

## **Guidelines for Centers, Institutes and/or Special Projects**

### **Definitions**

**Institutes:** Extension service units of a college that are created by a charter approved by the respective college Dean, Provost/appropriate Vice President and the President. The purpose of an institute is to provide an array of services to a broadly defined off-campus as well as some on-campus populations. Services are custom designed to address the needs of the defined population through the use of resources available to Rowan University if not self-funding. Institutes are created for an indefinite period of time, and are established as revenue generating, self-support cost centers.

**Centers:** A college or university-wide unit that is created by a charter or written agreement approved by the Dean (when applicable), Provost/Vice President (when applicable) and the President and reviewed by the Vice President of Administration and Finance as appropriate. The purpose of a center is to provide predefined services to a specific population. Centers are created for an indefinite period of time, and may or may not generate revenue. If they generate revenue, they may be fully or partially self-supporting.

**Special Projects:** A college or university-wide unit that is created by a contract or memorandum of understanding approved by the Dean (when applicable), the Provost or Vice President (when applicable), the Vice President of Administration and Finance (if a contract), and the President (when applicable). The purpose of a special project is to provide a narrow range of predefined services to a specific population. Special projects are created for a specified period of time and have a predefined revenue base.

## Application Process

A proposal must be submitted and approved through a review process. These steps should be completed in a timely fashion that assures necessary approvals to include the proposed in the University budget process. There is a four-step procedure that includes the following steps:

- Submitting a proposal
- Drafting a Memorandum of Understanding (MOU)
- Submitting the proposal and MOU to the various levels of review and approval including department chair, Dean/Director/Supervisor, Appropriate Vice President, Provost, Cabinet and President
- Notification of acceptance or denial of the request

**Submitting a Proposal:** A proposal must address the following topics:

1. Definition: The initiative will be identified as an Institute, Center or Special Project consistent with the definitions described above. In this document, the initiative will be referred to as a "unit."
2. Purpose and Goals: Discuss the purpose(s) of the unit, its goals, and the population(s) to be served (i.e., the client population). Goals must be stated in measurable terms where applicable.
3. Operational Activities: What are the major activities that the unit will be involved in to accomplish its goals?
4. Relevancy: Detail how the purposes and goals of the proposed unit support the mission of the University and/or the relevant College?
5. Benefits and Impact: Discuss the proposed unit's benefits and impact on the University's faculty, students, staff, or community.
6. Research: Survey similar entities at other institutions and benchmark best practices where appropriate and describe those best practices.
7. Management, Staffing:
  - a) Management: Provide a job description of the person responsible for the operation of the proposed unit, outline the reporting structure for this individual, and note any group or groups that might act in an advisory or consultative capacity. Describe how the background/experience of the responsible person will contribute to the fulfillment of the unit's goals. Submit an organizational chart.

- b) Staffing: Describe the start-up staffing needs of the unit, including students, as well as a five-year projection of the unit's staffing needs.
- c) Space: Inform if space needs will be satisfied within existing arrangement. If not, describe space needs for unit including location, total square footage and any special features needed.

8. Financial Expectations and Budget:

- Detail the extent to which the enterprise would be self-supporting and contribute to the cost of overhead expenses.
- Calculate a start-up budget and a five-year budget and revenue projection.
- Include funds needed for space as appropriate.
- Explain the University and/or College role in the budget at the time of start-up as well as budget expectations from the University/College over the first five years.
- Include a statement addressing the proposed budget's impact on existing programs (i.e. the need for re-assigned time and faculty/staff replacement funds, need for additional campus or institutional work-study funds, etc.).

9. Review Criteria: Enumerate if the unit is intended to function on an ongoing basis if successful or if it is intended to function until a specified goal is achieved. If the latter, then define what criteria will be used to assess the unit's success. Indicate if this unit will be self-supporting through the generation of non-university funds.

10. Timelines: Indicate the timelines for this unit. What is the start date? If applicable, what is the end date? List the key milestone activities.

**Drafting a Memorandum of Understanding (MOU):** The MOU must address the following topics (see proposal topic numbers 2, 3, 7, 8, 9, and 10 for details):

- Purpose and goals
- Operational activities
- Management staffing
- Financial expectations and budget
- Review criteria
- Timelines

**Submission of the proposal and the MOU to the Various Levels of Approval:** Applicants must follow the process for proposal approval. The statement “Definitions of Institutes, Centers, and Special Projects” specifies those who must approve each of the three entities defined by the document.

