

## The University of Tennessee, Knoxville Research Incentive Fund (RIF) Distribution Procedure

The University of Tennessee, Knoxville, deposits funds recovered for facilities and administrative (F&A) costs related to sponsored grants and contracts (G&C) into a general campus fund. The F&A is accumulated for each G&C fund through general ledger codes (501XXX). Each fund has attributes that identify its responsible college and department, and F&A is summarized at the college level through the use of these attributes. After the fiscal year-end closing process is complete, a portion of the F&A generated by the individual colleges/units during the previous fiscal year is returned to them through a budget transfer to their RIF cost center. This budget entry is usually made in September.

Prior to FY04, the standard methodology for distributing F&A back to the units was 25% of recoveries. In FY05, a new methodology was adopted, based on the recommendations of a committee charged with reviewing the RIF procedure. The new procedure allowed for 40% of a rolling three-year average of the F&A recovered to be transferred back to the generating college/unit as RIF.

Effective July 1, 2010 (FY11), we reverted back to the standard methodology of distributing F&A based on actual recoveries. The September, 2011 RIF distribution to the colleges/units was the first distribution based on a standard 40% allocation of what was earned the previous fiscal year.

Each college establishes its own internal procedure regarding the distribution of RIF back to their departments. The college may elect to retain all the RIF at the college level. Some colleges retain a percentage for central research support, such as equipment purchases and faculty startup packages. Colleges may elect to transfer all of the funds to their departments. Other colleges share a portion with the principal investigator. Colleges are allowed to request a carryover of up to 30% of their unspent RIF each year-end.

RIF cost centers are established under the research function, and are intended to further the research mission of UTK. This is very broad, and allows for the funds to be used for anything relating to or in support of departmental or organized research. This might include travel, proposal preparation, startup funding, bridge funding, etc. It is also used to pay costs that are unallowable as direct charges to grants and contracts, such as monthly telephone charges (long distance is an allowable cost on G&C if identifiable to a specific project), port charges, printing, entertainment costs, advertising, computer purchases, clerical staff, and other unallowable costs. RIF should not be used to fund faculty summer salaries.

The F&A cost recoveries that are retained by the campus administration become part of the general operating budget. These funds are used to pay Operations and Maintenance costs for the campus as well as various other campus research support costs, such as faculty startup, G&C matching, and bridge funding. In addition, a campus-wide incentive fund, SARIF (Scholarly Activity and Research Incentive Fund) is funded yearly in support of research related needs, i.e., grant writing, conferences, travel, and equipment purchases.