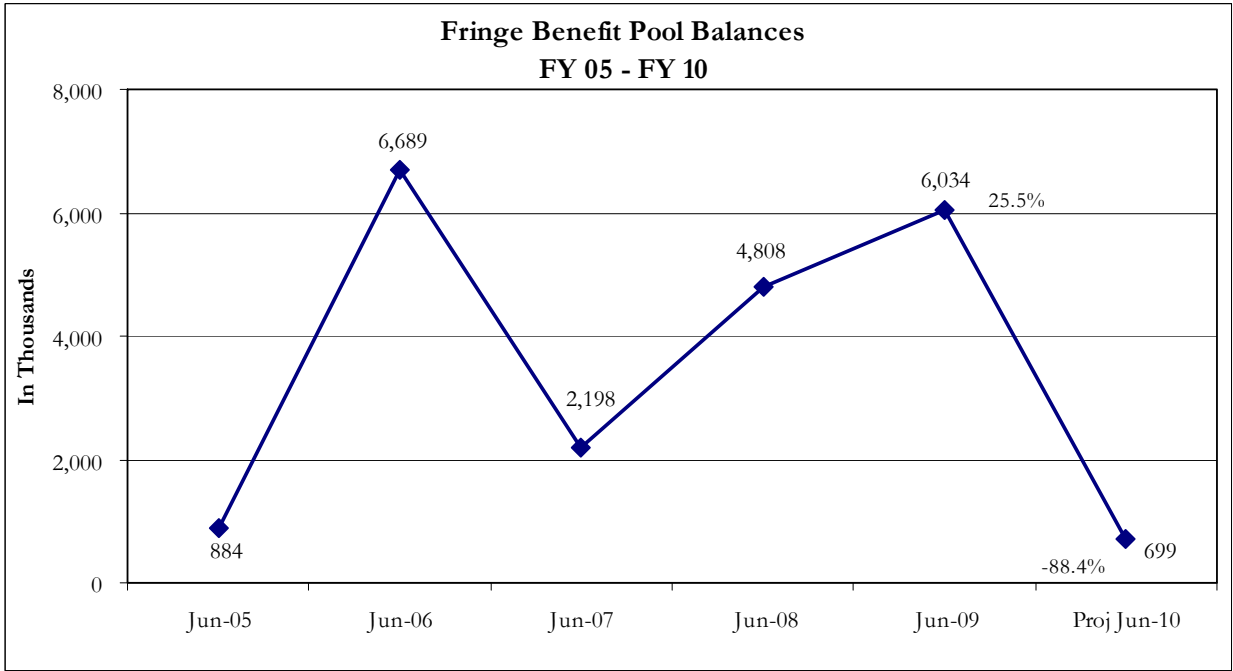
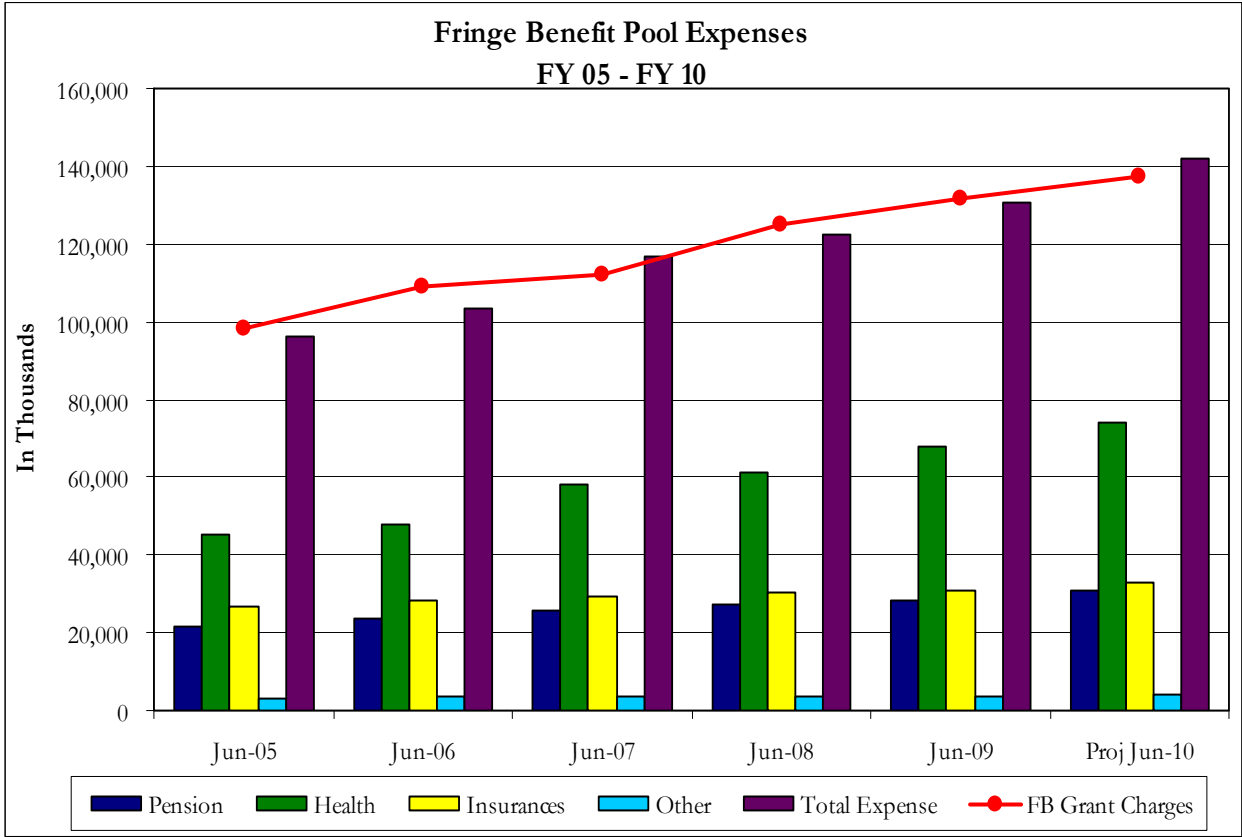
Fringe Benefit Expenditures

