



**START-UP FUNDING REQUEST AND APPROVAL POLICY**

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**I. Purpose**

To define the policy and procedure for requesting and awarding start-up funding to new faculty searches.

**II. Policy Statement**

In many disciplines, start-up funds are critical to the successful recruitment and launch of a faculty member’s academic career. All tenured and tenure-track faculty, regardless of discipline, are eligible to receive start-up funding support. Start-up funds are considered non-recurring funds and an investment in new faculty members’ scholarly/creative activity and their future ability to generate external funding. Start-up funds may be contributed by any administrative or academic unit, including the Office of the Provost, colleges, and departments.

**All startup funds, whether contributed by an administrative or academic unit, should be allocated to the “12100” program code in order to be captured as a research expense.**

**1. Expectations and Eligibility**

Annually, each recipient of start-up funds is expected to provide to the dean and the Provost a written summary of activities undertaken to obtain external funding. Failure to provide evidence of such efforts may result in non-renewal of start-up funding for the second or third years.

**2. Allowable Start-up Costs**

Typical costs charged to start-up funds include salary and fringe benefits for research assistants; the costs of equipment, travel, books, library resources, information technology resources, laboratory and other research supplies; and costs applicable to animal and human subjects research or other research support services. All expenses from start-up funds must be fully documented with specific reference to the research or scholarly activity being conducted. Durable assets (see below) purchased with start-up funds are the property of Georgia Southern University and are non-transferable upon separation from the University.

**a) Durable Assets**

Certain durable assets may be purchased using start-up funds. Durable assets are defined as tangible goods that yield service or benefits over a number of years. Durable assets purchased with start-up funds are the property of Georgia Southern University. Examples of durable assets are scientific equipment and computing needs for research. The faculty member’s home department must inventory such durable assets. Common computers for new faculty are

typically the responsibility of the home department and start-up funds shall not be used for such purchases. A complete list of durable assets should be maintained by the faculty member's department and regularly updated for additions and disposals.

The following durable assets may not be purchased with start-up funds. Exceptions require prior written approval by the dean and the Provost:

- Furniture and furnishings
- Rare books (defined as books with a purchase price above \$500)
- Works of art

In rare instances where exceptions are granted, based on a determination that it is a legitimate and necessary research or scholarly expense, these assets must be inventoried as described above.

**b) Supplies**

Laboratory and dedicated supplies may be a significant expense for research intensive departments. All lab and office supplies purchased with start-up funds must be clearly documented as research or scholarly costs. General office supplies that cannot be clearly demonstrated to be dedicated and required for research/scholarship pursuits will not be supported.

**c) Salary and Wages**

If start-up funds are used to finance a research position, the prospective employee must be informed, in writing, that funding is temporary and that there is no commitment of employment after the funding is exhausted or the specific research project is completed. Funds must be adequate to cover salary, accrued vacation, and associated fringe benefit costs as determined through the fringe benefit rate established by the University.

Start-up funds are not considered personal compensation and cannot be used to supplement a faculty member's academic-year salary or to cover personal expenses. Explicit prior approval from the dean and Provost is required for requests to use startup funds for summer salary support. Such requests must be accompanied by a written justification to include the expected outcome and an explanation as to why this is the only means to achieve said outcome. If summer salary for a faculty candidate is deemed appropriate, the amount should not exceed one-third of the total start up budget and may not exceed the amount of summer compensation allowed by the University System of Georgia. Exceptions will require additional justification for review and approval, above and beyond that required for summer salary.

**d) Travel and Business Expenses**

Expenses relating to research travel and business expenses must adhere to the policies of Georgia Southern University and the University System of Georgia.

**e) Consultants / Service Contracts**

All consultant and service contract arrangements must be properly documented and procured under University policy.

**3. Expense and Cost Transfers**

All expenses should be allocated to the appropriate account when first incurred. However, there may be circumstances in which it is necessary to transfer expenditures to a start-up account if the expense was charged to another account (e.g. departmental or grant account) by mistake. An expense transfer is any transfer of an expense to a start-up account from another funding source.

Expense transfers must be timely, conform to university guidelines and have appropriate documentation to be considered allowable. Frequent, late, or inadequately documented transfers raise questions about the propriety of the transfers and may result in expenditure disallowances. Start-up funds should be reviewed by the faculty member on a monthly basis to ensure that all expenditures charged are correct and appropriate. It is the responsibility of the faculty member to authorize transactions and review the expenditures for accuracy. ***All expense transfer should be made no later than sixty (60) days after the original transaction.*** This sixty (60) day allowable timeline for expense transfers may be abbreviated significantly at the end of the fiscal year. To request an expense transfer, the faculty member or department should complete the Expenditure Transfer Form located on the Financial and Business Services website for General Accounting forms, <http://services.georgiasouthern.edu/accounting/genacctforms.html> and forward to the Office of the Provost and Vice President for Academic Affairs.

**4. Identification and Allocation of Start-up Funds**

Faculty members receiving start-up funds to support research and other scholarly and creative activities are expected to generate funding through external grants and contracts. The Provost will work with the deans to determine the number and classification of faculty for the upcoming academic year. Positions requiring start-up funding will be finalized by the dean and Provost and Vice President for Academic Affairs. Once finalized and agreed upon, a list of applicable positions will be provided to the President by the Provost and Vice President for Academic Affairs for consideration of funding for identified startup needs. Matching through other sources (Foundation funds, endowments, college/departmental funds, etc.) is encouraged and should be noted where applicable. Funding is limited and all requests for start-up funds may not be approved.

