



Administration of Operating and Individual Research Support Accounts

Effective: January 15, 2019

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Section 1. Guideline Statement:

This guideline addresses the management authority, types of accounts, appropriate use, oversight, and approval procedures for individual research support account and enterprise center operating accounts for units and personnel reporting to the Division of Research and Economic Development (DivRED). This policy does not apply to Sponsored Programs or Cost Center accounts.

Indirect costs (IDC) are real costs borne by the university to support sponsored programs. The Old Dominion University Research Foundation (Research Foundation) negotiates Facilities and Administration (F&A) rates with the Office of Naval Research to calculate the recoverable indirect costs associated with all federally funded sponsored programs conducted at ODU facilities. Statutory requirements limit the allowability of certain indirect costs, so the maximum allowable rate is almost always lower than the actual IDC rate computed in accordance with the cost principles of 2 CFR 200 Subpart E. Furthermore, certain funding programs and non-federal sponsors often impose IDC recovery limits that are lower than the negotiated rate. Thus, the effective total IDC recovery rate is typically less than one-half of the total cost that the university bear to support sponsored research.

Although many universities retain all IDC recovery funds to mitigate the impact of sponsored program subsidization on centralized operations, Old Dominion University allocates most of these funds to support the conduct of sponsored research through expenditures related to research administration, research development, compliance, intellectual property custodianship, and acquisition and maintenance of research assets.

The allocation of research development funds is largely decentralized through funding individual and academic unit (department and college) research support accounts, and operating accounts for research units. These accounts are established and maintained by the ODU Research Foundation on behalf of Old Dominion University. Research support accounts and operating account allocations are intended as a decentralized strategy for reinvesting in promising lines of research, supporting research initiatives, fostering student participation in research, and supporting professional and community engagement intended to promote research activity and awareness.

Section 2. Oversight and Management Authority:

The ODU Sponsored Program Administration (SPA) office is responsible for managing accounts funded with IDC recovery funds in accordance with both Research Foundation policies, applicable university policies, and division policies as may be promulgated by the Vice President of each respective university division. The management authority for all individual research support and operating accounts within DivRED resides with the Vice President for Research and Economic Development.

Within DivRED, the authority to initiate expenditure or reimbursement requests is vested with the person designated as principal investigator of the Research Foundation account or their assigns within pre-determined limits. Approval authority and oversight responsibility for individual research support account transactions rests with the supervisor of the person listed as the principal investigator for the account. For individual accounts, supervisor approval is required only for pre-approving “other” types of expenditures as listed below. Supervisors are granted access to view all individual accounts for their reports and are expected to encourage individuals to use their funds to directly support research operations in a timely manner.

For operating accounts, approval authority and oversight responsibility rests with DivRED.

Section 3. Types of Accounts:

Operating Accounts

Operating accounts are provided for the use of enterprise centers, certain research facilities, and DivRED. An enterprise center operating account is a special type of account established solely for the purpose of supporting center research. All of the distributable IDC recovery that is attributed to center investigators is allocated to the operating account. Colleges, departments, DivRED, and principal investigators all forego the primary allocation that would be received via the traditional allocation model applied to academic units and their faculty. DivRED, at the discretion of the Vice President, may retain up to its 35% traditional allocation to offset major costs associated with research infrastructure used exclusively or primarily by a respective center or other unit when these costs are not otherwise borne by the university or other entity. The PI for all operating accounts within DivRED is designated by the Vice President for Research and Economic Development. This includes enterprise center operating accounts. Enterprise center directors and their assigns are granted discretion to initiate and approve expenditures of certain types and within certain limits. Certain types of expenditures, and expenditures exceeding certain limits, require the approval of DivRED.

Individual Research Support Accounts

The PI for any individual research support account is the faculty member or research scientist listed as the PI on the Research Foundation account. Enterprise center directors may adopt a written uniform internal policy to make secondary distributions to the individual research support account of principal investigators who report to the center, or to affiliated faculty or department accounts. Any such agreement must include provisional capacity of center financial status, individual or team performance criteria, and a rationale and a clear description of the formula determining the amount of the distributions. A secondary distribution policy must be approved by the Vice President for Research and Economic Development prior to implementation. Each instance of any associated secondary distributions must be approved by the Vice President for Research and Economic Development. Bridge funding or seed funding in excess of the secondary distribution policy also may be allocated to individual accounts upon the recommendation of the center director with the approval of the Vice President for Research and Economic Development.

