



UNIVERSITY of
LOUISIANA
L A F A Y E T T E

RESEARCH INVESTMENT INCENTIVE POLICY

Policy # RE.003.1

Responsible Executive: Vice President for
Research,
Innovation, and
Economic
Development
Research, Innovation,
and Economic
Development

Responsible Office: Development

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I. Policy Statement

The intent of the Research Investment Incentive Policy (“RIIP”) is to provide necessary resources to University of Louisiana at Lafayette (“University”) researchers and Administrative Units to encourage further efforts in maintaining the Carnegie R1 status achieved by the University in December 2021.

As such, this Policy incentivizes efforts directly related to successes in securing external funding for research and Sponsored Programs; sustaining and growing doctoral student research and program activity; and providing for the growth of Post-Doctoral and Non-Faculty Researchers in external grants and contracts. These funds will be disbursed to University Researchers and Administrative Units that were instrumental in capturing external funding during the previous fiscal year.

II. Purpose of Policy

The Office of Vice President for Research, Innovation, and Economic Development (“VPR”) seeks to distribute portions of Facilities and Administrative Costs (“F&A Costs”) the University receives each year from externally funded grants and contracts to stimulate and incentivize externally Sponsored Programs. This Policy is aligned within the parameters considered for the Carnegie Classification System that include:

- Research and Development (“R&D”) Expenditures: science and engineering disciplines;
- R&D expenditures: non-science and engineering disciplines;
- Number of Post-Doctoral & Non-Faculty Researchers; and

- Doctoral graduates in the following disciplines: science, technology, engineering, and mathematics (“STEM”), humanities, social sciences, other.

A. Research Investment Incentives

This Policy incentivizes the following:

1. Researchers in all disciplines involved in generating external funds to support their R&D activities and their Administrative Units;
2. Researchers that include funding support for doctoral students in their external grants and contracts; and
3. Researchers that include funding support for Post-Doctoral and Non-Faculty Researchers in STEM and health disciplines, which is one of the significant measures in the Carnegie Classification System.

B. Preclusions

Effective fiscal year 2020, this Policy precludes the following:

1. VPR and the Office for the Vice President for Academic Affairs will not receive external funds in situations where they are the supervisory Administrative Unit.
2. “Collaboration Bonuses” which incentivized collaborations between research centers and academic departments is discontinued.

C. F&A Costs

1. The awarding of RII will be based on the actual F&A Costs collected in a Sponsored Program account during the fiscal year. For cost-reimbursable Sponsored Programs, F&A Costs are charged to the Sponsor based upon invoices that include payment for F&A Actuals, not based on the Sponsored Program award amount. Thus, F&A Costs collected for cost-reimbursable Sponsored Programs are based on a percentage of F&A Costs billed and received per fiscal year. For fixed-price Sponsored programs, F&A Costs are based on a set price for deliverables or other agreed schedule of payment. In both cases, the amount of the annual RII is based on what is invoiced and received each fiscal year from respective Sponsors.
2. If a substantial amount of funds (equivalent to twenty-five percent (25%) or more of F&A Costs) are used as mandatory/required cost-share/match to a Sponsored Program, then there will be no RII credited to that Sponsored Program. Sponsored Programs that receive approval for and utilize **any** voluntary reduction or waiver of F&A Costs will not be eligible for any RII.
3. If a University research center or specific Sponsored Program is deemed to operate a facility that handles their own F&A Costs, a separate RII will be negotiated with that Administrative Unit (an approximate return of 85-90% of the RII).

D. RII Eligibility, Calculations, and Accounting

1. Only Researchers designated on the Internal Proposal Approval Form and their Administrative Units are eligible to receive RII.

2. All Administrative Units that generate actual F&A Costs from Sponsored Programs are eligible for a distribution of RII as specified by this Policy.
3. When multiple Researchers are involved in a Sponsored Program, the amount of the RII provided to each individual Researcher and their respective Administrative Unit(s) of majority appointment will be based upon the percentage of Sponsored Program credit listed for each Researcher on the Internal Proposal Approval Form. If the distribution of Sponsored Program credit is not assigned and agreed to by the Researchers at the time of proposal submission, distribution of the RII will be based upon a default distribution specified by the University. The current default distribution of “Project Credit” is as follows:

	Default % Project Credit for Researcher	Default % Project Credit for each Co-Researcher
PI with One (1) Co-PI	67%	33%
PI with Two (2) Co-PIs	50%	25%
PI with Three (3) Co-PIs	40%	20%
PI with Four (4) Co-PIs	30%	17.5%
PI with Five (5) Co-PIs	20%	16%