The RF recovers the funds needed to cover the cost of employee fringe benefit programs by applying fringe benefit rates to accounts that fund employee salaries and wages based on the current fiscal year's approved fringe benefit rate. These rates are established with the US Department of Health and Human Services. The approved fringe benefit rates for fiscal year 2010 are shown in the following table.

| Components | Regular | Graduate | Undergrad | Summer | SUNY IFR* |
|-----------------------|----------------|-----------------|------------------|---------------|------------------|
| Retirement | 12.5 | - | - | 8.7 | |
| Group Health | 13.9 | 11.9 | - | - | |
| Social Security | 7.0 | 1.0 | 3.3 | 6.6 | |
| Dental Insurance | 1.3 | - | - | - | |
| Vacation & Sick | 1.1 | - | - | - | |
| Unemployment | 0.4 | 0.1 | 0.4 | 0.1 | |
| Group Life | 0.1 | - | - | - | |
| Long Term Disability | 0.3 | - | - | - | |
| Worker's Compensation | 0.8 | 0.2 | 0.1 | 0.4 | |
| NYS Disability | 0.1 | 0.3 | 1.2 | 0.2 | |
| Emp Benefit Funds | - | - | - | - | |
| Total Rate | 37.5% | 13.5% | 5.0% | 16.0% | 41.49% |

**Preliminary SUNY rate*

The following two charts display the comparison of the cost by major benefit to the grant charges and the fringe benefit pool balance. The fringe benefit rate is negotiated based on estimates; actual costs will be different. The difference is either a net credit balance that must be reduced in the next year's rate or a deficit that requires an increase in the next year's rate.



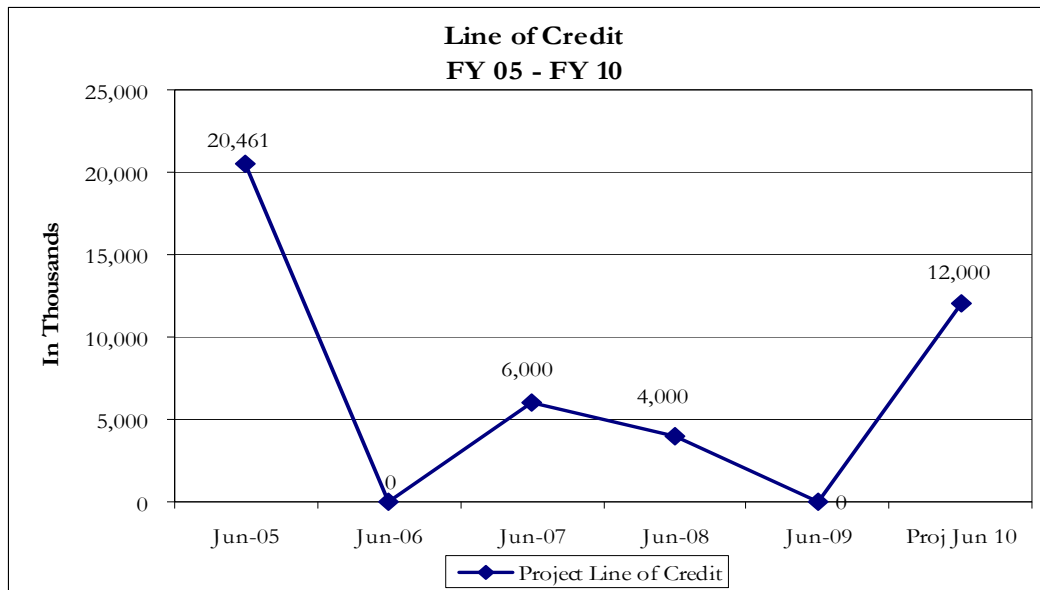
Fringe Benefit Pool

As of the fiscal year ended June 2009, there was a net credit balance in the fringe benefit pool of \$6.0 million. Compared to a national survey and a NY area-specific survey performed in 2008, the RF's trend rate (change in annual claim costs from year to year) was significantly lower than national and area-specific trends for the past two years. The following actions are being taken to reduce the net credit balance:

- RF staff is working with our health insurance providers to obtain RF-specific statistical information and trending estimates to assist in future health care cost projections.
- The fringe benefits rates proposed to DHHS for 2010 and 2011 are being kept to 37.5% and 39%, respectively.

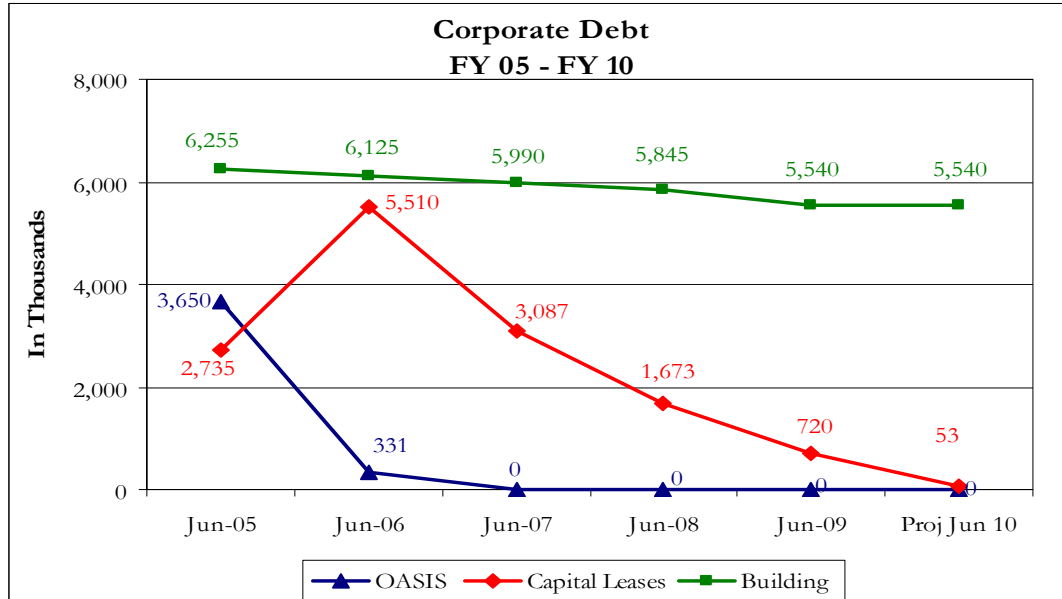
Line of Credit

The following chart displays the historical and projected usage of the line of credit to support major sponsor projects. The projection is based on current campus requests and is subject to change at any time during the year.



