

NDSU Faculty Senate

12 September 2016

Prairie Rose, Memorial Union

Agenda

- I. Call to Order
- II. Attendance
- III. Approval of previous meeting minutes from May 9 2016 (attachment 1)
- IV. Consent agenda
- V. Announcements
 - a. Dean Bresciani, President
 - b. Beth Ingram, Provost
 - c. Katie Gordon, Faculty Senate President
 - d. Stuart Haring, Faculty Senate President-Elect
 - e. Jim Osland, Staff Senate President
 - f. Spencer Moir, Student Government President
- VI. Unfinished Business – Update and follow-up information will be provided about the status of these policies based upon Senate decisions from the May 2016 meeting.
 - a. Policy 801 (attachment 3)
 - b. Policy 813 (attachment 4)
- VII. New Business
 - a. Faculty Senate goals and priorities for the upcoming year
 - b. Resolution Proposal by Dennis Cooley (attachment 2)
- VIII. Adjourn

Faculty Senate Minutes

Fargo, ND 58108

North Dakota State University

May 9, 2016

The Faculty Senate meeting was held at 3:30 pm, in the Prairie Rose Room of the Memorial Union with Dr. D. Cooley presiding and the following senators present: T. Barrett, G. Bora, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, S. Duffield, J. Frenzel, J. Gao, E. Gillam, K. Gordon, G. Gramig, J. Hageman, T. Hall, S. Haring, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, K. Krishnakumar, F. Marais, S. Markell, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Smith, M. Strand, W. Sun, A. Tangpong, A. Ungar, S. Vetter, T. West, D. Wyum, M. Yang, and S. Zhong

Substitutions – S. Dekeyser for C. Hargiss, B. McDaniel for W. Kopp, and V. Hinsz for L. Thomas

I. Agenda Updates

MOTION (West/Harvey): to add General Education and Academic Affairs addendums to the consent agenda. MOTION CARRIED WITH UNANIMOUS CONSENT.

MOTION (Cooley): to move Policy 156 from consent agenda to New Business, after policy 325 (a senator asked that this policy be removed from consent agenda).

II. Approval of April 18, 2016 minutes

MOTION (Christianson/Gillam): to approve the April 18, 2016, Faculty Senate meeting minutes as distributed. MOTION CARRIED WITH UNANIMOUS CONSENT.

III. Consent agenda

a. Academic Affairs Report ([attachment 1](#))

- b. Policy changes ([attachment 2](#)) (All housekeeping changes: 100-816; information only: 156-183)
- 100
 - 171
 - 603
 - 703
 - 707
 - 802
 - 816
 - 156 – a senator asked for this to be removed and put in new business
 - 183

MOTION (Unger/Gillam): to approve consent agenda. MOTION CARRIED WITH UNANIMOUS CONSENT.

IV. General Announcements

- *D. Bresciani, President*
 - Plaque presented to D. Cooley for service as Faculty Senate President.
 - Most of President Bresciani's time is being spent on the budget situation of having to cut an additional 10% (plus 2.5-3% for inflation) from the budget for the biennium.
 - A committee has been working on the above separately from the 4.05% allotment. They have come up with over 200 ideas of how to deal with the cuts.
- *B. Ingram, Provost*
 - 10% is about 15.8 million dollars. 80% of the appropriated budget is in Academic Affairs.