4. In the case of fixed price Sponsored Programs where the agreed upon price was insufficient for covering the actual F&A Costs incurred in the performance and delivery of contractual obligations that resulted in the University expending funds in excess of the funds received by the Sponsor, the University may elect to retain all F&A Costs collected and not distribute any RII to Researchers or Administrative Units in an effort to recover the additional costs incurred.
5. If a Researcher has left the University at the time that the RII is to be distributed, the calculations described herein will be followed. The portion designated to the individual Researcher that has left will be retained by the University. The portions designated for that Researcher’s home Administrative Unit, however, will be distributed as described above in Section II.D.3 as will the portion of the RII to other Researchers and Administrative Units.
6. Annual RII allocations to Researchers and Administrative Units will be placed in University accounts by Sponsored Programs Administration and Compliance (“SPFAC”) and managed directly by the account holder (e.g., the Researcher, department head, etc.). All University policies and procedures must be followed in the use of the funds. These funds are non-restricted in order to maintain R&D capabilities by the respective Administrative Unit. Examples of acceptable expenses include travel, equipment, undergraduate and graduate student stipends, tuition, Post-Doctoral and Non-Faculty Researcher support, and supplies. Account holders will not use these RII funds to pay extra compensation; but the RII funds can be used for summer salary in the case of nine (9) month employees.
7. If the sum of annual RII allocations for all Sponsored Programs for an individual Researcher is less than Five Hundred Dollars (\$500) or for an Administrative Unit is less than One Thousand Dollars (\$1,000), no RII account will be established for that individual Researcher or Administrative Unit for that fiscal year.
8. Funds in these RII accounts can be carried over into subsequent fiscal years. However, when (a) more than Fifty Thousand Dollars (\$50,000) is accrued in an individual RII account; or (b) more than One Hundred Thousand Dollars (\$100,000) is accrued in an academic

department/research center's RII account; or (c) more than One Hundred Fifty Thousand Dollars (\$150,000) is accrued in an academic college/research institute's RII account, then a written plan (e.g., saving for an expensive piece of equipment, accrual to hire post-doctoral, etc.) **must be** submitted by the account holder to the VPR at vpr@louisiana.edu by August 31st each year. Likewise, in those cases when less than fifty percent (50%) of the balance of any type of RII account (as noted in Section V.10(a), 10(b), or 10(c) above) is spent within a three (3) year period, a written plan (e.g., saving for an expensive piece of equipment, accrual to hire post-doc) **must be** submitted by the account holder to the VPR at vpr@louisiana.edu by August 31st of year three. This is to encourage the annual investment of RII funds to stimulate the research capacity of Researchers and Administrative Units. Failure to submit this written plan by the August 31 deadline will result in the RII account being frozen, with fund balances returned to the University's Operating Budget.

9. Any Researcher or Administrative Units that receive RII **will be required** to complete a written annual report (see Instructions for the Preparation and Submission of the Research Investment Incentive Annual Report) due no later than August 31st each year to the VPR at vpr@louisiana.edu describing the distribution of annual RII funds and how they were used to stimulate research and Sponsored Program activities. Failure to submit the report by this date will result in the RII account being frozen and will eliminate the individual Researcher or Academic Unit for the next fiscal year's disbursement.
10. The calculation of F&A Actuals will occur in the fall of each year following the end of the fiscal year (July 1 of previous year to June 30 of the present year). The RII shall be deposited by SPFAC in University accounts and accounted for separately, during December.

E. MONITORING & DURATION

The impact of the RII for Sponsored Programs on expanding the University's research goals will be evaluated at the end of each fiscal year, leading to potential modifications to this Policy, and recommendations from the VPR on further continuation or the withdrawal of this Policy.

III. Applicability

The Policy is applicable to and enforceable against all non-student Researchers and Administrative Units.

IV. Definitions

1. **Administrative Unit**: are the University's academic departments, colleges, research centers, institutes, or non-academic departments.
2. **Affiliated Appointment**: is when an individual has an appointment from two (2) separate Administrative Units, one designated as the individual's Major Administrative Unit (i.e., provides Significant Benefits) and the other designated as the individual's Minor Administrative Unit (i.e., provides Less Significant Benefits).
3. **Carnegie Classification System**: through the Carnegie Foundation for the Advancement of Teaching, is a framework for categorizing all accredited, degree-granting institutions in the United States.
4. **Facilities and Administration ("F&A") Costs**: is also known as "indirect costs" or overhead (e.g., electricity, central administrative services, etc.), are the real costs of University operations which are not readily assignable to a particular Sponsored Program.