Corporate Debt

The RF has minor corporate debt to support central office operations and facilities. The board authorized all debt issuances and there is no plan to acquire any new debt in the next fiscal year. The chart below shows the corporate debt.



Debt Capacity and Ratings

The RF had an analysis prepared to facilitate prudent, well-informed decision-making about its capacity for incurring additional long-term debt without jeopardizing its financial viability. The analysis takes into account industry-standard financial metrics that quantify a range based on corporate financial strength. The analysis concludes that the RF could incur additional long-term debt in the range of \$40 to \$70 million. Based on recent experience with the rating agencies and their reliance on subjective factors beyond financial metrics, operational management and borrowings that demonstrate enhanced revenue or expense reductions tend to receive more favorable reception or ratings from the agencies and lenders.

Two major rating agencies recently completed reviews of the RF and affirmed their prior ratings.

- Standard & Poor's Ratings Services affirmed its A+ long-term rating on Fuller Road Management Corp. (FRMC) series 2005A taxable lease revenue bonds, payable from a master lease agreement with the RF. The S&P noted that the outlook for the RF is stable and reflects an expectation that the RF's unrestricted cash and investments (net of grants held) will continue to provide a healthy cushion for outstanding debt and that the use of credit lines will remain moderate. The stable outlook assumes that the RF does not have any concrete plans for additional borrowing/leases.
- Moody's affirmed its A1/VMIG1 rating on the RF's Series 2002A variable-rate demand bonds. The Moody's report noted that the outlook for the RF is stable.

Glossary

Agency

A campus-based foundation or clinical practice plan. The RF enters into agreements with agencies to provide human resources/payroll or purchasing/payables services for a fee.

Agency Service Fees

When the RF provides human resources/payroll and purchasing/payables administration services to a campus-related organization (or “agency”) such as a campus-based foundation or a campus-based clinical practice plan, the cost of providing that service is covered by charging an agency service fee. This fee is negotiated as part of the contract between the RF and the agency and includes both the campus and central office costs to deliver the service.

Allocation

A distribution to campuses, central office and SUNY System Administration to be used for expenditures in the fiscal year.

Assessment

A calculated amount based on a percentage applied to revenue. Assessments are used to support central office and SUNY System Administration

Cash Flow

Changes to cash balances, caused either by operational, investing or financing activities during a fiscal period.

Corporate Reserve

Board-designated funds set aside to provide additional liquidity to cover cash flow and contingency needs. In the past, the corporate reserve was used to cover major RF system initiatives such as the Oracle project and year 2000 compliance; however, it is also used to cover losses as stated in the RF’s “Responsibility for Losses” policy.

Equity Distribution from LLCs

The RF is a partner in two limited liability corporations (LLCs) – Brookhaven Science Associates (BSA) and Source Sentinel. Profits and losses from LLCs are equally divided among the members in the corporation. There are two partners in BSA: the RF and Battelle Memorial Institute. There are three partners in Source Sentinel: the RF, Sensis Corporation and O’Brien & Gere. The RF invests assets received from LLCs in its operational investment funds.

Gifts and Other Non-sponsored Revenue

Campuses and central office receive gifts and other unrestricted revenue that does not fit into one of the other major revenue categories. Examples include revenue from sales of equipment, unrestricted donations, nonsponsored income, balance awards, and revenue from third-party recharge awards. Third-party recharge revenue comes from outside parties using the services of an RF service center.

Investment Income

The RF invests unrestricted cash and the cash it receives from sponsors and agencies, less the amount required to pre-fund accounts receivable, in short-term investments or in its operational investment pool. This money is invested according to the RF's Investment Policy and Guidelines approved by the RF's board of directors. The board has responsibility for ensuring conservation and prudent management of investments

Investment Reserve

Funds set aside to help ensure campuses receive the projected distribution of investment income in a particular year, as per that year's Financial Plan. To achieve this, the RF's Investment Policy & Guidelines include a spending formula to lessen the impact of fluctuations in rates of return. The spending formula calculation uses an average of the operational pool's annual rate of return for the four previous years.

Revenue: Restricted

Grants and gifts awarded for sponsored research or agency activity that have restrictions imposed on their use by law, the donor, the grantor or other external third parties. The RF has the following restricted revenue:

- Sponsored Program Direct
- Agency Direct

Revenue: Unrestricted

Funds earned by RF activities that are supported by resources over which the board has discretionary control. The RF has the following unrestricted revenue:

- Sponsored Program F&A Cost Recovery
- Agency Service Fees
- Investment Income – Operational Funds
- Equity Distribution from LLCs
- Royalties
- Gifts and Other

Royalties

Inventions that result from sponsored research belong to the RF, which is responsible for protecting the intellectual property and commercializing these technologies as part of its technology transfer service.

Sponsored Programs F&A Cost Recovery

Facilities and administrative (F&A) costs recovered from sponsored programs are those overhead costs incurred for common or joint objectives that cannot be identified specifically to a particular sponsored program. Examples of F&A costs include administrative support, physical plant, maintenance and utilities.

Working Capital

Net assets of the corporation that mainly include campus unexpended balances, corporate reserves and investment reserves. Working capital is used to pay for expenses before money is received to cover those expenditures.

Exhibit A: What is Central Office?

Central office provides several benefits to the Research Foundation: allows the corporation to take advantage of economies of scale, manages corporate risk, and maximizes efficiency and effectiveness. Central office can be described and categorized in a variety of ways:

- By major purpose/activity
- By department
- By service

The following pages describe the major purposes and activities of central office. Each major purpose or activity is performed by one or more department. Each purpose or activity also contributes to the major RF services.

Corporate headquarters

Central office serves as the corporate headquarters for the Research Foundation and performs a variety of corporate functions. These functions exist regardless of the services the RF provides and include:

- Board administration
- Legal counsel
- State and public relations
- Audited financial statements, corporate tax return, banking/treasury, and investment management

Administrative framework

Central office provides the framework for performing operational activity at the campus level related to the major RF services: Sponsored programs administration, HR/payroll and purchasing/payables for campus-related organizations (a.k.a. agency funds), Technology transfer, and Affiliated corporations.

