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Finance minutes 11/16/2011

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UMM Finance Committee Minutes 11/16/11

Members Present: Roland Guyotte, Sara Haugen, Laura Thielke, Timna Wyckoff, Gwen Rudney, Michael Korth, Mary Zosel, Reed Olmscheid, Andrew Sharpe, Pieranna Garavaso

Members Absent: Janet Ericksen, Manjari Govada, Lowell Rasmussen

Guests: Roger Wareham, Bart Finzel, Jean Valnes, Sheila Windingstad, Note taker

Meeting was called to order by Committee Chair, Roland Guyotte. Next meeting will be held Wednesday, 11/30/11, with Colleen Miller discussing "Linc Kallsen's Budget Model." Please hold Wednesday, 12/7/11 open for a possible Finance Committee meeting. We also need to discuss how UMM funds its various scholarship programs.

Roger Wareham, with Bart Finzel's input, began with identifying Grants Development Office staff and discussing each of their respective roles, talked about Grants Development activities, and presented a draft recommendation of a new **Recovered Facilities and Administrative Costs Policy** (the committee received a copy of the draft and other related handouts):

1. Overview of the Grants Development Office employees-
 - a. Rita Bolluyt is UMM's Certified Approver and helps with grants post award. She does assist other offices on campus, but can only do so up to a certain point because of her role as an approver.
 - b. Kristin Beck is the grant pre-award officer. She helps principle investigators develop their proposals and budgets and helps in the grant submission process.
 - c. Roger Wareham does grant post award work, making sure the grant is in compliance.
 - d. Kirstin Kearns is employed temporarily until February 2012 and has been assigned to assist with larger institutional initiatives.
2. Roger Wareham has previously had a discussion with the UMM Planning Committee, and is hoping for endorsement of the policy changes submitted. He met with CRPC last year on the same issue.
3. There are always indirect costs (costs which cannot be allocated to a grant project) above and beyond direct costs (costs which can be directly charged to the grant project and for which we expect the sponsor to cover). Direct costs are usually stated specifically in the grant and indirect costs are normally real costs incurred by UMM that are difficult to associate with one specific project (i.e. electricity, facilities, administrative use, etc). With some federally negotiated grants, we can ask for 51% percent of those costs for the institution to manage the indirect costs. Others don't allow for any incidentals.
4. The last change in UMM policy was in 2004. Years ago 87.5% of UMM's Indirect Cost Recovery (ICR) went to UMM and 12.5% went to the Twin Cities campus. UMM currently gets 100% of its ICR. As of 2006, indirect costs no longer pay for the grants administrator that is now an in-house position. The Dean's office retains 97.5% of UMM's ICR which they hold for incidentals. A lot has changed at UMM since 2004 (per handout FY04-FY11). We've been increasing indirect costs each year. If we don't start bringing in more grants between now & July, the next fiscal year's ICR will fall off significantly (side note by Roger Wareham).

5. Roland Guyotte requested we look at the policy recommendation and asked if this would be on a grant by grant basis? Roger Wareham said, yes, it would be per grant and would be a great deal of work for the Grants Development office, but would be well worth it.
6. The Dean's office gets 50% because they are investing in the development of research. They want to be able to support a wider variety of grants (i.e., Humanities grants that normally go without funding).
7. Timna Wyckoff asked for examples of what the indirect costs could be spent on. This was not directly addressed at this point. (See 19 below)
8. The first \$25,000 funds the Grants Development Office (Bart Finzel stated) since they bear a lot of the indirect costs.
9. Roland Guyotte asked if the way the funds can be spent remain unchanged. Bart Finzel & Roger Wareham said, basically, yes.
10. Andy Sharpe asked about the statement on the DRAFT, "20%-administering Vice Chancellor." Bart Finzel commented that the wording should probably change to "20% administering Chancellor/Vice Chancellor" since there are some groups that report directly to the Chancellor rather than a Vice Chancellor.
11. Once the policy is finalized, Roger Wareham will have to meet with Finance and make all the transfers from the various resources to Grants Development at the end of the fiscal year.
12. This change moves some of the resources closer to the Principle Investigator so they can be more locally accessible.
13. It was brought up that this could bring a lot of extra work to the Division administrative workforce. Is it possible there could be a Grants Development Office employee that can help with that? That is a possibility, per Roger Wareham. We're all spread somewhat thin at this point. Bart Finzel commented there is the possibility of funds available if there would be a need.
14. Roland Guyotte asked if the Division Chairs have seen this. Roger Wareham & Gwen Rudney both said "no", not at this point.
15. Roland Guyotte asked if someone is willing to offer a motion or if the committee wants to think more on it.
16. Bart Finzel mentioned that this could also be very valuable to a new incoming Dean.
17. Roger Wareham talked to some other universities and said every campus has a wide variation in their policies.
18. Andy Sharpe made a motion to endorse the new policy, Laura Thielke seconded that motion. Roland Guyotte opened the floor for further discussion.
19. Gwen Rudney asked for more specifics on what governs decisions about how to spend that 50% in the Dean's Office. Roger Wareham quoted current policy. He imagines those things could be rolled into the new policy. Several stated that would be helpful for clarity & guidance in the policy and helpful in carrying out the policy.
20. Timna Wyckoff asked that an amendment be made to the original motion incorporating (B) from the old policy into the new policy. See handout-UMM Recovered Facilities and Administrative Costs Policy, under I. Principles for the use of Recovered Facilities and Administrative Costs, B1-3
21. Vote taken: All in favor.

For Action: All Committee Members to send spring schedules to Mary Huebner

Meeting Adjourned until Wednesday, 11/30/11 in Welcome Center @ 1:00 p.m.