5. **F&A Actuals**: are the F&A Costs actually incurred by the University for a Sponsored Program and are assignable to a Sponsored Program.
6. **Joint Appointment**: is when an individual has an actual appointment (as reflected through an approved Personnel Action Form or executed agreement) with significant benefits from two separate Administrative Units and each are designated as Major Administrative Units for this individual.
7. **Less Significant Benefits**: are various less important appointments, designations, and/or assistance received by an individual at the University from an Administrative Unit including any of the following:
 - a. Individual serves as an adjunct or non-tenure track professor or as an officially recognized research affiliate within the designated Administrative Unit (i.e., Center Directors must provide VPR with an official list of affiliates at the beginning of the academic year).
 - b. Individual obtains ancillary assistance in the form of secretarial assistance, grant administration, and/or utilization of Administrative Unit staff to conduct significant research activities.
 - c. Individual employs laboratory facilities/infrastructure within the designated Administrative Unit.
8. **Majority Administrative Unit**: is an Administrative Unit that provides one or more Significant Benefits to an individual that holds an appointment in that Administrative Unit.
9. **Minority Administrative Unit**: is an Administrative Unit that provides no Significant Benefits but does provide Less Significant Benefits to an individual holding an appointment in that Administrative Unit.
10. **Non-Faculty Researchers**: are doctorate-holding Researchers that are neither tenure-eligible nor instructors.
11. **Post-Doctoral Researchers**: are individuals who has received a doctoral degree (or equivalent) and is engaged in a temporary and defined period of mentored advanced training to enhance the professional and research independence needed to pursue his or her chosen career path.
1. **Principal Investigator (“PI”)**: is the individual responsible for the conduct of the Sponsored Program.
12. **Researcher**: includes PIs and Co-PIs.
13. **Research Investment Incentive (“RII”)**: is a reward made to Employees and Administrative Units for sustained externally funded Sponsored Programs and which will stimulate scholarly activity associated with performing externally funded Sponsored Programs in all Administrative Units.
14. **Significant Benefits**: are various important remunerations, honorifics, and/or appointments received by an individual at the University from an administrative unit including one or more of the following:
 - a. His/her salary from the designated Administrative Unit.

- b. Receives an additional stipend from the designated Administrative Unit.
 - c. Holds tenure or is on a tenure-track within the designated Administrative Unit.
 - d. Holds an endowed chair or professorship from the designated Administrative Unit.
 - e. Holds the title of Director or Associate Director (with fiscal remuneration) within the designated Administrative Unit.
15. **Sponsor:** is the government agency, foundation, business, corporation, or private individual that takes on legal responsibility for the initiation, management, and/or financing of research pursuant to a Sponsored Program.
16. **Sponsored Programs:** is a contract, grant, cooperative agreement, or other external funding that comes from a government agency, foundation, business, corporation, or private individual that typically requires the following:
- A statement of work and delivery of a product or service;
 - The delivery of a program report that includes, but is not limited to results, data, findings, surveys, and financial information, which often provides a tangible benefit to the funder;
 - Specific commitments regarding the levels of personnel efforts or University assets;
 - Stipulations regarding data, publications or intellectual property such as inventions, patents, certain copyrights or licenses;
 - A defined period of performance with effective start and end dates;
 - F&A Costs or indirect cost funds; and
 - Routing and approval of a proposal through the Office of Research and Sponsored Programs.

V. Policy Procedure

A. CALCULATION OF RII FOR SPONSORED PROGRAMS WITHIN ONE (1) ADMINISTRATIVE UNIT

The calculations for RII for Sponsored Programs **within one (1) Administrative Unit** funded by Sponsors will be calculated as follows:

1. F&A Base (“FAB”) = $[F\&A\ Cost\ (\%) / Federally\ Approved\ F\&A\ Cost] * F\&A\ Actuals\ (“FAA”)$
2. RII to Researchers (“RIIR”) = $FAB * 8\%$
3. RII if unit is an Administrative Unit (“RIIA”) = $FAB * 8\%$
4. RII Portion to Researchers (“RIIPR”) from each Sponsored Program is distributed to all Researchers listed on the Sponsored Program proposal based on the percent of Project Credit listed for each $[RIIPR=RIIR * Project\ Credit\ of\ PI\ (\%)]$ (See Section II.D.3 above).