Following discussion with the President, the Provost will notify the dean(s) of the availability of funding to support identified positions requiring start-up funding prior to initiating faculty searches. When negotiating with candidates for faculty positions, department head should request a plan for the use of the start-up funds being requested by the faculty candidate. The department head must assess whether the funds being requested, and the plan for use of those funds, are reasonable and appropriate for the position being filled and can be provided based on the funding available. Once there is agreement on the start-up funds to be included in the offer, the department head should work with the dean and Office of the Provost to initiate the official offer letter from the Provost. A

request for start-up funding support after a candidate has accepted a position will not be considered.

Start-up packages can be requested for up to three years. Each multi-year start-up package should include an annualized budget which will be reviewed prior to the end of each funding period. A designated budget manager will be available within the Office of the Provost and Vice President for Academic Affairs to assist in devising a formal, multi-year budget. This will also allow the faculty member to become acquainted with the staff and services of the Office of Research Services and Sponsored Programs.

Once the new faculty member arrives on campus, s/he, the department head, budget manager for the Office of the Provost and Vice President for Academic Affairs, and faculty mentor, if a mentor has been appointed, will discuss, in detail, the projected expenditure of start-up funds for the first year, processes for purchasing goods with start-up funds, limitations on carryover, processes/procedures for research and grants, and any compliance approvals that will be necessary to conduct the research.

Based on these discussions, the new faculty member must finalize a first-year line item budget with the Office of the Provost and Vice President for Academic Affairs, no later than October 15, for funds allocated for that fiscal year. A start-up account will be opened by the Office of the Provost and Vice President for Academic Affairs for each identified faculty member provided with start-up funding. All committed funds from the department, college, Office of the Provost and Vice President for Academic Affairs and other sources for that year will be allocated to the individual account, and the new faculty member will expend funds from this account according to the budget s/he finalized with the Office of the Provost and Vice President for Academic Affairs.

For multi-year start-up packages, the University expects new faculty members to spend the majority of start-up funds during years 1 and 2, and no more than 25% of the total start-up package should be budgeted in year 3 without adequate justification. As of June 30th of Year 3, the account will be closed and remaining funds will be returned. Recipients of start-up funds should keep this in mind as vis-à-vis their chronology of research/creative activities, and publication and grant acquisition goals.

Each year of the start-up period is an independent accountable budget. It is the desire of the University that new faculty get started building their research programs as soon as possible and that start-up funds are allocated to assist with this process. It is sometimes desirable that start-up expenditures be made prior to the arrival of a new faculty member, or before start-up accounts are funded. In such cases, start-up accounts may be established and opened before a new faculty member arrives on campus, which is less error prone, eliminates the need to do cost transfers, and allows them to begin making purchases in a more timely fashion.

Annual revisions in the budget may be necessitated by the need to redistribute the total start-up commitment over the years for which the commitment was made. These revisions must receive written approval by the Vice President for Research, as well as approvals of other contributors to

the start-up account, as applicable. Faculty members, departmental business managers and budget manager within the Office of the Provost and Vice President for Academic Affairs should manage the start-up accounts carefully to ensure that there are no cost overruns and that funds are being expended in a judicious manner. The college or department will be responsible for funding any costs in excess of the approved start-up amount, as well as any cost overruns.

The source of funds, in most cases, will prevent carryover of current year funding into the next fiscal year. Each annual allocation should be fully expended by the end of the fiscal year. Any unused start-up funds remaining at the end of the fiscal year and/or the end of the start-up period will be forfeited and may be returned to the units that contributed to the account on the basis their respective original contributions.

### **III. Exclusions**

N/A

### **IV. Procedures**

1. The dean will provide a list of faculty lines and anticipated new start-up needs for the follow fiscal year (for estimation purposes only) to the Provost and Vice President for Academic Affairs.
2. The Provost and Vice President for Academic Affairs secures start-up allocations based upon availability of funding as provided by the President.
3. Department head negotiates, in coordination with the dean's office, a start-up package with potential new faculty members. Any negotiation in excess of the allocated amount for the position should involve the Provost and Vice President for Academic Affairs.
4. Department head submits final negotiated startup package to the Provost and Vice President for Academic Affairs, to be detailed in the letter of appointment.
5. The Provost's Office will notify the Dean once an offer has been accepted. Any request by the college/department for early set up of the start-up account should be made after offer acceptance.
6. The Provost and Vice President for Academic Affairs will notify the Budget Office who will then establish the account to be administered by the departmental business manager and a designated budget officer within the Office of the Provost.
7. The Office of the Provost and Vice President for Academic Affairs will notify the faculty member, department, and college of the assigned account and chart stream.
8. By October 15, new faculty meet with the Office of the Provost and Vice President for Academic Affairs to finalize and adjust start-up budgets as needed.
9. Following the allocation of searchable position, colleges will again provide a spread sheet of anticipated new start-up needs for the follow fiscal year (for estimation purposes only).
10. A reminder to submit summaries of efforts to acquire external funding will be issued by the Office of the Provost and Vice President for Academic Affairs to start-up recipients beginning May 1. Summaries are due to the dean and the Provost by May 15. Recommendations for non-renewal will be communicated by June 1 following review by the Provost and dean.
11. Beginning May 15, the annual review of all start-up accounts will begin. Unobligated amounts that may lapse as of June 30 will be swept.