**Notification:** The applicant will receive notification from the division head or designee of the status of the proposal. The proposal may be (1) approved as submitted, (2) rejected as submitted, or (3) the proposal and the MOU may be returned for modification and resubmission. Copies of all final approved MOUs will be provided to the Vice President for Administration and Finance and Controller.

## **Financial Expectations**

This proposed policy addresses financial issues in connection with institutes, centers and special projects (hereinafter called "enterprises") at Rowan University.

### **Financial Expectations at Time of Establishment**

When enterprises are established, financial expectations should be clearly defined in an initial memorandum of understanding. If an enterprise is expected to be fully self-supporting, the time frame for reaching that point must be specified. In all other cases, the expected level of self-support should be defined in writing, both for the initial period of operation and, for ongoing enterprises, the anticipated steady-state level of self-support. All enterprises will fall into one of several categories of expected self-support. Those categories include:

- Fully funded by the University
- Partially funded by the University
- Expected to support direct expenses only
- Expected to support all direct expenses plus a defined percentage of (up to 100%) overhead expenses
- Expected to be fully self-supporting

### **Ongoing Financial Expectations**

Determinations regarding the financial expectations for an enterprise are subject to review and modification from time to time. The leaders of such enterprises will be consulted as part of the modification process.

### **Contributions to Overhead Expenses**

- A. Fully Self-Supporting Enterprises: In addition to all direct costs of operation, enterprises that are expected to be fully self-supporting shall be responsible for reasonable overhead expenses.
  1. Direct costs include all incurred costs such as salaries, benefits, telephone, duplicating and other non-salary expenses that are ordinarily attributed to the operating budgets of university departments. Additional costs, which are identifiable, may be included such as those for space lease, maintenance, furniture, carpets, etc.

2. Overhead expenses include costs for space in an existing University facility and a share of the administrative costs of the university such as for custodial support.
  - Space overhead cost is either 1) the actual cost of a lease or rental, plus utilities and maintenance, or 2) an imputed rental cost that is based on the total area occupied by the institute or center (or, occasionally, by a special program). An imputed rental cost would be either an estimate of the fair market rental value of the facilities or a proportionate share of the University's cost of construction and renovation of facilities plus utilities and maintenance. Such overhead will be determined during the grant application process by the appropriate executive officer (vice president or president) in consultation with the Director and Dean (where applicable). The division head will consult with the Executive Director of Budget and Planning and the Vice President for Administration & Finance.
  - Administrative overhead shall be 8% of the gross expenses of the enterprise to be assessed on a monthly basis beginning at the onset of the fiscal year. This cost shall be incorporated as a line item in the budget as an expense with an understanding that such overhead shall be subsumed within indirect costs included within grant funds received. An alternative formula may be negotiated for units who do not utilize the University's full range of supportive resources.
  - Special administrative overhead costs may also be negotiated. An example would be a percentage of the revenue for contract courses to cover the unusual costs associated with managing the finances of such courses.

B. Adjusted Overhead Charges for Enterprises Expected To Be Less than Fully Self-Supporting

In the event that an enterprise is not expected to be fully self-supporting (including during start-up periods for those enterprises that are expected ultimately to be fully self-supporting), the expected level of self-support will be specified in the initial memorandum of understanding and may be modified in subsequent revised memoranda of understanding. The Director and Dean/Supervisor will suggest criteria determining the level of support based on the sources of revenues, expenditures, and nature of project. The contribution toward overhead expenses that is expected, if any, will be stated using one or a combination of the following methods:

- a fixed contribution,
- a percentage of the full overhead expense,
- a percentage of the gross operating revenues,
- a percentage of the net operating revenues, or
- a percentage of a particular category of revenue.

The final decision about the level of charge shall be the appropriate Vice President/Provost with consultation of the Vice President of Administration and Finance

### **Distribution of Surpluses from Operating Expenses**

Enterprises that are expected to generate revenues will routinely run surpluses from their operations. After arranging for the establishment of a reserve of reasonable size, which may be adjusted from time to time. Surplus funds will be distributed as operating revenue to the University and to the division and/or college under whose sponsorship the enterprise was established. Incentives may be used to motivate and reward performance. Incentives shall be negotiated between the Director and the Dean/Supervisor, and approved by the Provost/appropriate vice president and the President. The distribution of funds to the University may be either an alternative to or in addition to contributions to overhead expenses. The size of the desired reserve, a plan for reaching the desired level of reserve and the formula for distribution of surpluses over and above the addition to a reserve shall be established through initial consultation between the Director and Dean/Supervisor with the division head to whom the enterprise ultimately reports. The appropriate vice president will then discuss this proposed reserve with the Executive Director of Budget and Planning and the Vice President for Administration and Finance before presentation to President's Cabinet for review and President's approval.