The framework is in place for centralized (see “Centralized Services” description below) and decentralized operational activity. The framework includes:

Compliance programs

Compliance programs include such activities as keeping current with and providing input to federal and state laws and sponsor regulations, supporting campuses with operational compliance issues, providing written policies and procedures, performing internal controls evaluations and performing audits.

Volumes

- 12 audits per year, investigations into potential fraud, and advisory services as requested by management
- Approximately 100 key internal controls at central office tested per year
- 556 policy and procedure pages on Web site
- 250 checks/year in abandoned property for 50 states

Sponsored programs-specific services

Sponsored programs-specific programs include such activities as cash receipts, letter of credit, facilities and administrative (F&A) cost rate proposals, Cost Accounting Standards disclosure

statements, and fringe benefit rates.

Volumes

- Average of \$4.3 million in cash daily
- Drawdown twice weekly through letter of credit for 1,937 active awards (25% of cash receipts processed)
- 1-3 long-form proposals per year
- 5-6 short-form proposals per year
- 6 CAS disclosures statements
- 4 fringe benefit rates per year

Human resources programs

Human resources programs include such activities as compensation, benefits, employee relations, affirmative action, payroll and tax reporting.

Volumes

- 207 job titles, 6 salary schedules
- 13 benefits programs (including health, life insurance, disability insurance, retirement)
- \$122 million in annual benefit costs
- administer approximately \$31.4 million dollars in retirement plan contributions per year

Legal services

Legal services include such activities as assistance with contracts and assistance establishing affiliated corporations.

Volumes

- Resolved in excess of 2,000 litigation issues since 2001
- 137 cases active in 2009
- 95 active leases in 11 nations
- 17 affiliated corporations

Insurance programs

Insurance programs include property and other types of insurance.

Volumes

- 24 corporate insurance policies
- \$3.2 million in basic premiums in FY 08-09

Computer systems

Within the umbrella of computer systems is responsibility for ensuring reliable hardware and software to support business processes, including a secure and stable hardware infrastructure accessible from anywhere.

Volumes

- ERP system with 9 business modules and 4 business reporting applications
- 5,700 user accounts administered
- 25 databases reliably managed
- 400 tapes stored offsite
- 28,500 reliable business processes managed per week including but not limited to: 5,500 payroll checks and 16,500 direct deposits produced monthly, 2,400 vendor checks produced weekly, 5 daily and 8 weekly external service provider interfaces, 17,100 W2s and 4,000 1099s per year
- 1 central IT help desk with: 3,500 help desk tickets managed annually, 200 help desk calls handled per week

- 1 full business recovery test per year

Training and communication programs

These programs train campus staff in their roles and in using the computer systems and communicate relevant information through newsletters, Web site, reports and meetings.

Volumes

- 600 people registered in on-line learning center
- Annually train 200 people one-on-one
- Web site with over 5,000 unique visitors every month from more than 56 countries; number 1 Google result for the phrase “Research Foundation” of over 10 million results

Centralized services

Central office performs sponsored programs operational activity for campuses where volumes don’t warrant performing the activity at the campus. This includes:

Sponsored Programs Administration: 24 locations

| Activity | Volumes |
|---|--|
| Executing contacts and agreements | 67 per month |
| Establishing, maintaining, and closing accounts | 104 new awards per month 466 award amendments per month 85 award closures per month |
| Submitting financial, property, and invention reports to sponsors | 67 financial reports per month |
| Entering payroll transactions | 11 of the 25 campuses which results in 296 transactions entered biweekly |
| Processing employee fringe benefit transactions | 7 transactions entered biweekly |
| Preparing invoices and collecting, payments | 2,300 non-Letter of Credit accounts 188 invoices per month 30 collections/call letters per month |

Technology Transfer: 27 locations

| Activity | Volumes (FY2008) |
|--|--|
| Review invention disclosures and perform market opportunity analysis | Received 40 new technology disclosures |
| Patent inventions | Filed 35 patent applications Received 5 patents |
| Market inventions, negotiate and administer licenses | Executed 4 licenses Received \$145,898 in royalties |

Exhibit B: Service Cost Model

The service cost model is the annual process used to identify the costs of the services performed by RF central office.

Use of Service Cost Data

Data from the service cost model is used to:

- Determine the cost of services provided which can then be charged to customers as a fee, cost allocation or assessment.
- Allocate central office costs to the campuses for the Facilities and Administrative (F&A) cost proposals.
- Allow service owners and customers to conduct cost-benefit reviews and analysis.

The Service Cost Model Process

The RF currently has many functions supporting five services:

- Affiliated Corporation Establishment and Oversight
- Human Resources/Payroll Administration
- Purchasing and Payables Administration
- Sponsored Programs Administration
- Technology Transfer

Some services are further broken down by customer or by activity type. For example, Sponsored Program Services is segregated into Sponsored Program – Administrative Framework and Sponsored Program – Contracted Services.

Projected costs are allocated to functions and the functions are allocated to the services primarily through discussion with RF Vice Presidents (VPs)/Service Owners.

Projected Service Cost Summary for Fiscal Year 2010

| Service Name | FY 2010 Final Service Cost | % of Service Cost to Total Cost |
|---|---|--|
| Affiliated Corporations Establishment and Oversight | \$ 336,330 | 1% |
| Human Resources and Payroll Administration | 2,159,489 | 9% |
| Purchasing & Payables Administration | 249,167 | 1% |
| Sponsored Programs Administration - Corporate | 18,365,154 | 76% |
| Sponsored Programs Administration - Centralized | 1,990,304 | 8% |
| Technology Transfer Management - Corporate | 570,936 | 2% |
| Technology Transfer Management - Centralized | 612,373 | 3% |
| Total Service Cost | \$ 24,283,753 | 100% |

The chart below illustrates the percentage of each RF service cost compared to the total cost of all RF services for fiscal year 2010.

