



**Policy on the Establishment and Management of Research Centers, Public Service Centers, and Institutes at Northern Arizona University**

**Effective Date:** March 1, 2013

**Revised:** September 9, 2016

**Responsible Official:** Vice President for Research

**Introduction/Rationale**

Many of society's most complex challenges are found at the interface of multiple disciplines, requiring a team science approach with expertise that falls outside of an individual department or school. The current highly competitive funding climate also places administrative expectations on research teams that are not easily met by individual academic units whose resources are spread broadly across teaching, research, and service obligations. Research Centers, Public Service Centers, and Institutes provide an organizational structure through which faculty can create innovative programs that keep the university in the forefront as a research and scholarly institution.

These Centers and Institutes are intended to serve the interests of faculty and the university by producing the highest quality scholarly work, an overriding objective that transcends other considerations. Such centers may focus on research, instruction, public service or some combination thereof. Usually they are based on faculty interest or in response to external funding opportunities and may be particularly relevant within the context of the Arizona Higher Education Enterprise Plan. In addition, some centers are established around a particular facility or service for the benefit of the university community.

This Policy sets forth the framework for the establishment, maintenance, and evaluation of Research Centers, Public Service Centers, and Institutes (hereinafter referred to as "centers/institutes") at NAU. This policy governs all centers/institutes that are created through the NAU approval process. It does not govern centers/institutes that are created for the purpose of an individual grant or contract.

**1. General Criteria for Centers and Institutes**

All centers/institutes at NAU, proposed and existing, must:

- A. Be led by a director with a strong vision who can articulate specific research goals around a focused, well-defined area or topic of inquiry.

- B. Demonstrate a set of beneficial outcomes for the university, not just for the researchers, as a focus of the rationale for the establishment/existence of the center.
- C. Be in the university's interests, align with university strategic goals, and support and enhance the academic missions of the colleges, departments, and programs.
- D. Facilitate interdisciplinary activities. Centers/Institutes should be able to connect people and ideas that won't be easily integrated into a single department, and to demonstrate synergy that would not result from faculty collaborating across individual disciplinary departments.
- E. Be attached, organizationally, to a college (except on the President's recommendation).
- F. Demonstrate an ability to generate cutting edge research and/or critical public service work.
- G. Demonstrate an ability to enhance competitiveness for external funding. Productive centers/institutes should show a level of aggressiveness in pursuing large grants, collaborating for large projects, and seeking national center designations.
- H. Involve multiple faculty-level investigators over time such that the entity can survive the departure of the original director/founder and other faculty investigators.
- I. Support student engagement, both graduate and undergraduate. Center/Institute contributions to the university should not be limited to research or service productivity but also to mentoring and small-group teaching.
- J. Generate sufficient levels of financial support and independence. It is not expected that centers/institutes will have identical models for internal and external support.

## **2. Process for Developing a Center or Institute Concept**

- A. Read and review this Policy.
- B. Read and review the application form for centers/institutes at (<http://nau.edu/Research/Policies/> or <http://nau.edu/Provost/Curriculum-Academic-Development/>).
- C. Arrange to meet with one or two center/institute directors to add perspective to and inform planning.
- D. Develop a draft plan, incorporating all of the required elements and criteria described in this Policy.
- E. If institutional support is anticipated, discuss the draft plan with the administrative office(s) that might provide such support. **NOTE:** Institutional support is not guaranteed.
- F. Invite input on the draft plan from the applicable department chair(s) and dean(s).
- G. Invite input on the draft plan from the associate VPR and other relevant campus administrators.
- H. When the plan is finalized, complete the application form on the Provost's website and submit the plan/application form to the Office of the Provost. Once the plan is reviewed and approved at the Provost level, it will be sent out to the appropriate dean(s) and department chair(s) with the closest affiliation to the center/institute.