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- Allotment was handled in not spending money that we had received and salary savings.
- Three things discussed at the open forum: 1) growing ourselves out of the budget cut; finding ways to incentivize depts. to offer programs that would bring new students or new revenues to campus. This is important but it doesn't help us with the \$15 million cut though because we have to present a budget that is at 90% of our current budget and we can't do that by saying we can bring \$15 million dollars of revenue in, trust us. They going to expect us to outline the \$15 million in cuts. But generating new revenue will help us with the revenue we are losing. 2) Streamline what we do, especially on the administrative side. Look at the number of administrative positions on campus and how we are configured on campus. There should be some salary and organization savings by streamlining this. 3) Curriculum organization – course sizes, etc.
- Another Qualtrics survey will be sent out and invite faculty, staff and academic affairs to provide feedback on ideas.
- Need to have an idea where our budget savings is going to come from by midJuly.
- Can email Provost with information from the form that was passed out at open forum on May 5th.
- *D. Cooley, Faculty Senate President*
 - Tom Ambrosio's term on CCF expired, Jane Schuh will replace him and start a 3 year term. B. Pruess will replace K. Noone due to her departure from the university, and will finish the last 2 years of this term. S. Duffield will be the alternate member.
 - SCoFR election – there are two candidates at this time. You must be a full professor if you are interested in doing it. A secured electronic vote has to be sent to the entire faculty on campus.
 - Legislature Cheat Sheet ([attachment 3](#)) explains how to go about interacting as a constituent with the legislators.
 - Policy and Procedure – There is an ad hoc committee working on Policy and Procedure, they have determined how to separate them and will start working on policies at the 300 level which is Policy on Faculty.
 - Faculty Affairs Committee – D. Cooley received two questions, the first one was if the Leave policy has any flexibility; if faculty can do a half year or if they have to do a full year. Cooley sent this to the Faculty Affairs to render a decision and bring back to Senate. Their decision doesn't necessarily have any force, it's just so they can look at it.
 - Interest in having staff evaluate faculty (reciprocal evaluation) – sent to staff affairs to see if practical.

MOTION (M. Christenson/M. Strand) to approve – MOTION PASSED WITH VOTE OF 40-1-2. The following senators or their substitutes voted aye: T. Barrett, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, S. Duffield, J. Frenzel, J. Gao, E. Gillam, K. Gordon, G. Gramig, J. Hageman, T. Hall, C. Hargiss, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, W. Kopp, K. Krishnakumar, F. Marais, S. Markell, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Smith, M. Strand, W. Sun, A. Tangpong, A. Ungar, S. Vetter, T. West, D. Wyum, M. Yang, S. Zhong, the following senators or their substitutes voted nay: L. Thomas, the following senators or their substitutes abstained: G.Bora and S. Haring.

- *S. Moir, Student Government President*
 - Spencer introduced himself as new Student Government President and Anuj Teotia is Vice President.

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V. Senate Committee Reports

- a. Report from ad hoc committee on Campus Safety and Security Survey - Carol Cwiak ([attachment 4](#))

VI. Unfinished Business

- a. Proposal to merge Academic Affairs and General Education committees ([attachment 5](#))
 - i. C.A. Platt showed a slide that showed the current system and the proposed system side by side and another slide that laid out the transition and assessment plan for the merger.
 - ii. A question regarding when the rollback takes place, it is not stated that it can be done if in the Spring of 2017 the merger doesn't prove to be effective.
 - Proposal indicated FS can take appropriate actions as necessary.
 - iii. Concern about the process of AA and GE and how productive they will be knowing that they will be dissolved in January.
 - iv. W. Christensen had a handout that members of a committee signed.

MOTION: to approve (second vote). MOTION PASSED WITH VOTE OF 29-12-2. The following senators or their substitutes voted aye: T. Barrett, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, J. Frenzel, J. Gao, E. Gillam, K. Gordon, J. Hageman, T. Hall, C. Hargiss, S. Haring, E. Hilliard, F. Huseynov, F. Marais, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Strand, A. Tangpong, A. Ungar, S. Vetter, D. Wyum, and M. Yang, the following senators or their substitutes voted nay: A. Braaten, S. Duffield, G. Gramig, M. Harvey, S. Herren, W. Kopp, K. Krishnakumar, S. Markell, M. Smith, W. Sun, T. West, and S. Zhong, the following senators or their substitutes abstained: G.Bora and L. Thomas.

- b. Proposal to change FS Budget Committee ([attachment 6](#))

MOTION: to approve (second vote). MOTION PASSED WITH VOTE OF 40-2-0. The following senators or their substitutes voted aye: T. Barrett, G. Bora, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, S. Duffield, J. Frenzel, J. Gao, E. Gillam, K. Gordon, G. Gramig, J. Hageman, T. Hall, C. Hargiss, S. Haring, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, K. Krishnakumar, F. Marais, S. Markell, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Smith, M. Strand, A. Tangpong, L. Thomas, S. Vetter, T. West, D. Wyum, M. Yang, and S. Zhong, the following senators or their substitutes voted nay: W. Kopp and A. Ungar.

- c. General Education Committee – Joe Mike Jones and Crosswalk ([Attachment 7](#))
 - i. Mapping of the “old” categories to the “new” outcomes.