5. RII Portion to Administrative Units (“RIIPA”) is based on the home Administrative Unit of each Researcher.
 - a. RIIPA from each Sponsored Program is distributed based on the portion of Project Credit listed for the Researchers of that Sponsored Program in a particular Administrative Unit. RIIPA resulting from the contributions and activities of a Researcher reporting to an *academic unit only* will be divided equally between the Researcher’s academic department and the college to which they report as follows:
 - i. RII Portion to Departments (“RIIPD”) = $RIIPA * 0.5$ for each Sponsored Program
 - ii. RII Portion to Colleges (“RIIPC”) = $RIIPA * 0.5$ for each Sponsored Program
6. See examples of distribution in Appendix A.

B. CALCULATION OF THE RII FOR SPONSORED PROGRAMS BETWEEN TWO (2) ADMINISTRATIVE UNITS DUE TO A JOINT APPOINTMENT

When a Researcher holds a Joint Appointment between two (2) Administrative Units, then the calculations for the RII for Sponsored Programs between the two (2) Administrative Units due to the Joint Appointment of Researcher funded by Sponsors will be calculated as follows:

1. F&A Base (“FAB”) = $[F\&A\ Cost\ (\%) / Federally\ Approved\ F\&A\ Cost] * F\&A\ Actuals\ (“FAA”)$
2. RII to Researchers (“RIIR”) = $FAB * 8\%$
3. RII to Administrative Units (“RIIA”) = $FAB * 8\%$
4. RII to research centers/institutes as Administrative Unit (“RIIA”) = $FAB * 8\%$
5. RII Portion to Researchers (“RIIPR”) from each Sponsored Program is distributed to all Researchers listed on the Sponsored Program proposal based on the percent of Project Credit listed for each [$RIIPI=RIIR * Project\ Credit\ of\ PI\ (\%)$] (See Section II.D.3 above).
6. RII Portion to Administrative Units (“RIIPA”) is distributed to the home department or research center of each Researcher.
 - a. RIIPA from each Sponsored Program is distributed based on the portion of Project Credit listed for the Researchers of that Sponsored Program in a particular Administrative Unit. RIIPA resulting from the contributions and activities of a Researcher reporting to an *academic unit* will be divided equally between the Researcher’s academic department and the college to which they report as follows:
 - i. RII portion to departments = $RIIPA * 0.5$ for each Sponsored Program
 - ii. RII portion to colleges = $RIIPA * 0.5$ for each Sponsored Program
 - b. RIIPA resulting from the contributions and activities of a Researcher reporting to a research center will be divided equally between the research center and the research institute to which they report as follows:

- i. RII portion to research center = RIIPA * 0.5 for each Sponsored Program
- ii. RII portion to research institute = RIIPA * 0.5 for each Sponsored Program
- c. If the research center is not under the auspices of a research institute, then the RIIPA will go to the research center as follows:
 - i. RII portion to research center = RIIPA * 1.0 for each Sponsored Program

7. See examples of distribution in Appendix A.

C. CALCULATION OF THE RII FOR SPONSORED PROGRAMS BETWEEN TWO (2) ADMINISTRATIVE UNITS DUE TO AN AFFILIATED APPOINTMENT

When a Researcher holds an Affiliated Appointment between two (2) Administrative Units, then the calculations for RII for Sponsored Programs between the two (2) Administrative Units due to the Affiliated Appointment of the Researcher funded by Sponsors will be calculated as follows:

1. F&A Base (“FAB”) = [F&A Cost (%) / Federally Approved F&A Cost] * F&A Actuals (“FAA”)
2. RII to Researchers (“RIIR”) = FAB * 8%
3. RII to Majority Administrative Unit = FAB * 8%
4. RII to Minority Administrative Unit = FAB * 2%
 - a. RII to a research center as the Minority Administrative Unit = FAB * 2% but by mutual agreement of the center directors, this 2% may go to the Researchers.
 - b. RII Portion to Researchers (“RIIPR”) from each Sponsored Program is distributed to all Researchers listed on the Sponsored Program proposal based on the percent of Project Credit listed for each [RIIPR=RIIR * Project Credit of PI (%)] (See Section II.D.3above).
 - c. RII Portion to Administrative Units (“RIIPA”) is distributed to the home department or research center of each Researcher.
5. RIIPA from each Sponsored Program is distributed based on the portion of Project Credit listed for the Researcher of that Sponsored Program in a particular Administrative Unit. RIIPA resulting from the contributions and activities of a Researcher reporting to an *academic unit* will be divided equally between the Researcher’s academic department and the college to which they report as follows:
 - a. RII portion to departments = RIIPA * 0.5 for each Sponsored Program
 - b. RII portion to colleges = RIIPA * 0.5 for each Sponsored Program
6. RIIPA resulting from the contributions and activities of a Researcher reporting to a research center will be divided equally between the research center and the research institute to which they report as follows:
 - a. RII portion to research center = RIIPA * 0.5 for each Sponsored Program
 - b. RII portion to research institute = RIIPA * 0.5 for each Sponsored Program