## **3. Establishing a New Center or Institute**

The decision to establish a new center/institute is made by the President. A written proposal to establish a new center/institute will include the following components:

- A. Research or public service plan(s).
- B. Schedule of performance or outcome goals expressed as a set of metrics established for meeting/exceeding productivity expectations.
- C. Listing of departments, college(s), and any other sponsors involved and the relevance of the center/institute's activities to the academic mission of these sponsors.
- D. An explanation of how funding resources for director, associate director (if applicable) staff, graduate students, post-docs, and research faculty will be generated. This includes mechanisms for salary funding supplements for the director (if appropriate) and buyout of some type for any teaching time otherwise expected of the director.
- E. A list of the faculty who will be appointed to the center. All faculty members shall maintain a primary affiliation with a specific academic department unless an exception is approved by the corresponding dean.
- F. Resource requirements, including staff, space, equipment, operational expenses and any institutional matching funds.
- G. A financial plan and funding projections for 5 years.
- H. Acknowledgement of a recertification process for the renewal of the center/institute every seven (7) years as a result of internal review (see Section 10). A sunset clause must be included in the event that the unit does not fulfill university expectations or funding projections.
- I. A description of the advisory board, including member composition, expectations for the board, terms of membership, and meeting frequency.

#### **4. Maintaining an Existing Center/Institute**

Existing centers/institutes will provide an annual report on or before July 30 that includes the following components:

- A. A summary of the previous FY year's progress including, as applicable, grants received and proposals submitted; publications, books, book chapters, reports, white papers, working papers, etc.; patents; awards to members and students; examples of public service, outreach, and community engagement; summary of students trained.
- B. A budget spreadsheet illustrating how the previous year's funds were spent.
- C. A budget spreadsheet projecting the next year's spending.

#### **5. The Financial Model for Centers and Institutes**

- A. Centers/Institutes must be established with, and must maintain, a sound financial model.
- B. Some portion of facilities and administrative costs (F&A) distributed to centers/institutes must be reserved to ensure future resources for the operation and sustainability of the unit.
- C. A newly-established center/institute may be eligible for some institutional support for infrastructure needs (e.g. physical and personnel). The VPR, the Provost and the President may contribute funds to support newly-established centers/institutes. Requests for institutional support should include a justification in terms of institutional benefit, and

should clearly describe the financial plan for sustainability following the end of institutional support.

- D. Centers/Institutes that secure financial commitments from the institution are expected to move toward a reduction of financial support from the institution within 5 years.
- E. The center/institute director and faculty are responsible for securing and maintaining a sufficient level of external funding to support center/institute activities.
- F. Full time, tenure track faculty associated with centers/institutes shall remain primarily affiliated with specific academic departments unless an exception is approved by the corresponding dean.
- G. Research Faculty, students, and staff supported on external grants may be affiliated with centers/institutes.

#### **6. Distribution of F&A**

- A. The default F&A distribution for NAU is 70 percent F&A assigned to central administration, 20 percent assigned to the supervising dean/college, and the remaining F&A distributed between departments and PIs.
- B. Centers and Institutes, unless otherwise negotiated, will operate on a 70%, 25%, 5% split of F&A: 70% to central accounts, 25% to the center/institute, and 5% to the supporting college.
- C. Any renegotiated assignment of F&A will be applied to future proposals at the time of submission. The recalculation of F&A assignments on existing grants is presumed to be difficult because funds will have been allocated at the time of award.
- D. Because an explicit goal of centers/institutes is to develop interdisciplinary collaboration, PIs and co-PIs from multiple academic units should be encouraged to work together. Thus, an equitable process for distributing F&A must be established for projects spanning multiple colleges or units.
- E. For any external funding that generates F&A, this policy recognizes a “split credit” model for F&A distribution, where the amount of F&A returned to a Principal Investigator (PI) represents each PI’s contribution to the project and proposal in terms of ideas, expertise and talent. This is not the same as percent effort, which is reflected in the proposal budget as time spent conducting the work. For grants with multiple PIs, distribution of F&A will be calculated using the percentage of credit assigned to each PI at the time of proposal submission. (The assignment of percent credit is made by mutual agreement of the PIs.) The designation of PI credit must be consistent with the sponsor’s definition of such, as guided by the Multiple PI Federal Register Notice (70 FR 41220).<sup>1</sup>
- F. The center/institute director or the dean can negotiate a different F&A return arrangement based on the level of support anticipated to be drawn from the dean and/or department. This should be verified in writing as an addendum to the Center proposal.
- G. Any requested change in the F&A distribution agreement must be approved by the dean, Provost, VPR, and President.

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<sup>1</sup> For example, the NSF definition of co-PI is equivalent to PI under the multiple PI model; however, the NIH definition of co-Investigator is not equivalent to PI under the multiple PI model.