MOTION (Secor-Turner/W. Christensen): to approve Crosswalk. MOTION PASSED WITH VOTE OF 35-4-4. The following senators or their substitutes voted aye: T. Barrett, G. Bora, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, J. Frenzel, J. Gao, E. Gillam, K. Gordon, J. Hageman, T. Hall, C. Hargiss, S. Haring, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, W. Kopp, K. Krishnakumar, F. Marais, S. Markell, K. McPhee, T. Peters, C.A. Platt, S. Salem, M. Secor-Turner, M. Smith, M. Strand, A. Tangpong, A. Ungar, S. Vetter, T. West, and S. Zhong, the following senators or their substitutes voted nay: G. Gramig, S. Shaik, L. Thomas, and M. Yang, the following senators or their substitutes abstained: S. Duffield, B. Pruess, W. Sun, and D. Wyum.

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VII. New Business

a. Election of Faculty Senate President-Elect

- Becomes effective 12:01 am May 17.
 - i. Stuart Haring ([attachment 8](#))
 - ii. Carlos Hawley ([attachment 9](#))
 - iii. Bob Pieri ([attachment 10](#))

MOTION (Gillam/Platt): to approve Faculty Senate President-Elect. Stuart Haring elected as 2016-17 Faculty Senate President Elect with a vote of 23-9-11. The following senators or their substitutes voted for Haring: T. Barrett, G. Bora, W. Christensen, C. Cwiak, J. Frenzel, E. Gillam, K. Gordon, G. Gramig, C. Hargiss, E. Hilliard, F. Huseynov, W. Kopp, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Smith, M. Strand, L. Thomas, A. Ungar, D. Wyum, and S. Zhong, the following senators or their substitutes voted for Hawley: A. Braaten, B. Braaten, J. Hageman, T. Hall, M. Harvey, K. Krishnakumar, F. Marais, M. Secor-Turner, and T. West, the following senators or their substitutes voted for Pieri: M. Christenson, S. Duffield, J. Gao, S. Haring, S. Herren, S. Markell, S. Shaik, W. Sun, A. Tangpong, S. Vetter, and M. Yang.

b. Policy 190 ([attachment 11](#))

- i. Graduate school revised the policy to clarify the language so it's legally compliant regarding how student documents are handled.

MOTION (C.A. Platt/Wyum): approve revisions to Policy 190. MOTION PASSED WITH VOTE OF 40-1-1. The following senators or their substitutes voted aye: T. Barrett, G. Bora, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, S. Duffield, J. Frenzel, J. Gao, E. Gillam, K. Gordon, G. Gramig, J. Hageman, T. Hall, C. Hargiss, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, W. Kopp, F. Marais, S. Markell, K. McPhee, T. Peters, C.A. Platt, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Smith, M. Strand, A. Tangpong, A. Ungar, S. Vetter, T. West, D. Wyum, M. Yang, S. Zhong, the following senators or their substitutes voted nay: L. Thomas, the following senators or their substitutes abstained: W. Sun.

c. Policy 352 ([attachment 12](#))

- i. The 352 ad hoc committee proposed two revisions 1) require the chair of any PTE committee to go through training within the past 3 years and 2) include administrators who are being considered for promotion may not be involved in any candidate review and recommendation process, including the selection of external reviewers.

MOTION (Pruess/Salem): approve revisions to Policy 352. MOTION PASSED WITH VOTE OF 34-3-2. The following senators or their substitutes voted aye: T. Barrett, A. Braaten, B. Braaten, W. Christensen, M. Christenson, C. Cwiak, J. Frenzel, J. Gao, K. Gordon, G. Gramig, J. Hageman, T. Hall, M. Harvey, S. Herren, E. Hilliard, F. Huseynov, W. Kopp, F. Marais, S. Markell, K. McPhee, T. Peters, B. Pruess, S. Salem, M. Secor-Turner, S. Shaik, M. Smith, M. Strand, W. Sun, A. Tangpong, A. Ungar, S. Vetter, T. West, M. Yang, and S. Zhong, the following senators or their substitutes voted nay: G. Bora, S. Duffield, and S. Haring, the following senators or their substitutes abstained: L. Thomas and D. Wyum.