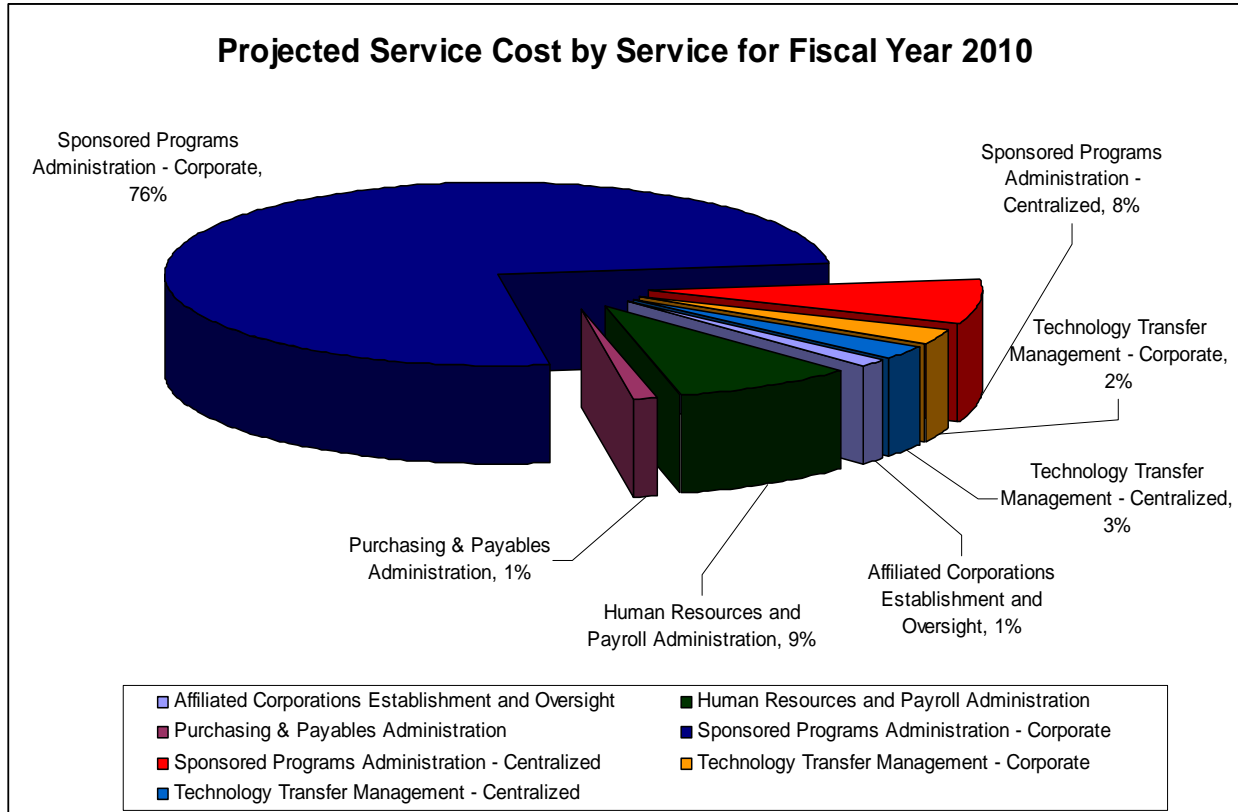


Exhibit C: Investment Reserve

The RF's Investment Policy and Guidelines include a spending formula to lessen the impact of fluctuations in the actual annual rates of return. The spending formula is intended to provide a known, predictable and constant distribution of income to campuses annually.

Campuses that have surplus cash balances earn gross investment income calculated by multiplying their annual average cash balance by a blended rate of return. The spending formula calculation uses an average of the operational pool's annual rate of return for the four previous years.

Under ordinary conditions, when the actual yield of the investment income is higher than the four-year average, the RF sets aside a portion of this money into the investment reserve. This reserve will be used to ensure campuses receive investment income in years when the earned income is lower than the four-year average rate of return. In fiscal 2009, the Research Foundation will not allocate any investment income, due to significant investment losses. These losses will be held in the investment income reserve. It is anticipated to take approximately three to four years to rebuild this reserve, using projected investment income in fiscal 2010 and future years. As noted earlier, investment income will be required in order to build the corporate reserve. Funding available in excess of the corporate reserve needs will be used to rebuild the investment income reserve.

