

OVPRI Program to Support for Sponsored Award Transfers with OPE Differentials for Newly Hired Faculty

1. Purpose

Incoming faculty may have a choice between leaving an existing award at their prior institution or transferring the award to the UO. As an incentive and to ensure that all of the aims of the grant can be met if an award is transferred, the Office of the Vice President for Research and Innovation (OVPRI) will use F&A reimbursements to subsidize the cost differential in fringe benefits (Other Personnel Expenses, OPE) between the original institution and the University of Oregon. This program is to cover OPE differentials only and cannot be applied to adjust/accommodate differences in a faculty member's institutional base salary between their prior institution and UO.

2. Eligibility

Incoming tenure-track faculty and non-tenure track research professor faculty (any rank) who are transferring sponsored awards to the university are automatically eligible to receive this subsidy, subject to OVPRI verification and approval under the guidelines and limitations of this policy. Other career research faculty (research assistant, research associate, research engineers etc.) requests will be reviewed on a case-by-case basis and require written approval by the VPRI prior to transferring the award. Career faculty and post docs are not eligible for this program.

3. Guidelines and Limitations

This policy is subject to the following guidelines and limitations:

- a. To qualify, awards must meet the following conditions.
 - i. The amount being transferred to UO must be at least \$25,000.
 - ii. The OPE rates at UO must exceed the OPE rates of the previous institution.
<https://brp.uoregon.edu/content/Blended-OPE>
 - iii. There must be more F&A collected (after utilities costs are deducted, currently 13.5%) than the cost of the differential.
- b. The **award differential** is calculated as in Section 6 below (Process and Basis for Calculation)
- c. This amount is an up-front, one-time agreement. It will not be adjusted during the award period at UO, nor amended for future changes in OPE rates.
- d. Differential subsidies are paid on an annual basis not as a lump sum, unless the remaining award duration at UO is less than one year;
- e. For awards covering multiple years, allocations will be made annually by the OVPRI to the grant administering unit no later than August 30;
- f. The spirit of this agreement is to subsidize these programs so the grant administering unit is responsible for spending these funds appropriately.
- g. Approved agreement details (e.g., amounts, duration, etc.) shall be included as an addendum to the offer letter for the new faculty member, whenever possible.

4. Impact on ICC Returns to the Grant Administering Unit

The award differential will be subsidized by the F&A associated to the award as follows:

- a. Incoming F&A on the award shall, as always at the UO, first be reduced by the percentage that supports utility costs (currently 13.5%);
- b. The OPE differential due will then be deducted from the remaining F&A amount so that, (i) the indirect cost credit that would normally be returned to the grant administering unit and, (ii) the amount that remains centrally, contribute proportionately to the subsidy.

5. The amount transferred for the subsidy shall be allocated to a unique unit index with program code **1SOPE** to directly cover the award differential for the project.
6. **Roles and Responsibilities**
 - a. Grant Administering Unit
 - i. Share details of sponsored awards being transferred with SPS
 - b. Incoming Faculty Member
 - i. Acceptance of the terms of the subsidy as an addendum to offer letter or other written documentation prior to completing the transfer of the award
 - c. OVPRI - Sponsored Projects Services (SPS)
 - i. Verification that PI meets eligibility requirements, including confirmation of incoming faculty member as tenure track or research assistant/associate/full professor or written documentation exception by the VPRI.
 - Calculation of annual OPE differentials on project(s)
 - Verification of annual financial eligibility of project(s) for subsidy
 - Calculation of total of OPE differentials for subsidy by the OVPRI
 - d. OVPRI - Research Finance and Business Administration (RFBA)
 - i. Develop written documentation of subsidy amounts and circulate final subsidy commitment with PI, grant administering unit, divisional dean/associate dean, and SPS.
 - e. OVPRI

Meets subsidy commitments as outlined.

7. Process and Basis for Calculations

Calculation of Annual Award Differential Amounts

- a. OPE rates are calculated on annual budgeted salaries at the current UO OPE rate, with leave benefits subtracted at the current leave rate for the specified UO E-Class;
- b. OPE rates are calculated on annual budgeted salaries at the previous institution's rates;
- c. The amounts from 6b are subtracted from 6a to arrive at the annual OPE award differential amounts. If an annual OPE differential is positive, that year is verified against incoming F&A less utilities to determine eligibility (incoming F&A must exceed differential). If the amount is negative (i.e., OPE rates calculated at UO are less than OPE at prior institution), then that year is ineligible for an OPE subsidy.
- d. OVPRI & Grant administering unit Proportional Contributions are calculated based on the standard F&A return calculation method (currently 75% OVPRI & 25% to the grant administering unit after utilities).
 - i. 75% of the OPE Differential amount is transferred by OVPRI (RFBA) to the faculty account (Specific FOPA with Prog code 1SOPE and Y-code as appropriate).
 - ii. 25% of the OPE Differential amount is the grant administering unit's responsibility. It is at the grant administering unit's discretion to determine how their portion is covered.
- e. OPE Differential is transferred to the Grant administering unit on an annual basis, according to the approved award budget and proportional contributions.
- f. 100% of the grant administering unit's standard share of the F&A generated by the award is returned to the grant administering unit during the standard ICC distribution process managed by OVPRI. This is currently done as part of the Beginning Budget process.

EXAMPLE of Distribution Calculation:

		Example
OPE Differential reviewed and approved by SPS		5,795
75% OVPRI contribution transferred to Faculty account		4,346
25% Unit responsibility - it is at the unit's discretion to determine how the 25% will be covered		1,449
Standard ICC Distribution		
Award generated F&A		8,984
Standard ICC Distribution		
Utilities (13.5%)		1,213
Unit (25% after utilities)		1,943
<u>Remainder</u>		5,828
Total ICC Distribution		8,984
100% of the unit's standard share of the F&A generated by the award is returned to the unit		1,943
Funds pushed to the unit	OVPRI OPE Diff Subsidy	4,346
	F&A return to Unit	1,943
		6,289