THE OHIO STATE UNIVERSITY
JOHN GLENN COLLEGE OF PUBLIC AFFAIRS

Individual Spending Accounts Policy

A. Purpose

The John Glenn College of Public Affairs has instituted a system of individual spending accounts (ISA) for faculty. Through these accounts, faculty members can spend a designated portion of college resources in ways that best support their individual professional goals. The guidelines below ensure consistency in the generation and use of these funds.

B. Audience

These guidelines apply to faculty assigned an ISA.

C. Policy

The following sections outline the policies and procedures related to individual spending accounts:

COVERAGE

Possible uses of ISA funds include:

Travel: The Glenn College will approve funding for travel that is appropriate for professional/business purposes and that can be supported by adequate ISA balances.

Graduate Assistants and Students: Faculty members may employ graduate assistants and hourly-student employees to assist with research or grading.

Equipment: Every new regular tenure-track faculty member is provided with a desktop or laptop computer, printer access, and software upon their arrival at the College. A faculty member may purchase equipment or furniture beyond the standard issues from their ISA through the approval process. OCIO MITS will consult on specifications for computer purchases to ensure equipment is compatible with existing software/hardware and can be supported. The Chief Administrative Officer reviews ISA-funded technology requests and coordinates with the faculty member to initiate current and future-year transfers from the faculty member's ISA.

Miscellaneous: Any reasonable purchase that furthers the professional activities of a faculty member would be appropriate including journals, books, periodicals, manuscript fees, software, journal submission fees, professional dues and memberships.

SOURCES

Available ISA funds are a combination of allocations from the Dean, a percentage of indirect costs earned from grants and contracts, and any residual funds from fixed price contracts.

Annual Amounts: Individual faculty allocations from college funds will be made by the Dean. The allocations may vary depending on the faculty member's research, teaching and service loads, and past performance. Amounts may also vary depending upon the amount of overall College funds available.

Allocations from Indirect Cost Recovery: Faculty who wish to augment their ISA may do so by securing grants and/or contracts that pay indirect costs to the College. For any faculty who generate up to $49,999 in indirect costs, the Dean may allocate up to 10% of the cumulative amount to a faculty member's ISA. For cumulative indirect earned over $50,000, the Dean may allocate based upon the table below:

Minimum F&A Threshold	Maximum F&A Threshold	% of F&A Transferred toISA
$1	$49,999	10%
$50,000	$74,499	20%
$75,000	$99,999	25%
$100,000	$149,999	30%
$150,000	$199,999	35%
$200,000	$249,999	40%
$250,000	$299,999	45%
$300,000	$300,000+	50%

For those contracts or grants involving several faculty members, the amounts will be distributed proportionately according to the contributions of the faculty members to the tasks involved in the grant or contract. Fiscal staff will work with the PI to confirm the final distributions.

Allocations to ISAs for indirect cost recovery are available for any grant or contract that has been approved by the Dean and for which funds have been received. They are based upon indirect revenue shown in the PI Portal. ISAs will not be increased based upon indirect costs budgeted or expected to be received for a particular grant or contract.

While faculty are encouraged to follow University and College guidelines for maximizing indirect costs earned, the focus should remain primarily on productive research and individual development. Not every grant or contract will earn substantial amounts of indirect costs. At the same time, not every grant or contract can solely cover direct costs. Faculty members are encouraged to discuss potential indirect earnings with the Faculty Director of Research prior to entering into an agreement.

<u>Allocations from Fixed Price Contract Residuals:</u> Any residual funds received from a fixed price contract will be evaluated to determine if the college received full IDCs from the contract. The college will retain any funds necessary to cover indirect costs incurred by the college then transfer the remaining balance to the faculty member's ISA.

<u>The Allocation Timeline:</u> In keeping with the University fiscal year, ISAs are budgeted from July 1 to June 30. Consistent with the above, the amount budgeted is a function of an annual allocation from the Dean plus a percentage of indirect costs received and any residual funds from a fixed price contract. The University adjusts the College's budget allocation for the impact of earned indirect costs based upon fiscal year actuals.