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d. Policy 801 ([attachment 13](#))

MOTION (Barrett/Sun): to send the proposal back to Research with the instructions to have a public comment period, much as the federal government has on its policies, and after that period, there can be a public forum for those who have concerns to meet with those proposing the policies. The revised policies will be returned to the Senate for consideration sometime in Fall. MOTION CARRIED WITH UNANIMOUS CONSENT.

e. Policy 813 ([attachment 14](#))

MOTION (Haring/Hilliard): to send the proposal back to Research with the instructions to have an open public comment period, much as the federal government has on its policies, and after that period, there can be a public forum for those who have concerns to meet with those proposing the policies. The revised policies will be returned to the Senate for consideration sometime in Fall. MOTION CARRIED WITH UNANIMOUS CONSENT.

f. Policy 325 ([attachment 15](#))

MOTION (Pruess/West): to send changes back to SCC. MOTION CARRIED WITH UNANIMOUS CONSENT.

- g. Policy 156 – pulled from consent agenda ([attachment 16](#)) – There was a complaint filed against NDSU in 2014. NDSU entered into a resolution agreement with the Office of Civil Rights to address the issue. The agreement required NDSU to revise this policy to make our procedure of dealing with discrimination, harassment, and retaliation complaints clear and also include former employees and former students in the process so they can file grievances.

MOTION (Birgit/Harvey) to approve policy 156. MOTION CARRIED WITH UNANIMOUS CONSENT.

h. Passing of the Gavel

- i. D. Cooley passed the gavel to K. Gordon. She will start her Faculty Senate President duties at 12:01 am on Tuesday, May 17, 2016.

VIII. Adjourn

Meeting adjourned at 5:32 p.m.

Submitted,
K. Hoyt
Faculty Senate Secretary

Whereas: The North Dakota State University Faculty Senate recognizes the role and responsibilities of the State Board of Education and the North Dakota University System and its leadership,

Whereas: To continue to pursue its mission, NDSU requires steady administrative leadership based on shared governance, especially during the current critical financial challenge NDSU has and will face in the next biennium. Anything less will hurt NDSU, NDUS, and North Dakota through, in part, the loss of key personnel and inability to recruit and retain the best replacements to serve everyone's short and long term interests.

Whereas: President Dean Bresciani has provided this leadership, as evidenced, in part, by the handling of the severe cuts to NDSU's budget and the positive reviews of such from the faculty, staff, students, and other stakeholders.

Whereas: The state of North Dakota voters and taxpayers have strongly and repeatedly voted against any politicization of the North Dakota University System and political interference in the proper running of NDUS and its institutions.

Whereas: The State Board of Higher Education's handling of President Bresciani's contract extension has the *prima facie* appearance of being politicized after outside political and media interference, as evidenced by actions of several parties in the media and elsewhere,

Whereas: The appearance of politicization undermines trust in the system and its administrators by NDUS institutions, their constituents, and the public at large. In turn, the system's and its institutions' ability to fulfill their mission to the people of North Dakota is hampered, if not rendered impossible.

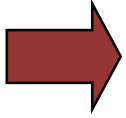
Whereas: NDUS stakeholders should not be at odds with each other in a time of crisis and severe budget cuts affecting NDUS institutions when that conflict is not only unnecessary but severely damaging to the interests and integrity of the many and various innocent stakeholders involved.

Resolved: The Faculty Senate at North Dakota State University fully endorses the following:

1. The extension of President Bresciani's contract,
2. The collaborative improvement of stakeholder relationships to improve efficiency, respect, and justice for all stakeholders,
3. The cessation of personnel matters being made public when doing so is gratuitous,
4. The cessation of activities that weaken rather than strengthen either NDUS and its leadership, or the NDUS institutions and their leadership, and
5. The cessation of activities that have the *prima facie* appearance of being politically influenced or motivated.

Policy Change Cover Sheet

This form must be attached to each policy presented. All areas in **red**, including the header, must be completed; if not, it will be sent back to you for completion.



If the changes you are requesting include housekeeping, please submit those changes to ndsu.policy.manual@ndsu.edu first so that a clean policy can be presented to the committees.