### **Addendum: Requirements for Grant Proposals**

Regardless of the expectations for the level of self-support, all grant proposals submitted by or in support of an enterprise shall include indirect costs in their budgets. For grants from Federal agencies, the negotiated indirect cost rate shall be used. For all other granting agencies, the indirect costs shall be a proportionate share of a self-supporting enterprise's overhead charges. For non-self-supporting enterprises, the indirect costs shall include an administrative overhead cost of 8% unless other conditions apply as determined by the Provost/appropriate vice president in consultation with the Vice President for Administration and Finance. A waiver will be granted when it is in writing that the granting agency refuses to provide funding for overhead or indirect costs.

## **Review Process**

### **Annual Goals, Objectives & Activities**

The progress of Rowan University Institutes, Centers and Special Projects will be reviewed semi-annually during the first two years of operation. After this time they will be subject to an annual review. In preparation for such reporting, the manager of each unit will be required to develop an annual plan of action, which includes goals, objectives and activities. This plan will serve as evaluative criteria for reviewing progress of the unit; and, semi-annual reports will be based upon the plan of action, with the manager of each unit preparing a brief mid-year report and a full annual report in accordance with the guidelines listed below. It is expected that Directors meet with their supervisors during the beginning of each academic year to establish performance expectations to be reviewed and evaluated by June 1 with this evaluation shared with the appropriate vice president and the president.

The plan of action should be developed to provide the reader with a brief historical review of the unit's mission and goals, and the needs it seeks to address. It should describe in detail the services to be provided by the unit during the year, said description to include a list of performance and outcome objectives, as well as related activities for achieving stated objectives. This plan should include specifications, regarding the content of the activities, which are sufficient to enable the reader to know the strategy behind the plan and what it is trying to accomplish. It should also include descriptions of the populations to receive services, including characteristics and skills that may influence the population's attainment of objectives, and descriptions of procedures and conditions for administering services of the unit.

### **Progress Reports**

**Mid-year Report:** This report is a summary of progress being made to implement plan of action activities, and to achieve plan of action objectives. Any deviations from planned activities should be described, and any anticipated implications of said deviations on achieving objectives (positive or negative) should be noted. This report should include in abbreviated format all objectives, and the manager should try to limit the report to one page.

**Year-end Report:** This is a full report regarding the progress made to implement plan of action activities and objectives. This report should include the full plan of action and address the following essential topics:

- Were activities implemented as planned? Details as to why or why not should be included.
- Were the objectives achieved? Details as to why or why not should be included.
- Were resources adequate to implement planned activities and to achieve listed objectives? Include details regarding available human, physical and financial resources
- What changes took place during the report period, and were the changes affecting the target population a result of the services provided by the unit? Details regarding the impact the unit had upon needs to be addressed should be included.

- Describe any unexpected events that occurred during the year and what impact they had on the plan of action.
- Recommend any future actions that may be needed, and provide any needed comments.

### **The Viability of Centers, Institutes and Special Projects.**

Because centers and institutes are vital to the Rowan University outreach mission, it is important that the centers and institutes remain viable and continue to flourish in the community of scholars and take knowledge and understanding beyond the university walls. To this extent, there shall be a review conducted of each institute/center by the office of the Provost or appropriate vice president or designee and a yearly reporting mechanism in place.

Process for Administrative Review: An annual administrative review of the Institutes, Centers and Special Projects will focus on the following areas, each of which was fully described in the proposal to establish the subject unit:

- Purpose and Goals
- Operational Activities
- Management, Staffing and Budget
- Review Criteria
- Timelines

The division head or his/her designee, will conduct a substantive review, make appropriate determinations, and report findings to the individual unit's director. The Provost or appropriate vice president will then take appropriate administrative action, which may include corrective actions.

Corrective Actions: It is important that centers and institutes complete the duties of their missions in accordance to the University, College and particularly the Institute/Center's Mission statement; however, when the Center/Institute does not for the following reasons: (1) fulfills financial expectations, (2) maintain the appropriate license, or (3) follow in good faith, the practices and procedures of the University and with good business practices, the administration will require corrective action. Such actions will include, but are not limited to:

1. Place the Director/Center/Institute on notice until the problem is resolved, or other specified time
2. Issue a written warning to the staff/Director
3. Remove the Director
4. Close the institute/center

The recommendation of the appropriate vice president will be forwarded to the President for review and action.

**Approved, Presidents' Cabinet, May 14, 2003**