Consistent with that approach, faculty ISA increases for earned indirect costs will be calculated based upon a review of posted earnings through June. Increases for residual balances will also be calculated based upon activity through June. Any resulting adjustments to ISAs will be posted once the University allocates these funds to the College. Unless there are accounting corrections, that is the only time during the year that adjustments will be made.

New faculty will be allocated an ISA budget based upon their offer letter.

BALANCES, DEFICITS, and TERMINATION

<u>Balances</u>: Unused balances in ISAs of $500 or less will automatically roll over into the next fiscal year and will be added to any new allocations. Balances remaining over $500 in a given year will not be carried forward unless an exception is granted.

Faculty members should discuss with the Associate Dean for Faculty and Chief Administrative Officer (CAO) what can reasonably be spent or used within a year for any addition to ISAs, as the funds are not available indefinitely.

Faculty may submit a request to the Associate Dean for Faculty and CAO to carry- forward any unused balances. A detailed description of the use of the funds must be submitted by the end of the academic year. A written authorization from the Faculty Director of Research is required.

Deficits: Faculty may generally not spend more funds than those available in their ISA. On occasion deficit spending may be approved by the College Associate Dean for Faculty and CAO. The deficit will be applied in the following fiscal year and must not exceed the next year's allocation. If the deficit is equal to the next year's allocation, no resources will be available. A deficit will not be approved in consecutive years.

Termination: ISA balances revert back to the Glenn College when employment at OSU is terminated or when a faculty member transfers to another College at the Ohio State University.

PROCESS AND REQUIREMENTS

In order to use ISA funds, a faculty member must email the Faculty Director of Research to request approval. The email should include the goods or service being requested, a business purpose for the expenditure, and an estimated cost. All Workday entries, email, and approval documentation will be maintained by the College per University retention guidelines.

All ISA expenditures must follow University and College purchasing guidelines. Processes and guidelines can be found on the University Business & Finance web page.

All items purchased with University funds, including Sponsored Program funds, are the property of the University. University property should not be permanently removed from the assigned campus location unless proper authorization has been obtained from the College's Dean and Chief Administrative Officer and the required form is completed and maintained by administrative staff. Computer and furniture purchases must be inventoried and tagged appropriately.

Expenditures for items for personal use are not allowed.

STATUS REPORTS

Faculty will receive a report outlining the available balance, including indirect cost adjustments, at the beginning of the academic year. Fiscal staff will also provide regular activity statements for all Individual

Spending Accounts through Tableau. These statements include a reflection of spending activity and the balance of remaining available funds. Fiscal staff will also provide one-on-one consultations when requested**.**

D. Organizational Spending Account

Purpose: With the approval of the Dean and the Chief Administrative Officer (CAO), an Organizational Spending Account (OSA) may be established. The source of funding for this account will be decided upon agreement between the Dean, CAO, and the faculty member proposing an Organizational Spending Account. The OSA will function just like an ISA with the exception of having a "designated approver."

Eligibility: To qualify to establish an OSA, a petitioning faculty member must have the following:

- A Center or Institution as defined under OSU Guidelines 3335-3-36,"Guidelines for the Establishment and Review of Academic Centers
- Approval of the Dean and CAO
- Indirect Recovery of at least $50,000 in the two previous fiscal years
- A full-time employee located in Page Hall that the faculty member currently supervises. The faculty member will appoint a single individual as the "designated approver" for the OSA.

Designated Approver: Once an OSA is established, the faculty member shall appoint a designated approver for the OSA. This individual will have full authority to create and approve purchases from the OSA. All purchases must still adhere to all University and John Glenn College of Public Affairs policy governing these accounts.

Supplemental Compensation: If a Center demonstrates that they have generated $150,000 or more in OSP indirects for the college during the previous fiscal year and the Center Director is a faculty member, then the faculty member may pay themselves supplemental compensation for their administrative effort and responsibilities acting as the Center Director. The supplemental compensation will require the approval of the College Dean and CAO. Adequate funding must be available, and the supplemental compensation must conform to all college and University policies.

E. Policy Contact

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