

3.3 Funds for which Faculty Members Have Responsibility and Accountability

Governing Policies

Financial Policies
Educational Business Activities Policy

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

Fund Types, Sources and Administration

Professional Development Fund - A Professional Development (PD) 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 beginning 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 faculty hiring process.

These funds are established to enable a new faculty member to enhance their 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 their 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 advances the mission of the institution. Capital expenditures, which are anything that purchases or maintains a fixed asset like land, buildings, or equipment, require approval. Department Heads have the responsibility to monitor expenditure of start-up funds, and all faculty will be required to provide an accounting and/or justification of expenditures each year during the annual evaluation process. Certification reports will be distributed to all faculty that have active accounts. 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.

Start-up funds that are not expended within the disbursement period negotiated upon hiring for tenured and tenure-track faculty will be

reverted back to the funding source and the account closed. Upon retirement or resignation of the faculty member, any remaining funds in a PD account will be reverted back to the funding source and the account closed. PD accounts will be reviewed and those due to be closed will be closed at the beginning of each academic year. Extensions to this time period can be reviewed and approved, if appropriate, by the Provost or their designee. Within the first five years, if the tenure clock has stopped, the clock on the start-up funds will also stop. Start-up funds for teaching faculty do not expire and PD accounts will remain open.

Any unspent start-up funds remaining at the end of a given fiscal year (subject to the terms in the above paragraph) shall roll into the subsequent fiscal 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. Department Heads have the responsibility to monitor expenditures of funds. 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 Mines must comply. These funds are subject to the overhead rate negotiated between the sponsor and the university. 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 university, State or Federal regulation.

Gift Funds - Gifts arise when an item of value is given to Mines and the donor neither expects nor receives anything of value in return from Mines. Mines 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. A faculty member may not make gifts into a fund for which they have financial management responsibility. These funds are subject to the overhead rate administered by the Mines 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 university's public service mission that includes professional and technical services (including consulting) contributing 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 university. 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 and 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 institutional 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 4.3 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 Mines.

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). If any fund goes into deficit, it will be the responsibility of the faculty member along with their Department Head (or Dean when necessary) to find additional funds to cover these deficits.

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 elect to provide this balance or a portion thereof to the faculty member's department. 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 the faculty member's department. Gift funds and sponsored project accounts will remain in the department 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 typically 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 and the Provost or their designee.

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