SECTION: Policy 801 Grant and Contract Administration – General Provisions

1. Effect of policy addition or change (explain the important changes in the policy or effect of this policy). Briefly describe the changes that are being made to the policy and the reasoning behind the requested change(s).
 - Is this a federal or state mandate? ☐ Yes ☒ No
 - Describe change: Policy has been updated to provide clarification on changes for administration requirements of the proposal and award activities. Also, some activities have been shifted to the Research and Creative Activity Business Development unit, and those changes are included.
2. This policy change was originated by (individual, office or committee/organization):
 - Research and Creative Activity/Sponsored Programs
 - Val.kettner@ndsu.edu

This portion will be completed by Mary Asheim.

Note: Items routed as information by SCC will have date that policy was routed listed below.

3. This policy has been reviewed/passed by the following (include dates of official action):

Senate Coordinating Committee:

Faculty Senate:

Staff Senate:

Student Government:

President's Cabinet:

The formatting of this policy will be updated on the website once the content has final approval. Please do not make formatting changes on this copy. If you have suggestions on formatting, please route them to ndsu.policy.manual@ndsu.edu. All suggestions will be considered, however due to policy format guidelines, they may not be possible. Thank you for your understanding!

North Dakota State University

Policy Manual

SECTION 801

GRANT AND CONTRACT ADMINISTRATION - GENERAL PROVISIONS

SOURCE: NDSU President

1. PROPOSALS.

1.1 All proposals submitted to external ~~sponsoring~~ agencies must be reviewed and approved by the responsible Department Head(s)/Chair(s), Center Director(s), the College Dean(s), and Sponsored Programs Administration (SPA) (as a designee of the Vice President for Research and Creative Activity) PRIOR to the submission of the proposals to sponsoring agencies. Such approval is required even when an institutional signature is not required by the sponsor. A pre-proposal or letter-of-intent must be routed for review and approval if the signature of an authorized institutional official is required, or if a detailed budget or cost share is required or included. In cases where equipment match funds are required, the Vice President for Research and Creative Activity's (or designee's) approval is also required.

1.2 A Proposal Transmittal Form (PTF) is required for each proposal submitted for review. The PTF and instructions are located on the SPA website: http://www.ndsu.edu/research/sponsored_programs_admin/forms/. A completed PTF, proposal cover page, abstract, detailed budget on sponsor budget template (if available, or on SPA generic budget template if no sponsor template is required) and budget justification with complete detail as to why each item is necessary must be received in SPA at least 5 business days before the sponsoring agency submission deadline in order to guarantee timely review and approval or submission by SPA. Proposals must be received no later than 9:00 a.m. to count as the first day in the 5 business days. University published business hours will control the cut-off times for submission, not sponsor established times that exceed university hours..

~~1.~~

1.31 The completed proposal and PTF must be ~~routed submitted to through~~ all necessary parties involved in responsible for any aspect of the proposal approval process. Necessary parties are determined based on each proposals' requirements (review, central equipment match, space, etc.) Each office may require modifications to a proposal before the routing can continue. Proposals must meet the criteria of each review stage in the process BEFORE submission to a sponsoring agency.-

1.3.1 The Head/Chair, Director and Dean are responsible for reviewing and approving the proposal for:

- consistency with the department, center and college mission;
- availability and commitment of department, center and college support services and resources, including faculty and staff committed efforttime, space, and finances and equipment; and
- assurance that the department, center and college obligations as defined in the proposal can and will be met; and-

- appropriate management and oversight, if necessary, of any conflicts of interest for their faculty participating in the proposed project.

1.3.2 Sponsored Programs Administration, as designated by the Vice President for Research and Creative Activity, acts on behalf of the President and is responsible for reviewing and approving the proposal for:

- reviews the proposal for consistency with the institutional mission and policies,
- compliance with public or private agency policies and regulations, and
- compliance with applicable federal, state and local laws and regulations. Each office may require modifications to the proposal. Proposals must meet the criteria of each review process BEFORE submission to a sponsoring agency.

1.3.3 The Vice President for Research and Creative Activity, or designee, is responsible for approving the use of and obligating central equipment match funds. Priority for use of these funds will be given to proposals that are interdisciplinary or that involve the acquisition of equipment for the enhancement of centralized research lab infrastructure. A request for equipment match funds must be made in writing to the Vice President for Research and Creative Activity at least three weeks prior to the due date of the proposal and after the appropriate approvals are received by the pertinent departments and colleges contributing remaining cash match. Requests for consideration can be made for up to 1/3 of the required cash match.