Exhibit D: Allocation History

Campus Historical Allocation Summary For the Fiscal Years 2006 through 2010

| Campus | Actual FY 2006 | Actual 2007 | Actual 2008 | Actual 2009 | Proj. FY 2010 | Optimistic Case Proj. FY 2010 | Worst Case Proj. FY 2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------|
| UNIVERSITY CENTERS AND DOCTORAL DEGREE GRANTING INSTITUTIONS: | 102,382,480 | 120,257,891 | 126,658,137 | 118,058,416 | 114,117,039 | 125,939,860 | 101,372,390 |
| University at Albany | 12,707,646 | 25,548,826 | 21,737,020 | 15,434,505 | 16,758,584 | 19,098,284 | 14,568,884 |
| Binghamton University | 4,548,570 | 5,428,114 | 5,933,452 | 8,053,929 | 6,068,370 | 6,777,190 | 5,359,550 |
| University at Buffalo | 26,508,699 | 28,009,428 | 30,803,290 | 31,603,271 | 32,469,763 | 36,150,873 | 28,788,653 |
| Stony Brook University | 42,735,071 | 44,298,119 | 49,924,343 | 44,382,058 | 42,077,699 | 45,025,395 | 38,058,173 |
| SUNY Downstate Medical Center | 6,363,281 | 6,189,235 | 7,188,834 | 7,094,702 | 6,292,261 | 7,123,068 | 5,461,454 |
| Upstate Medical University | 7,438,738 | 8,347,587 | 8,224,467 | 8,827,715 | 7,814,436 | 8,820,998 | 6,807,874 |
| SUNY ESF | 1,594,556 | 1,688,123 | 2,199,300 | 2,058,720 | 1,976,633 | 2,207,583 | 1,745,683 |
| College of Optometry | 485,919 | 748,460 | 647,432 | 603,515 | 659,294 | 736,469 | 582,119 |
| UNIVERSITY COLLEGES: | 7,008,400 | 8,406,955 | 9,904,496 | 10,569,199 | 10,723,102 | 11,679,457 | 9,275,656 |
| SUNY Brockport | 236,674 | 369,748 | 324,812 | 127,031 | 228,003 | 290,558 | 165,448 |
| Buffalo State College | 4,831,516 | 5,588,600 | 7,138,457 | 8,009,250 | 8,245,117 | 8,743,308 | 7,255,834 |
| SUNY Cortland | 79,854 | 123,470 | 165,642 | 135,329 | 122,532 | 147,932 | 97,132 |
| SUNY Fredonia | 28,270 | 175,933 | 150,793 | 161,720 | 111,678 | 135,678 | 87,678 |
| SUNY Geneseo | 88,104 | 143,411 | 125,858 | 184,839 | 125,260 | 143,434 | 107,086 |
| SUNY New Paltz | 128,927 | 107,565 | 183,458 | 187,313 | 200,256 | 236,460 | 164,052 |
| Old Westbury | 351,003 | 370,419 | 192,364 | 140,450 | 194,810 | 224,044 | 165,575 |
| College at Oneonta | 216,039 | 286,266 | 321,126 | 491,779 | 389,316 | 449,852 | 328,781 |
| SUNY Oswego | 417,130 | 516,617 | 630,035 | 297,971 | 450,335 | 512,641 | 388,030 |
| SUNY Plattsburgh | 302,794 | 306,588 | 213,171 | 397,215 | 308,964 | 361,939 | 255,989 |
| SUNY Potsdam | 87,650 | 163,986 | 118,529 | 108,473 | 135,749 | 166,341 | 105,157 |
| Purchase College | 169,671 | 195,887 | 252,733 | 222,820 | 148,494 | 175,994 | 120,994 |
| Empire State College | 70,770 | 58,465 | 87,519 | 105,009 | 62,589 | 91,276 | 33,901 |
| TECHNOLOGY COLLEGES: | 199,474 | 358,077 | 1,098,702 | 649,448 | 864,202 | 1,000,376 | 732,627 |
| Alfred State College | (15,570) | 8,021 | 7,692 | 18,339 | 30,483 | 37,396 | 23,569 |
| SUNY Canton | 55,523 | 35,616 | 36,716 | 31,040 | 36,244 | 45,019 | 27,469 |
| SUNY Cobleskill | 21,279 | 23,372 | 26,205 | 27,163 | 303,513 | 344,438 | 262,587 |
| SUNY Delhi | (5,762) | 8,235 | 90,010 | 50,868 | (6,997) | (5,478) | (8,516) |
| Farmingdale State College | 16,275 | 15,990 | 492,128 | 83,246 | 172,429 | 203,970 | 145,486 |
| Morrisville State College | 25,865 | 17,007 | 79,422 | 121,312 | 155,451 | 176,451 | 134,451 |
| SUNYIT | 88,778 | 205,122 | 189,198 | 270,226 | 151,142 | 173,642 | 128,642 |
| Maritime College | 13,086 | 44,715 | 177,331 | 47,255 | 21,937 | 24,937 | 18,937 |
| SYSTEM ADMINISTRATION: | 4,058,143 | 4,936,679 | 2,199,452 | 2,819,086 | 1,098,191 | 1,294,691 | 901,691 |
| Levin Institute | 1,669,034 | 1,569,266 | - | - | - | - | - |
| Sys. Admin - Provost | 2,389,110 | 3,164,836 | 2,122,435 | 3,071,428 | 1,102,745 | 1,299,245 | 906,245 |
| Sys Admin. - Chancellor | - | 202,577 | 77,017 | (252,342) | (4,554) | (4,554) | (4,554) |
| Total Campus Allocation | 113,648,498 | 133,959,602 | 139,860,788 | 132,096,149 | 126,802,534 | 139,914,384 | 112,282,363 |
| Other Allocations: | | | | | | | |
| Assessments | 30,064,048 | 28,526,690 | 27,965,413 | 28,197,951 | 26,850,065 | 26,850,065 | 26,850,065 |
| Royalty - Payment to Inventors | 4,359,000 | 4,619,826 | 7,630,921 | 5,766,384 | 4,028,800 | 4,432,080 | 3,625,520 |
| Corporate F&A Cost Recovery | - | - | - | (96,506) | - | - | - |
| Gifts & Other | 256,623 | 242,378 | 201,349 | 24,187 | - | - | - |
| Oracle Financing Costs | 70,387 | - | - | - | - | - | - |
| Investment Reserves | 2,257,000 | 14,035,191 | (20,257,478) | (44,191,251) | 8,631,467 | 17,075,241 | 186,759 |
| Corporate Reserve from Investments | - | 3,079,326 | - | - | 3,669,207 | 5,972,309 | 1,366,105 |
| Building Interest Rate Reserves | - | - | - | - | - | - | - |
| Total Allocations | \$ 150,655,557 | \$ 184,463,014 | \$ 155,400,992 | \$ 121,796,914 | \$ 169,982,073 | \$ 194,244,078 | \$ 144,310,812 |

Exhibit E: Assessment History

For the Fiscal Years 2006 through 2010

Campus amounts include: Assessments for Central Office, SUNY System Administration, Oracle Project and Corporate Reserves