7. If the research center is not under the auspices of a research institute, then the RIIPA will go to the research center as follows:
 - a. RII portion to research center = RIIPA * 1.0 for each Sponsored Program
8. See examples of distribution in Appendix A.

D. RII FOR RESEARCHERS REPORTING TO ACADEMIC ADMINISTRATIVE UNITS

1. Amount to the Individual Researcher = The sum of all RIIPA from each Sponsored Program for which the individual served as Researcher. This amount will be deposited by SPFAC into an account under the control of the faculty member.
2. Amount to the Administrative Unit if it is an Academic Department = the sum of all the RII portion to departments from each Sponsored Program for which the faculty of the department served as Researcher. This amount will be deposited by SPFAC into an account under the control of the department head.
3. Amount to the Administrative Unit if it is a College = the sum of all the RII portion to colleges from each Sponsored Program for which the faculty of the college served as Researcher. This amount will be deposited into an account by SPFAC under the control of the Dean of the college.

E. ADDITIONAL DISTRIBUTION OF RII AMOUNTS FOR SPONSORED PROGRAMS SUPPORTING DOCTORAL STUDENTS AND/OR POST-DOCTORAL/NON-FACULTY RESEARCHERS:

Consistent with the criteria for Carnegie R1 status, supporting the growth of doctoral graduates, as well as numbers of Post-Doctoral/Non-Faculty Researchers (“PDNFRs”) in STEM and health disciplines are institutional priorities.

To stimulate and reward the inclusion of funds in Sponsored Program budgets towards these priorities, an additional RII will be awarded to the Researchers for those Sponsored Programs which expend funds in support of full-time doctoral students enrolled at the University for at least nine (9) academic credits per semester, and/or PDNFRs in STEM plus health disciplines.

The additional amount of RII to be distributed will be equal to the percentage of direct costs that cover the stipends and tuition for doctoral students (and/or salaries and wages in the case of PDNFRs) in relation to the total Sponsored Program costs. This percentage will be added to the 8% calculated for the FAB; and then will be distributed between the Researchers as per the percentage Project Credit agreed upon at the proposal stage. The total percentage eligible to be distributed for a single Sponsored Program shall not exceed 16% of the FAB as defined herein.

This RII is NOT applicable for undergraduate students or graduate students pursuing Master’s programs.

F. ADDITIONAL RII DISTRIBUTION AMOUNT FOR SUPPORT OF THE LIBRARY

Given the importance of the University’s Edith Garland Dupré Library and its resources to the research mission of the University, 2.5% of the FAB from all Sponsored Programs during each fiscal year will be distributed to the Dean of University Libraries to be used as deemed necessary for the maintenance of library services that serve the University’s research mission.

VI. Enforcement

The VPR is responsible for enforcement of this Policy.

VII. Policy Management

Upon adoption, the Vice President for Research, Innovation, and Economic Development shall be the Responsible Executive for this Policy. The Assistant Vice President for Research, Innovation, and Economic Development shall be the Responsible Officer for the policy. VPR is the Responsible Office for this Policy.

VIII. Exclusions

This Policy does not apply to Employees working on or pursuant to consultant agreements, institutionally funded agreements, and on unfunded research.

IX. Effective Date

This Policy shall apply effective July 1, 2022.

X. Adoption

This Policy is hereby adopted on this 12/6/2022.

DocuSigned by:

Joseph Savoie

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Dr. E. Joseph Savoie
President

XI. Appendices, References, and Related Materials

- ✦ Internal Proposal Approval Form
- ✦ Appendix A - Reference Table for Percentage of Research Investment Incentives based on Different Scenarios
- ✦ Instructions for the Preparation and Submission of the Research Investment Incentive Annual Report

XII. Revision History

- ✦ Adoption of Research Investment Incentive Policy: 12/6/2022 (RE.003.1).