1.3.4 The Vice President for Finance and Administration must approve, prior to submission, any proposal requiring additional space, renovations, remodeling, and/or relocation of offices or labs. Any proposals requesting renovations or remodeling of space in the Research 1, Research 1A and/or Research 2 facilities, or relocation to those facilities, must also be approved by the Vice President for Research and Creative Activity.

1.3.5 The Vice President for Information Technology, or designee, must approve, prior to submission, any proposal affecting or requiring significant information technology services, as defined at <http://www.ndsu.edu/it/research/prep/>.

1.2 A Proposal Transmittal Form is required for each proposal submitted for review. Proposal Transmittal Forms may be obtained from Sponsored Programs Administration.

1.43 Sponsored Programs Administration, requires a minimum of 72 hours to process a proposal. If time is a problem, the entire proposal need not be submitted. A completed Proposal Transmittal Form, the proposal cover page, an abstract, and the budget page may be sufficient for final approval. Following final review by Sponsored Programs Administration (as a designee of the Vice President for Research and Creative Activity), the principal investigator will be contacted and informed of university approval or of the need for revision(s). Grant and contract proposals requiring additional space, renovations, remodeling, and/or relocations must be approved by the Vice President for Research and Creative Activity and the Vice President for Finance and Administration prior to submission.

2. AWARDS.

2.1 All contracts, grants and agreements must be reviewed by Sponsored Programs Administration prior to their execution. Research and Creative Activity's Business Development unit is responsible for negotiating all terms of private industry awards, and Sponsored Programs Administration is

responsible for negotiating all terms of ~~the~~all other agreements, including federal flow-through. Business Development and SPA are authorized signatories for NDSU.

2. 2.2 Work may not take place and expenses may not be incurred on a pending award unless an advanced account number is requested and established. Advanced account numbers are issued only after department, center, or college assumption of responsibility, in writing, in the event an award is not successfully executed. SPA will not negotiate or sign an award where the award document is initiated after the work is already completed.
3. All correspondence between the Principal Investigator and the sponsoring agency Program Officer must be limited to technical questions. All correspondence between the Principal Investigator and with the external sponsoring agency Contracting Officer, that is unrelated to the scientific/technical effort terms of the award, must be initiated by shall be copied to Sponsored Programs Administration, or in the case of questions concerning allowable costs by Grant & Contract Accounting. Any request to change award terms, including no-cost time extensions, budget modifications, or changes in scope of work, must be initiated by Sponsored Programs Administration is responsible for requesting approval from the awarding agency to change any agreement terms. For private industry awards, requests are initiated through SPA and then forwarded to Business Development by SPA for appropriate action(s).
4. Sponsored Programs Administration NDSU reserves the right to renegotiate, withdraw or reject any proposal or agreement that which has not been reviewed and approved through the proper channels and signed by the appropriate authorized institutional representatives.
- 4.
5. All financial reports required by the external agencies will be prepared by Grant and Contract Accounting. The Principal Investigator will be contacted if assistance is needed in completing the reports.
6. All checks relating to sponsored agreements should be sent to:

Grant and Contract Accounting
North Dakota State University
NDSU Dept. 3130
PO Box 6050
Fargo, ND 58108-6050

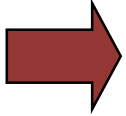
If a check is mistakenly sent to a department instead of Grant and Contract Accounting, the check should be delivered as soon as possible to Grant and Contract Accounting for deposit. All information received with the check should be attached. The Customer Account Services Office will not deposit a check into a grant or contract account (Funds 40000-49999) without the approval of Grant and Contract Accounting.

HISTORY:

New	July 1990
Amended	April 1992
Amended	June 1996
Amended	March 2002
Amended	August 2007
Amended	October 2009
Housekeeping	February 14, 2011
Housekeeping	March 16, 2015

Policy Change Cover Sheet

This form must be attached to each policy presented. All areas in **red**, including the header, must be completed; if not, it will be sent back to you for completion.



If the changes you are requesting include housekeeping, please submit those changes to nds.policy.manual@nds.edu first so that a clean policy can be presented to the committees.