Section 4. Appropriate Use:

Direct Support of Research Operations and Research Capacity

1. Individual research support accounts are established as unrestricted projects by ODU's Sponsored Programs Administration (SPA) in the year awarded. SPA transfers funds into research support projects as requested by DivRED, Department Chairs, the Provost's Office, or as per University policy and practice. Remaining balances carry forward to the next fiscal year.
2. Research support accounts cannot operate with a deficit balance. Faculty must immediately work with SPA and their department/college/center to resolve any overdrafts.
3. Support funds are available to pay for expenses incurred in support of professional activities performed while at the University for legitimate business purposes defined under IRS regulations and University guidelines and policies.
 - a. Examples of eligible expenditures are salary and fringe benefits for research assistants, postdoctoral fellows, or students (including tuition); (reasonable) professional travel (i.e., professional conferences, research collaborations, meeting a funding agency program director/manager, etc.); laboratory and office supplies; equipment costs, service contracts for equipment, books, journals and electronic resources; services purchased from research support facilities or other professional support services; publication fees; business related long distance, postal, or shipping charges; specialized databases and data collection costs; business-related meals, drinks, or hosting professional functions; or other research support or center operating expenses. When support funds are used to purchase an equipment/ instrument, all purchases must be in accordance with the research procurement policies and procedures through the ODU Research Foundation, and all purchased items are the property of the Research Foundation and/or the University, depending on the asset.
 - b. Personal expenses of any kind are not eligible for reimbursement. Examples of ineligible expenditures are home office costs such as furniture, equipment, maintenance expenses and supplies (e.g., custodial and facilities maintenance). Cell phone, telephone line, and internet expenses on research support accounts are generally unallowable unless required by the department for the employee to complete job responsibilities in support of research and scholarship, in which case approval by the respective division vice president is required.
4. Any unspent balances, purchased assets, or items of value will remain with the Unit Head or Chair upon the retirement or departure of a faculty member, as determined in consultation with the Chair and Dean and with approval of the Vice President for Research and Economic Development. No expenditures may be made from support funds after the end of a faculty member's appointment term. Once a faculty member has provided notice of their intention to resign their position, all expenditures need the approval of the Unit Head or Chair.
5. Exceptions to these research support account expenditures guidelines may be requested under special circumstances to the Vice President for Research and Economic Development and as approved by the Research Foundation. Exceptions to this guideline requires full support of both the Vice President for Research and Economic Development and the Executive Director of the ODU Research Foundation.

Other Mission-Related Activities

Individuals and supervisors are expected to exercise prudence when utilizing funds for purposes that are not directly related to research, scholarship, and other non-research uses. Other types of expenditures from individual research support or research center operating accounts follow

guidelines similar to those used for unrestricted university gift accounts. The following types of expenditures must be approved in advance by the supervisor (for individual research support accounts) or DivRED (for operating accounts) if they exceed \$2,000:

1. business meals
2. third-party travel reimbursements
3. memberships in social organizations
4. furniture
5. entertainment, alcoholic beverages, catering, gifts, flowers, tickets, or like items for office events, funerals, hospitalizations, fundraising, or community engagement.

These purchases require a statement identifying the occasion, the recipient, and the business purpose as it relates to advancing the goals and mission of the unit. Advance approval may be demonstrated via an email from the supervisor of individual account holders or from DivRED for center directors and their assigns. The email must be dated prior to the expenditure and must be attached to the form requesting expenditure or reimbursement from the Research Foundation.

Section 5. Approvals:

Expenditures require approval of the cognizant university official if they meet the following conditions:

- All expenditures in excess of **\$2,000** from **individual research support account** that are not for purposes directly related to conducting research require advance supervisor approval.
- All expenditures in excess of **\$2,000** from **operating accounts** that are not for purposes directly related to conducting research require advance approval from DivRED .
- All expenditures from **center operating accounts** of **\$10,000 or more** require approval from DivRED.
- All expenditures from **any individual research support account or center operating account** of **\$50,000** or more require direct approval from the Vice President for Research and Economic Development.
- All transfers between any operating or individual accounts require approval from DivRED, regardless of the amount.

Multiple expenditures or transfers within the same fiscal year from center operating or individual research support accounts for the same or evidently similar purpose (i.e., large expenditures broken up into smaller related expenditures or multiple transfers to the same account) will be aggregated to the thresholds established above.