| Campus | Actual FY 2006 | Actual 2007 | Actual 2008 | Actual 2009 | Proj. FY 2010 | Optimistic Case Proj. FY 2010 | Worst Case Proj. FY 2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------|
| UNIVERSITY CENTERS AND DOCTORAL DEGREE GRANTING INSTITUTIONS: | | | | | | | |
| | 23,455,344 | 21,994,530 | 23,644,459 | 23,726,444 | 23,706,482 | 23,706,482 | 23,706,482 |
| University at Albany | 5,272,101 | 4,908,198 | 6,568,722 | 6,181,463 | 6,638,416 | 6,638,416 | 6,638,416 |
| Binghamton University | 931,280 | 903,477 | 916,321 | 943,513 | 1,019,830 | 1,019,830 | 1,019,830 |
| University at Buffalo | 4,760,051 | 4,357,182 | 4,075,055 | 4,316,332 | 4,341,337 | 4,341,337 | 4,341,337 |
| Stony Brook University | 6,950,673 | 6,493,798 | 7,078,970 | 7,114,192 | 6,763,082 | 6,763,082 | 6,763,082 |
| SUNY Downstate Medical Center | 2,454,329 | 2,239,709 | 1,956,426 | 2,059,497 | 2,015,810 | 2,015,810 | 2,015,810 |
| Upstate Medical University | 2,402,618 | 2,441,778 | 2,417,858 | 2,435,727 | 2,251,183 | 2,251,183 | 2,251,183 |
| SUNY ESF | 575,819 | 565,497 | 531,148 | 575,709 | 564,367 | 564,367 | 564,367 |
| College of Optometry | 108,473 | 84,892 | 99,959 | 100,010 | 112,456 | 112,456 | 112,456 |
| UNIVERSITY COLLEGES: | | | | | | | |
| | 3,187,994 | 3,061,902 | 2,996,090 | 3,137,968 | 3,255,284 | 3,255,284 | 3,255,284 |
| SUNY Brockport | 261,364 | 228,536 | 212,590 | 208,479 | 190,697 | 190,697 | 190,697 |
| Buffalo State College | 1,219,904 | 1,265,442 | 1,260,944 | 1,394,740 | 1,524,907 | 1,524,907 | 1,524,907 |
| SUNY Cortland | 164,727 | 134,587 | 120,710 | 130,496 | 131,468 | 131,468 | 131,468 |
| SUNY Fredonia | 116,617 | 109,846 | 119,322 | 119,109 | 128,322 | 128,322 | 128,322 |
| SUNY Geneseo | 54,317 | 45,423 | 60,770 | 57,653 | 56,483 | 56,483 | 56,483 |
| SUNY New Paltz | 172,351 | 166,851 | 146,596 | 160,069 | 161,784 | 161,784 | 161,784 |
| Old Westbury | 113,862 | 114,786 | 114,019 | 105,226 | 97,533 | 97,533 | 97,533 |
| College at Oneonta | 242,425 | 200,989 | 192,209 | 199,608 | 216,042 | 216,042 | 216,042 |
| SUNY Oswego | 196,266 | 224,007 | 202,663 | 196,684 | 172,722 | 172,722 | 172,722 |
| SUNY Plattsburgh | 223,193 | 205,614 | 203,236 | 199,886 | 220,786 | 220,786 | 220,786 |
| SUNY Potsdam | 231,257 | 190,114 | 186,454 | 186,731 | 170,172 | 170,172 | 170,172 |
| Purchase College | 123,469 | 125,090 | 120,769 | 125,548 | 126,506 | 126,506 | 126,506 |
| Empire State College | 68,243 | 50,617 | 55,807 | 53,739 | 57,861 | 57,861 | 57,861 |
| TECHNOLOGY COLLEGES: | | | | | | | |
| | 456,872 | 444,789 | 427,113 | 448,872 | 439,829 | 439,829 | 439,829 |
| Alfred State College | 72,322 | 54,651 | 55,126 | 44,457 | 38,652 | 38,652 | 38,652 |
| SUNY Canton | 58,649 | 70,314 | 59,488 | 58,281 | 51,506 | 51,506 | 51,506 |
| SUNY Cobleskill | 77,092 | 77,781 | 78,500 | 79,005 | 97,281 | 97,281 | 97,281 |
| SUNY Delhi | 28,044 | 26,107 | 28,232 | 30,473 | 22,154 | 22,154 | 22,154 |
| Farmingdale State College | 90,307 | 89,023 | 87,501 | 100,329 | 93,766 | 93,766 | 93,766 |
| Morrisville State College | 56,415 | 72,504 | 44,181 | 58,008 | 54,549 | 54,549 | 54,549 |
| SUNYIT | 58,684 | 46,049 | 59,372 | 66,791 | 73,858 | 73,858 | 73,858 |
| Maritime College | 15,359 | 8,360 | 14,713 | 11,527 | 8,063 | 8,063 | 8,063 |
| SYSTEM ADMINISTRATION: | | | | | | | |
| | 2,186,089 | 2,275,469 | 897,750 | 884,666 | 814,575 | 814,575 | 814,575 |
| Levin Institute | 319,090 | 487,903 | - | - | - | - | - |
| Sys. Admin - Provost | 1,866,999 | 1,787,566 | 897,750 | 884,666 | 814,575 | 814,575 | 814,575 |
| Sys Admin. - Chancellor | - | - | - | - | - | - | - |
| Total Campus Assessment | | | | | | | |
| | 29,286,298 | 27,776,690 | 27,965,413 | 28,197,951 | 28,216,170 | 28,216,170 | 28,216,170 |
| RF of Mental Hygiene | 777,750 | 750,000 | 125,000 | - | - | - | - |
| Transfer to Corporate Reserves | - | - | - | - | (1,366,105) | (1,366,105) | (1,366,105) |
| Total Assessment | \$ 30,064,048 | \$ 28,526,690 | \$ 28,090,413 | \$ 28,197,951 | \$ 26,850,065 | \$ 26,850,065 | \$ 26,850,065 |
| Other Allocations: | | | | | | | |
| Campus | 113,648,498 | 133,959,602 | 139,860,788 | 132,096,149 | 126,802,534 | 139,914,384 | 112,282,363 |
| Corporate F&A Cost Recovery | - | - | - | (96,506) | - | - | - |
| Royalty - Payment to Inventors | 4,359,000 | 4,619,826 | 7,630,921 | 5,766,384 | 4,028,800 | 4,432,080 | 3,625,520 |
| Gifts & Other | 256,623 | 242,378 | 76,349 | 24,187 | - | - | - |
| Oracle Financing Costs | 70,387 | - | - | - | - | - | - |
| Investment Reserves | 2,257,000 | 14,035,191 | (20,257,478) | (44,191,251) | 8,631,467 | 17,075,241 | 186,759 |
| Corporate Reserve from Investments | - | 3,079,326 | - | - | 3,669,207 | 5,972,309 | 1,366,105 |
| Building Interest Rate Reserves | - | - | - | - | - | - | - |
| Total Allocations | \$ 150,655,557 | \$ 184,463,014 | \$ 155,400,992 | \$ 121,796,914 | \$ 169,982,073 | \$ 194,244,078 | \$ 144,310,812 |

