

These new practices & procedures were developed based on research and input from the Associate Vice President for Research & Sponsored Programs, discussions with a faculty advisory committee, discussions with the academic deans, and discussions with senior campus leadership. Among other things, these new practices make it possible for the University to accept equipment grants, fellowships, and other awards with low F&A rates (including 0%) without charge to the college or other administrative unit.

These new practices properly assign costs for administering G&C such as pre-award services, post-award services and Foundation services to F&A revenues. In implementing our new practices, we had hoped to be able to reduce redirection of F&A funds. However, our recent review of first quarter grant F&A revenues indicates that it will not be possible to adequately support our research endeavors without continuing redirection of F&A funds.

Therefore, for the current year, we will continue the practice originated by Karen Gould of redirecting 10% of F&A revenue to support research activities such as Research, Scholarly and Creative Activity and assigned time for new tenure track faculty. For the first quarter, this total for all accounts is approximately \$16,500. We will continue to evaluate grant revenues very closely.

Thank you very much.

C:

President Alexander

Vice Presidents Stephens, Robinson and Taylor

Vice Provosts Dowell and Lindsay

Associate Vice President TC Yih

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