**7. Support for Research Faculty:**

“Research Faculty,” for the purposes of this Policy, are defined as full-time, “regular” (i.e., benefit eligible) faculty who are employed at the rank of assistant, associate or (full) research professor and who are primarily affiliated with centers/institutes.

- A. Funding for research faculty salaries and research is expected to be secured through external grant support and contributions from the center/institute.
- B. A funding plan must ensure that research faculty have sufficient effort (5 to 15 percent) supported on discretionary funds (e.g., F&A returns) for activities such as proposal writing and university service, if applicable.
- C. New research faculty should receive funding from the center/institute if they do not have active grants at the time of affiliation with the unit.
- D. Research faculty designated as center/institute personnel will be offered the opportunity to build salary reserve, equal to one (1) year’s salary plus ERE, funded from the university’s share (as described in Section 6 above) of F&A generated by grants on which they are PI or co-PI under a multiple PI model<sup>1</sup> and which were awarded to them as members of the center/institute, for a period of up to five (5) years from the allocation of the first dollar into the fund. The purpose of the salary reserve is to support the employee’s salary if there is a gap in external funding. These funds cannot be used for any other purpose or transferred to other individuals. The amount of F&A that will be allocated to the salary reserve fund under this mechanism will be calculated from a split-credit model (see Section 6), as established at the time of proposal submission.
  - 1. The money for the reserve fund will be provided from the university’s central share of F&A generated on grants for which the research faculty member is a PI<sup>1</sup>. Thirty-five percent of total F&A, or half of the university’s central share, will be allocated to building the salary reserve fund. Once the target amount is attained, allocations from the university’s central share of F&A shall cease. If the salary reserve fund is not used within five (5) years of the allocation of the first dollar into the fund, these funds will be maintained until used by the faculty member or reverted to the university’s central F&A fund through the situations described in section D.3 below.
  - 2. When the initial salary reserve fund has been drawn down so that it contains less than one (1) year of salary/ERE support, the allocations of funds from the university’s share of F&A will recommence for up to three (3) years or until the salary reserve fund once again contains one (1) year of salary/ERE for the research faculty member (whichever occurs first). *After this second cycle of allocations, no further allocations will be made from the university’s share of F&A. This two-cycle limit is in place because inherent in the university’s definition of a successful center/institute is the expectation that its research faculty are supported through external funding.*
  - 3. If a research faculty member leaves NAU, has a change in status (e.g., from full-time to part-time), or moves into another payroll title, then any existing salary reserve funds shall revert back to the university’s central F&A fund.

**8. Salary Differential for Research Faculty:**

- A. Salary levels for research faculty are negotiable independent of department/college/HR guidelines. Because research faculty are expected to support their own salary and are not

granted tenure, it is reasonable that their salary rates be competitive with the market rather than with a typical percentage of CUPA standards for regular university faculty positions. However, research faculty should understand that a higher salary may make full reserve funding (see Section 7.D) more challenging.

- B. Salary requests for research faculty will be reviewed and negotiated among the center/institute director, the Provost, and the Vice President for Research.
- C. There should be no assumption that research faculty will be absorbed by an academic department if that individual is unsuccessful in supporting his/her salary through external grants within three to four years after affiliation with a center/institute. This understanding must be clearly stated in all offer letters and annual contracts.
- D. The academic appointment of a research faculty member will reside in either a department or at the dean's level.

**9. Distribution of F&A generated by Regular Faculty:**

"Regular Faculty", for the purposes of this Policy, refers to tenured and tenure track faculty, clinical faculty, and professors of practice (including assistant and associate professor-level) faculty who are primarily affiliated with academic departments.