Exhibit F: Sponsored Programs Revenue Projections

Sponsored Program Revenue and F&A recovery analysis
For Fiscal Years 2009 and Projected 2010

| | Fiscal 2009 Actual | | | Fiscal 2010 Projected | | | Negotiated Federal F&A Recovery rate | Projected FY 2010 F&A Recovery rate |
|--|--------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|--|---|
| | DIRECT | INDIRECT | TOTAL | DIRECT | INDIRECT | TOTAL | | |
| University Centers and Doctoral Degree Granting Institutions: | 610,134,145 | 110,197,496 | 720,331,641 | 565,484,621 | 115,042,001 | 680,526,622 | | |
| * University at Albany | 251,908,831 | 18,536,089 | 270,444,920 | 195,217,000 | 20,397,000 | 215,614,000 | 51.5% | 10.4% |
| * Binghamton University | 27,404,663 | 6,273,971 | 33,678,634 | 28,120,000 | 6,355,000 | 34,475,000 | 53.0% | 22.6% |
| * University at Buffalo | 110,722,393 | 33,633,365 | 144,355,758 | 115,462,000 | 34,985,100 | 150,447,100 | 58.5% | 30.3% |
| * Stony Brook University | 139,641,236 | 33,768,381 | 173,409,617 | 145,436,402 | 35,727,635 | 181,164,037 | 56.0% | 24.6% |
| * SUNY Downstate Medical Center | 40,819,349 | 7,776,547 | 48,595,895 | 40,074,219 | 7,255,516 | 47,329,735 | 58.0% | 18.1% |
| * Upstate Medical University | 25,099,912 | 7,258,137 | 32,358,049 | 26,250,000 | 7,350,000 | 33,600,000 | 57.0% | 28.0% |
| * SUNY ESF | 12,141,624 | 2,247,388 | 14,389,012 | 12,300,000 | 2,200,000 | 14,500,000 | 54.0% | 17.9% |
| * College of Optometry | 2,396,136 | 703,618 | 3,099,755 | 2,625,000 | 771,750 | 3,396,750 | 79.5% | 29.4% |
| University Colleges: | 83,677,232 | 13,202,100 | 96,879,333 | 86,726,189 | 13,892,876 | 100,619,065 | | |
| SUNY Brockport | 4,050,799 | 323,286 | 4,374,085 | 4,087,800 | 413,700 | 4,501,500 | 75.0% | 10.1% |
| * Buffalo State College | 44,562,778 | 9,178,408 | 53,741,186 | 47,594,868 | 9,821,826 | 57,416,694 | 47.0% | 20.6% |
| * SUNY Cortland | 2,410,244 | 234,293 | 2,644,536 | 2,400,000 | 225,000 | 2,625,000 | 56.5% | 9.4% |
| SUNY Fredonia | 3,135,813 | 241,205 | 3,377,018 | 2,750,000 | 240,000 | 2,990,000 | 70.0% | 8.7% |
| SUNY Geneseo | 1,174,276 | 241,620 | 1,415,897 | 1,277,977 | 181,743 | 1,459,720 | 75.0% | 14.2% |
| SUNY New Paltz | 4,208,952 | 340,031 | 4,548,982 | 4,701,565 | 362,020 | 5,063,585 | 78.0% | 7.7% |
| Old Westbury | 2,092,020 | 245,676 | 2,337,696 | 2,156,136 | 292,343 | 2,448,479 | 73.0% | 13.6% |
| College at Oneonta | 5,142,380 | 541,650 | 5,684,029 | 5,592,096 | 520,065 | 6,112,161 | 72.0% | 9.3% |
| SUNY Oswego | 3,821,481 | 486,570 | 4,308,051 | 4,044,169 | 623,057 | 4,667,226 | 76.0% | 15.4% |
| SUNY Plattsburgh | 5,547,052 | 582,004 | 6,129,056 | 5,100,000 | 529,000 | 5,629,000 | 70.6% | 10.4% |
| SUNY Potsdam | 3,536,697 | 288,346 | 3,825,043 | 3,798,028 | 298,172 | 4,096,200 | 73.5% | 7.9% |
| Purchase College | 2,791,456 | 348,368 | 3,139,824 | 2,225,000 | 275,000 | 2,500,000 | 75.0% | 12.4% |
| * Empire State College | 1,203,284 | 150,645 | 1,353,929 | 998,550 | 110,950 | 1,109,500 | 27.2% | 11.1% |
| Technology Colleges: | 9,636,408 | 775,242 | 10,411,650 | 12,964,946 | 1,164,070 | 14,129,016 | | |
| Alfred State College | 894,599 | 29,057 | 923,656 | 1,750,261 | 69,135 | 1,819,396 | 70.0% | 3.9% |
| SUNY Canton | 1,208,998 | 89,321 | 1,298,319 | 1,350,000 | 87,750 | 1,437,750 | 72.0% | 6.5% |
| SUNY Cobleskill | 2,521,082 | 105,201 | 2,626,283 | 3,744,597 | 402,052 | 4,146,649 | 70.0% | 10.7% |
| * SUNY Delhi | 399,209 | 81,341 | 480,550 | 604,800 | 15,190 | 619,990 | 56.5% | 2.5% |
| Farmingdale State College | 1,624,903 | 140,498 | 1,765,402 | 2,260,288 | 179,943 | 2,440,231 | 75.0% | 8.0% |
| Morrisville State College | 1,394,845 | 155,816 | 1,550,660 | 1,350,000 | 185,000 | 1,535,000 | 70.0% | 13.7% |
| SUNYIT | 1,551,298 | 173,557 | 1,724,855 | 1,800,000 | 225,000 | 2,025,000 | 70.0% | 12.5% |
| Maritime College | 41,475 | 450 | 41,925 | 105,000 | - | 105,000 | 70.0% | 0.0% |
| SUNY System Administration: | 20,460,679 | 1,877,806 | 22,338,485 | 20,000,000 | 1,809,000 | 21,809,000 | | |
| * Sys. Admin - Provost | 20,460,679 | 1,877,806 | 22,338,485 | 20,000,000 | 1,809,000 | 21,809,000 | 19.0% | 9.0% |
| Sys. Admin - Chancellor | - | - | - | - | - | - | 0.0% | 0.0% |
| GRAND TOTAL | 723,908,463 | 126,052,645 | 849,961,108 | 685,175,756 | 131,907,947 | 817,083,703 | 63.6% | 19.3% |

* Note: Campuses F&A rates are based on an MTDC base while all other schools are on a Salary and Wage base.
Also, University Centers, Upstate Medical University, SUNY Downstate Medical Center, SUNY ESF and Buffalo State College are using the negotiated Research rate.