UTEP Guidelines for Startup Awards for New Faculty Hires

Executive Summary and Important Dates

- Faculty recruitment approval requests, which are submitted approximately one year prior to anticipated hire dates, must include estimates of anticipated startup costs.
- Deadline for obtaining final approval from the Provost and Vice President for Academic Affairs (VPAA) of a proposed startup award for a specific candidate is **May 31st** of each year.
- Final startup awards must be described in the offer letter, and must be approved by the VPAA prior to sending an offer to a candidate
- Faculty compensation of any type should not be included in a startup award; faculty compensation must be funded through regular compensation sources.
- The VPAA and the Budget Office must promptly receive a copy of all signed offer letters.
- Recipients of startup awards must submit a Research Plan for use of the funds to the VPAA and the Vice President for Research (VPR) by the beginning of the academic year; any subsequent plan revisions must be submitted as soon as they occur.
- CAOs should use a standardized Excel *Startup Budget Tracking Template* for tracking expenditures; the template is available on the VPAA's website.
- The VPAA and VPR will monitor the outcomes of each startup award.
- If a faculty member leaves UTEP, any unspent balances in a startup award at the time of departure will revert to the original funding source.

Purpose of Startup Awards

Providing startup awards is an essential strategy for recruiting talented faculty to the tenured or tenure-track ranks. Startup awards are investments intended to yield a return for UTEP in the form of increased generation of grant proposals and awards, and are a key means by which investment in research facilities and equipment, and support for graduate students, can occur.

Initiating a Startup Award

An annual request for approval to recruit new faculty members must include an estimate of anticipated startup costs typically associated with the field or subfield for each position requested. This estimate is critical for UTEP's budget projections, which must be managed over a multiple-year time horizon.

Typical Components of a Startup Award

Proposed startup awards should address the following categories of expenses:

- Facilities/Renovations
- Equipment
- Research computing support
- Research relocation costs
- Supplies
- Special software
- Travel
- International travel (separately itemized)
- Research staff salaries
- Graduate assistantships
- Other (consultants, study participants, etc.)

Exception # 1. All faculty joining the tenured and tenure-track ranks should have the benefit of basic support in the form of a new computer and funds for professional development, e.g., to attend conferences. Similarly, costs of recruitment, including moving and relocation costs, costs of visa sponsorship, etc., should not be considered part of a startup award nor tracked as part of a startup award. Currently, UTEP centrally funds $1500 for a computer and $2500 for professional development. Currently UTEP centrally funds $3500 toward moving and relocation costs. These amounts may be supplemented with college or school revenue if appropriate.

Exception # 2. No faculty salary commitment of any kind, including summer teaching or summer research stipends, should be funded through a startup award.

Budget Development and Approval Process

Following a successful recruitment, development of the individual startup award occurs during the hire negotiation process. A multi-year budget is typical for startup awards and the length of each award is subject to negotiation. The investment of UTEP funds in research facilities and equipment through startups is coordinated and controlled by the VPR, VPAA and the Vice President for Business Affairs (VPBA), in close consultation with the deans and principal investigators, especially when moving a pre-existing grant is involved. Proposed startup awards should be submitted to the VPAA for coordination of the approval process via an Excel *Startup Proposal Template* available on the VPAA's website: https://www.utep.edu/provost/_Files/docs/searches/startupproposaltemp.xlsx.

During negotiations with candidates, deans must closely work with the university administration to identify all potential resources that may be available and necessary for achieving both the program's and candidate's research goals. If any component of research computing is involved, the Research Computing office must also be consulted: https://admin.utep.edu/Default.aspx?tabid=73507. Any renovation issues must be identified and tentatively cost-estimated by Facilities Services, and reviewed by the VPBA. Start this process during the candidate's final interview visit, and if the estimate grows, consider another visit to settle on the amount.

The deadline for obtaining approval of a proposed startup award, to take effect in the subsequent fiscal year, is May 31st of each year. This provides the Budget Office with sufficient notice to budget adequate revenue in the central startup budget for the subsequent fiscal years.

The timeline established during negotiations with each new hire should create the expectation that the award recipient will have obtained sponsored project funding at the end of the startup award sufficient to sustain their research agenda without requiring additional UTEP investment. Further, startup award recipients should understand that UTEP views equipment and space it has invested in as an investment in UTEP's research capacity. In other words, equipment and space supported through startup awards should be regarded as UTEP's assets, and not as the property of the faculty member. **These expectations must clearly be conveyed to the potential recipient by the school or college hiring official.**

Following receipt of VPAA and VPR approval, final startup awards should be communicated to the candidate in the offer letter. Sample language is available in the various offer letter templates.

NOTE: It is important that UTEP know the total amount invested in startup costs for each faculty member. The funding of all startup awards is centralized and contribution of additional revenue by a college or school is discouraged. Should it occur, any college or school contributions must be included in the overall expenditure tracking process to provide a complete picture of support provided to each faculty member for research activities.

Revenue Allocation and Expenditure Tracking

On September 1st, each college and school will receive a budget allocation to cover the commitments made by the central university administration for startup costs needed in the coming fiscal year. Each college or school will maintain separate cost centers at the college or school level for the following types of revenue budgeted for the year: (1) E&G; (2) LERR; and (3) other. Startup awards will receive annual disbursements according to the timeline for use established in each faculty member's Research Plan; in other words, total startup amounts are not disbursed up front but as needed annually. CAOs will be responsible for assisting the startup award holder with expensing costs to the appropriate college or school accounts. **Allocations of state funds (E&G) must be spent by the end of the fiscal year in which they are allocated.**

The CAO or their staff must appropriately account within PeopleSoft for expenses, payroll costs and plant funds which are subject to numerous State and UT System controls and reporting requirements. CAOs should use the Excel *Startup Budget Tracking Template* available on the VPAA's website: https://www.utep.edu/provost/_Files/docs/new-faculty/budgetofficestartuptracking.xlsx.

Research Plan and Oversight

Startup recipients, with oversight provided by the college or school Dean and CAO, are responsible for the successful and timely investment of startup awards. Startup recipients must prepare a Research Plan to guide their startup expenditures and obtain approval of that plan from their dean and the VPR. A template for preparing the Research Plan is available on the VPAA's website: https://www.utep.edu/provost/_Files/docs/new-faculty/resplan.docx . The Research Plan should dictate, year-by year, when award funds will be spent and address laboratory space, equipment acquisition, hiring students and personnel, etc.

A copy of all Research Plans should be on file in the Provost's Office and the Office of Research and Sponsored Projects (ORSP). In the event modifications to an existing Research Plan are requested and approved, copies of the revised plan must be shared with the Provost's Office and the ORSP.

Tracking Return on Investment

The return on investment from startup awards is tracked by the University, and startup awards are monitored by the Provost's Office and/or the ORSP to ensure the Research Plan is being followed and expenditures are charged to appropriate cost centers. The VPAA and VPR will monitor the research outcomes of each faculty award, including the amount of external funds generated through sponsored projects.

Expenditure Extensions and Reversion

Due to the faculty member controlling the expenditure timeline, and the fact that revenue is budgeted and allocated in each fiscal year as needed, it is not anticipated that an extension of time to spend funds should ever be necessary. However, under extraordinary circumstances, an extension of time may be requested if delays are caused by circumstances outside of the faculty member's control, for example, import-export delays, natural disasters, etc. In that event, the award recipient should immediately seek approval from the Dean, the VPR, and the VPBA to amend a Research Plan.

Any unspent balances in a startup award at the time of its expiration will revert to the University. Similarly, if a faculty member leaves the University with unspent balances in a startup account, the balances will revert to the University at the time of departure.