

## Research Management and Support Allocations

**Effective Date:** 12/26/2014  
**Function:** Finance  
**Contact:** Finance Office

### Basis for Procedure

Research Management and Support (RMS) allocations are unrestricted funds allocated to campuses through the Operating Plan approved by the Board of Directors. This document provides information on administering accounts classified with the award purpose of "Research Management and Support" or "RF Funded."

The Operating Plan displays how the RF will earn and allocate unrestricted revenue during its fiscal year that runs from July 1 through June 30. The Operating Plan is generally presented at the spring meeting of the Research Foundation board of directors. An assessment formula determines the amount of funding available for central office operations, system-wide collaboration support, and funding the action steps to support the strategic plan. This assessment is based upon projected revenues and is finalized after fiscal year end when final numbers are known.

A preliminary allocation of 80% of projected revenue is given to the campuses so campuses can then begin spending at the initiation of the new fiscal year. This preliminary allocation is provided for expenditures to the campuses before the revenue is earned. The campuses budget their allocation based on their specific campus spending plan.

Since allocations are made based on projected revenues, a "true-up" of the allocation is calculated and a final allocation is provided to campuses after the end of the fiscal year.

### Procedure Summary

Research Management and Support (RMS) allocations include cost recoveries for grants and contracts to faculty researchers/scholars (also known as indirect cost), cost recoveries for shared services to campus-related organizations, and investment income (if applicable). Cost recoveries for grants and contracts are funded by federal, state, and other sponsors such as business industry, foreign, colleges and universities, etc.

- The allocation for RMS funding will be allocated to a main allocation account before the start of the fiscal year.
- At the campus discretion, another allocation account will be established for RMS General activity. These accounts will be funded with other recoveries, specifically private and shared services cost recoveries and investment income. These accounts are to be used to support expenditures that are not appropriate to be funded with public support (see [Unrestricted Fund Expenditure Policy](#)). Other types of payments and reimbursements may be made from these accounts based on the discretion of each campus location.

### Procedure

## Award Establishment and Maintenance

Central Office Finance Office works with operating locations to set up and fund the campuses' main allocation awards. Decentralized operating locations establish and maintain the project and task structures. Centralized operating locations work with central office Finance Office on project and task structures.

Operating locations may elect to create a new award or create a new installment on an existing RMS award for each estimated or final allocation. Finance Office personnel will create the estimated and final allocations and will notify operating location personnel when completed.

Central office Finance Office will work with and support those campuses electing to have a RMS General award. The award may operate during the year with a \$1 installment and \$1 budget and at the end of the fiscal year during the true-up process the award will be funded the exact amount of what was expended during the year.

The Research Management and Support Accounts are to be established with the following key attributes:

<b>Attribute</b>	<b>Research Management &amp; Support</b>	<b>RMS General</b>
Award Purpose	RF Funded	RMS General
Funding Source Name	Research Management & Support	RMS General
Award Type	Nonsponsored	Nonsponsored
NACUBO	Sponsored Funds Administration	Sponsored Funds Administration
Indirect Cost Rate	TDC Zero	TDC Zero
Billing Distribution Rule	Event	Event
Revenue Distribution Rule	Event	Event

## Installment, Funding, and Cash Receipts

A key control to ensure the accuracy of the allocation process is that installment amounts cannot be increased or decreased in total for RMS awards at an operating location without prior approval of the Finance Office. When changes are needed to fund, close, or consolidate projects, any installment increase or decrease needs to be offset by a corresponding increase or decrease. Installment amounts must not be transferred to other awards that are not RMS awards.

Cash receipts should not be applied to RMS. Cash receipts that represent a refund of previously provided OTPS goods or services may be applied as an offset to expense via the category refund process. Cash receipts provided to offset costs incurred (e.g., salary costs) should be applied to a separate award classified with an award purpose of non-sponsored income.

## NACUBO Classification

The NACUBO classification is a critical classification for reporting expenses incurred in Research Management and Support Accounts for corporate reporting and for the calculation of the campus facility and administrative rate. It is important that the NACUBO classification at the project and task levels are accurate based on how the campus anticipates spending the allocation. Expenditures are classified based on the NACUBO classification at the project level.

## Expenditures

Please see [Unrestricted Fund Expenditure Policy](#) for examples of permissible and non-permissible charges.

Each operating location should have its own procedures for authorizing the expenditures. Expenditures that are unallowable under OMB 2 CFR Part 200 should be identified by using one of the expenditure types identified as unallowable. All other expenditures should be charged in accordance with OMB 2 CFR Part 200 Subpart E "Cost Principles" and with the RF procedure on [Write-Offs](#).

## Research Management and Support Account

Periodically, campuses fall short of their estimated revenues earned for the fiscal year and are unable to pay back their entire final allocation adjustment. In some cases, with campus operations manager (OM) and central office Finance Office approval, campuses may request to payback their RMS balance due over a period of time generally not to exceed three years. In these cases, a RMS payback adjustment award will be established for the campus to track the amount that is due from the campus.

## Definitions

Indirect Costs – Referred to by the federal government as Facilities and Administrative (F&A) costs, are incurred for common or joint objectives and cannot be identified readily with a specific sponsored project, instructional activity, or other institutional activity.

OMB 2 CFR Part 200 – The federal administrative requirements, cost principles and audit requirements applicable to grants, contracts, and other agreements with educational institutions.

Shared Services – Campus related organizations that use RF human resources, payroll, or purchasing/payables administration services and pay fees that are included in Unrestricted Funds.

## Related Information

[NACUBO Classification Guidelines](#)

[Officer Accountability Policy](#)

[Responsibility for Losses Policy](#)

[Unrestricted Fund Expenditure Policy](#)

## Forms

N/A

*On or after December 26, 2014, 2 CFR Part 200 is effective and applies to all new awards issued. Funding awarded prior to this date and/or incremental funding may still be governed by OMB Circular A-110, A-21 or A-133, depending on the awarding agency's specific terms and conditions.*

## Change History

Date	Summary of Change

12/26/2014	Updated for implementation of 2 CFR Part 200.
3/1/2013	Updated document and changed name from RF Funded to Research Management and Support
2/26/2004	Revised to add link to "NACUBO Classification Guidelines"
6/24/2003	Revised to calrify section on Expenditures and unallowable costs.
4/14/2003	New Document. Replaces AC-A-001 from the Accounting Manual

**Feedback**

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