- A. Because of their interdisciplinary nature, centers/institutes will occasionally draw upon talented researchers who are Regular Faculty. Recovered F&A distributions for regular faculty serving on a sponsored project will flow back to his/her college and department, with up to 20 percent going to the college and up to 10 percent going to the department, and some portion of the department percentage going to the faculty investigator.
- B. The amount of F&A that will flow back to the college will be calculated using the percentage of credit assigned to the Regular Faculty member on the sponsored project as established at the time of proposal submission.
- C. In the event that teaching time or extensive research time (above the percent effort allocated to research in the SOE) is involved, a center/institute and college can negotiate buyout of regular faculty time for participation in unit sponsored projects. This negotiated buyout can help compensate the college for earlier career investments, initial start-up costs, and loss of teaching/mentoring expertise. Consideration must be given to the needs of academic departments to maintain a population of productive researchers. Departments must not have their teaching capabilities too adversely affected by regular faculty participation in center/institute projects.
- D. Departments and colleges must also recognize that the full potential of regular faculty members' scholarship may require inter-academic unit effort and contributions or buy-out of teaching time. Individual department resources are frequently insufficient for interdisciplinary and large team approaches to research. Sharing regular faculty with centers/institutes will immediately enhance NAU's research base, and departments/colleges should encourage and not restrict these opportunities.

## 10. Periodic Review of Centers and Institutes

Centers/Institutes will undergo periodic review and assessment through an internal process. During this process, a standard set of data is presented to evaluate the adequacy and effectiveness of a center/institute's human, financial, and other resources. Each center/institute draws upon this data set and its own historical records and planning to reflect upon the program's status and opportunities in a "self study." Such a review acknowledges the diverse missions and structures of centers/institutes while providing a concrete basis for evaluating performance and making recommendations for future activities and investments.

- A. The review of centers/institutes is overseen by the Office of the VPR, and is carried out by an internal committee consisting of representation from the offices of the VPR, Provost and appropriate dean.
  - B. Elements of self-study and review are analogous to those used for Academic Program Review: (<http://nau.edu/vpaa/academic-program-review/>)
    1. Copy of mission statement, founding documents, or latest strategic plan for unit.
    2. Standard data set for most recent seven (7) years. A useful way to plan for the self-study review is to use the following template for annual reports. (Not all items apply to all centers/institutes.)
      - state budget dollars and FTE, by year, for personnel and for operations
      - TRIF funding or allocation, by year
      - grant/contract dollars, by year (total, direct, indirect)
      - local revenues generated, by year, and administrative overhead generated for university
      - NAU Foundation funding generated, by year
      - state-funded faculty lines or partial FTE assigned to center, by year
      - grant proposals submitted by center/institute personnel (funded, declined, pending)
      - peer-reviewed publications by center/institute personnel
      - technical or other (non-peer-reviewed) publications by center/institute personnel
      - contributions to instruction by center/institute personnel
      - courses designed and offered, certificates, enrollments, internships supervised, students employed, other.
    3. Narrative review of mission-relevant accomplishments during review period.
    4. Identification and assessment of significant challenges and highest-priority opportunities for unit.
  - C. Following the receipt of the self-study report, the center/institute shall draw up an action plan for review by VPR, dean, Provost – This review process provides the university with the opportunity to re-assess university investment in the center/institute and strategic thinking about its role over the next 7 years.
11. Centers/Institutes, in their annual reports to their deans, should list grants funding for faculty members (both center/institute faculty and affiliated department faculty) including the specific

direct and total costs assigned to each faculty member for the given year. This information can be used by departments and deans in their reports of departmental/college productivity.

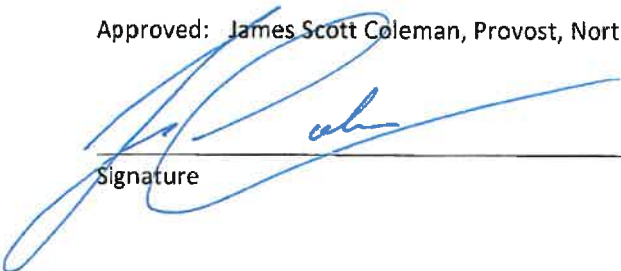
12. Centers/Institutes should not have the expectation of permanence. Typically, centers/institutes form to address specific issues or problems and cease activities when their objectives are met, or when the center no longer addresses the original objectives, or when the productivity of the center/institute declines significantly.
13. Any changes to this policy will be applicable to centers/institutes as of the date of the President's approval of the revision.
14. The President has the right to terminate any NAU center/institute unilaterally, or to add conditions or exceptions to any of the policies described in points 1-13.

Approved: Rita Hartung Cheng, President, Northern Arizona University

  
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Signature

9-8-16  
Date

Approved: James Scott Coleman, Provost, Northern Arizona University

  
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Approved: William Peter Grabe, Vice President for Research, Northern Arizona University

  
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