October 4, 2010

Rev. 1 January 29, 2014

Rev. 2 October 29, 2015

**Academic Policy Series 1405.16F:**

**Procedure for Processing New Faculty Start-up Funds**

**Introduction**

This procedure describes a new process for disbursing and reporting on the use of start-up funds provided by the Vice Provost for Research and Economic Development. The new process will provide benefits to the faculty member and to the university. It will:

1. Provide the faculty member with experience in writing research proposals and developing budgets,
2. Provide a research plan that will guide the expenditure of start-up funds in a timely fashion, and
3. Highlight issues that faculty may be having such as facilities renovation, equipment purchase, etc.
4. Increase oversight to ensure that start-up funds are being used in a timely manner.

**Process**

1. A faculty member’s start-up package is negotiated at the time of hiring and is included in the offer letter. The offer letter (or attachment) lists the allowable expenditures, if applicable. Depending on the amount of the start-up package, the funds may be distributed across multiple years.

Start-up package Distribution

< $50K 100% in year 1

Between $50k and $200k 50% in year 1; 50% in year 2

Greater than $200k 40% in year 1; 30% in year 2 and year 3

1. Any time after the faculty member has accepted an offer from the University of Arkansas, the faculty member should submit to the Office of the Vice Provost for Research and Economic Development (VPRED) and the hiring college a proposal and budget for how the start-up funds will be used. The proposal and budget should specifically identify the funds that will be needed in the first fiscal year. The proposal and budget should be limited to 3 pages.
2. The first fiscal year start-up funds will be transferred to the faculty member’s start-up account after:
* the faculty member arrives on campus
* the faculty member’s academic rank (tenured or tenure track) has been confirmed in BASIS, and
* the proposal and budget have been approved
1. At the end of the fiscal year, the faculty member should provide a report to the VPRED, college, and department on the use of their start-up funds. The report should briefly describe how the funds were spent and the balance of funds remaining, if any. The report should also describe if there were any issues related to spending the funds such as lab remodeling not complete, vendor back-log on equipment, etc. This report should be limited to 2 pages.
2. The end of fiscal year report should include a proposal and budget for start-up funds during the next fiscal year. This proposal should be limited to 2 pages.

The following items apply to the use of start-up funds:

* A faculty member may request that any unused funds at the end of a fiscal year be carried-forward to the next year. This must be approved by the VPRED.
* A faculty member may request that start-up funds be distributed earlier than negotiated (front-loaded). Approval by the VPRED is subject to funds availability.
* Start-up funds may be transferred between budget categories (graduate student stipends, travel, equipment, etc) by prior approval of the VPRED and college.
* A faculty member hired before completion of the terminal degree will not receive start-up funds until the degree is completed.

**Allowable Start-up Expenses**

Start-up funds typically come from VPRED, college, and/or department. The funds provided by VPRED are subject to some limitations. These limitation may or may not apply to college or department funds.

Allowed:

* Research equipment
* Laboratory or research facility remodeling
* Graduate student stipends and/or tuition
* Research travel, including to conduct research, to meet collaborators, to meet sponsors, to attend conferences
* Library resources, including subscriptions
* Computer equipment and related resources
* Research and/or Office Productivity Software
* Other expenses related to research, research administration, and research promotion

Not allowed:

* Moving Expenses, other than the cost of moving research equipment
* Cell Phone equipment or service charges.
* Faculty salary, including summer salary
* Office furniture, unless related to the faculty member’s research
* Office amenities such as a stereo system unless related to the faculty member’s research, e.g. faculty in Music

**Timeframe for Expending Start-up funds**

The new faculty member will have three years to expend the start-up funds provided from the VPRED. A fourth year may be requested if there is sufficient justification provided on why the funds could not be spent in a timely manner.

A faculty member who has received an externally-funded grant that has been processed by RSSP may apply for a fourth year extension of start-up funds up to the value of the grant.