

4.13 FUNDS FOR WHICH FACULTY MEMBERS HAVE RESPONSIBILITY AND ACCOUNTABILITY

At Mines, faculty often have access to and responsibility for administering School funds. These funds can advance the research and instruction mission of the School, fulfill the School's public service mission, or promote the professional development of faculty by advancing his/her instructional, scholarly and professional service achievements to better serve students and the community at large.

Types of Funds: Sources and Administration

Professional Development Fund - A Professional Development Fund is created by the deposit of "start-up" funds into an account under the name of a faculty member at the time of initial appointment to Mines. Additional deposits of start-up funds may be made at the beginnings of subsequent fiscal years, normally up to and including the third year of appointment. The total amount of start-up funding committed, and the projected apportionment of deposits in the three fiscal years, is negotiated during the process of hiring the faculty member.

These funds are established to enhance a faculty member's academic and intellectual development and performance by promoting opportunities such as: (a) engaging in research and curriculum development; (b) acquiring books, data and equipment; (c) publishing the results of his/her research; (d) supporting undergraduate and graduate students; (e) obtaining professional technical assistance; and, (f) interacting with the professional/academic community through participation at professional conferences and workshops.

Start-up funds are budgeted in accordance with the negotiations that have been agreed upon in hiring new faculty members. The institution treats these funds as investments in the academic potential of new faculty members, and therefore expects that the funds be expended appropriately and in a manner that advances the faculty member professionally, and implicitly the mission of the institution. The faculty member must obtain their supervisor's concurrence for expenditures made. The faculty member's supervisor provides appropriate oversight of these funds and is responsible for conducting periodic reviews of their use. Department Heads have the responsibility to monitor expenditure of start-up funds, and as necessary, may require an accounting and/or justification of expenditures by faculty members who are expending such funds. Abuse or substantial unapproved deviation from the intended use of these funds will result in the freezing of the account and the discontinuance of further start-up deposits.

For faculty members hired on or after July 1, 2008, any start-up funds that are not expended within a time period of two years greater than the number of years of start-up disbursement negotiated upon hiring will be reverted back to the funding source. Extensions to this time period can be reviewed and approved, if appropriate, by the Provost or his/her designee.

Any unspent start up funds remaining at the end of a given year (subject to the terms in the above paragraph) shall roll into the subsequent year for expenditure.

Research Development Fund – A Research Development Fund is created by the calculated return of indirect cost provided to each Principal Investigator pursuant to the Indirect Cost Return

policy or, for example, the roll-over of unexpended funds from fixed price research contracts (after appropriate overhead has been taken out), or proceeds from transfer of research equipment. These funds are provided to enhance a faculty member's research, academic, and intellectual development. The faculty member must obtain their supervisor's concurrence for expenditures made. The faculty member's supervisor provides appropriate oversight of these funds and is responsible for conducting periodic reviews of their use. Unexpended funds at the end of a given fiscal year will roll into the subsequent fiscal year. There are no time restrictions on the use of these funds.

Sponsored Project Funds - Sponsored projects arise from awards from an external sponsor that restricts the use of funds and stipulates conditions with which the School must comply. The Principal Investigator is responsible and accountable for ensuring that the direct charges to any given sponsored project are appropriate, allowable and in accordance with the sponsor terms and any School, State or Federal regulation. These funds are subject to the overhead rate negotiated between the sponsor and the School.

Gift Funds - Gifts arise when an item of value is given to the School and the donor neither expects nor receives anything of value in return from the School. The School has no "deliverables" but provides the donor recognition of the gift and uses the gift in accordance with the donor's wishes. The faculty member is responsible and accountable for ensuring that the use of the funds are appropriate and are in accordance with the restrictions set forth by the donor. If a faculty member makes gifts into a fund for which he/she has financial management responsibility, his/her supervisor shall also be named as financial manager on that fund and review the activity in the fund from time to time. These funds are subject to the overhead rate administered by the CSM Foundation.

Auxiliary Funds – An Auxiliary Fund is created from awards made by an external party for activities engaged in by the faculty member on behalf of Mines which are not classified as sponsored project or gift. The services provided must fulfill the School's public service mission which includes professional and technical services (including consulting) that contribute to economic growth by enabling companies to expand their business. These activities must comply with the *Educational Business Activities Policy*. Typically, these funds are used to provide the direct and indirect costs of performing the service, and are subject to the auxiliary overhead rate of the School. Unexpended funds at the end of a given fiscal year will roll into the subsequent fiscal year. There are no time restrictions on the use of these funds.

Responsibilities/Practices

The funds noted above are not part of a faculty member's income; no taxes are paid on them. Thus, they may only be used for approved School and professional purposes; they may not be used to meet the non-professional, personal goals of the individual or those of family members and friends. They may not be used to cover permanent residence status or other immigration expenses for the faculty member who controls the funds (see Academic Procedures Manual Section 4.6 for the procedures on visa and immigration protocols). In the use of these funds, faculty are responsible for following all applicable federal, State of Colorado and Mines policies and procedures, procurement and expenditure rules. The use of these funds is subject to Mines budget, accounting and auditing procedures and reviews. *Equipment purchased using these*

funds remains the property of the Colorado School of Mines. Special circumstances related to the ultimate disposition of such property may be considered by CSM.

At no time shall any of the Funds be over-expended. At the end of a given fiscal year, for the fund types noted above, unexpended funds roll forward for use in the next fiscal year (subject to the time limits noted above).

The Disposition of Balances Upon Departure

At the point of a faculty member's departure from Mines (e.g., completion of a transition appointment; resignation to secure a position elsewhere), the balance of a Professional Development Fund and Auxiliary Funds remaining reverts/revert to Academic Affairs which may or may not elect to provide this balance or a portion thereof to the faculty member's department/division. Research Development Funds remaining revert back to the research center within which the funds were generated. If the research that generated the funds was performed as an independent investigator, the funds revert to faculty member's department. Gift funds and sponsored project accounts will remain in the department/division in which the restriction on the use of funds applies.

Further, upon notification of a pending resignation, the denial of tenure, or upon Mines action that places an individual on administrative leave, the balance(s) of a faculty member's professional development, auxiliary and research development fund will normally be frozen and/or activity on the account(s) monitored, and thereafter may be used only with the approval of the faculty member's department head/division director and the Provost or his/her designee.