SECTION: **Policy 813 Facilities and Administrative Costs**

1. **Effect of policy addition or change (explain the important changes in the policy or effect of this policy). Briefly describe the changes that are being made to the policy and the reasoning behind the requested change(s).**
 - Is this a federal or state mandate? ☐ Yes ☒ No
 - Describe change: Numerous changes requested to accommodate the removal of CNSE from the policy, as that unit no longer exists in its previous format, and also to account for the change in F&A Rate Agreement. Rather than including the rate table, a link is provided to the Rate Agreement on SPA's website, so that the Policy doesn't require updating when the rates are renegotiated. Also, changes are providing clarification on definitions of categories and guidance on use of various rates. Finally, changes provide clarity on approvals required for use of off-campus rate.
 -
2. **This policy change was originated by (individual, office or committee/organization):**
 - Research and Creative Activity/Sponsored Programs and Finance & Administration/Grant & Contract Accounting
 - Val.kettner@nds.edu and/or ann.young@nds.edu

This portion will be completed by Mary Asheim.

Note: Items routed as information by SCC will have date that policy was routed listed below.

3. **This policy has been reviewed/passed by the following (include dates of official action):**

Senate Coordinating Committee:

Faculty Senate:

Staff Senate:

Student Government:

President's Cabinet:

The formatting of this policy will be updated on the website once the **content** has final approval. Please do not make formatting changes on this copy. If you have suggestions on formatting, please route them to nds.policy.manual@nds.edu. All suggestions will be considered, however due to policy format guidelines, they may not be possible. Thank you for your understanding!

North Dakota State University

Policy Manual

SECTION 813

INDIRECT COSTS (aka FACILITIES AND ADMINISTRATIVE COSTS)

SOURCE: NDSU President

1. The University has established indirect cost rates with the cognizant federal audit agency. The rate charged to a sponsored agreement depends upon the function of the work performed. Before deciding which rate applies to each program, carefully review the definitions of research, instruction, and other sponsored activity as defined below.
 - 1.1 ORGANIZED RESEARCH. Organized Research means the critical and exhaustive investigation or experimentation having for its aim the discovery of new facts and their correct interpretation; the revision of accepted conclusions, theories, or laws, in light of newly discovered facts; or the practical applications of such new or revised conclusions. This category includes all activities specifically organized to produce research outcomes, whether commissioned by an external agency or separately budgeted by the institution. It also includes activities involving the training of individuals in research techniques.
 - ~~1.2 ORGANIZED RESEARCH CNSE. This category is for organized research to be carried out at the NDSU Center for Nanoscale Science and Engineering.~~
 - 1.23 INSTRUCTION. Instruction means the teaching and training activities of an institution. Except for research training, this term includes all teaching and training activities, whether they are offered for credits toward a degree or certificate or on a non-credit basis, and whether they are offered through a regular academic session, summer school division, an extension division, or a continuing education division.
 - 1.34 OTHER SPONSORED ACTIVITY. Other sponsored activities mean programs and projects financed by federal and non-federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects, and community service programs.
2. The current approved indirect cost rates can be found in the Colleges and Universities Rate Agreement found on Sponsored Programs Administration's (SPA) website under the "Forms" section at: https://www.ndsu.edu/research/sponsored_programs_admin/forms/. are as follows:

FROM	TO	RATE	LOCATIONS	APPLICABLE TO
7/1/10	6/30/11	43.50%	On-campus	Organized Research
7/1/11	6/30/13	44.50%	On-campus	Organized Research
7/1/13	6/30/14	45.00%	On-campus	Organized Research

7/1/10	6/30/14	26.0%	Off campus	Organized Research
7/1/10	6/30/14	35%	On-campus	OR CNSE
7/1/10	6/30/14	19.30%	Off campus	OR CNSE
7/1/10	6/30/14	53.20%	On-campus	Instruction
7/1/10	6/30/14	26.00%	Off campus	Instruction
7/1/10	6/30/14	38.10%	On-campus	Other Sponsored Activity
7/1/10	6/30/14	20.30%	Off campus	Other Sponsored Activity

Indirect cost is calculated as follows:

Indirect Cost = Modified Total Direct Cost x Rate from the Rate Agreement referenced above table.

Modified ~~t~~Total ~~d~~Direct ~~c~~Cost (MTDC) consists of all direct salaries and wages, applicable fringe benefits, materials, and supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract subaward (regardless of the period of performance covered by the subgrant or subcontract of the subawards under the award).

Modified ~~t~~Total ~~d~~Direct ~~c~~Costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, student tuition remission (student), rental costs of off site facilities, scholarships, and fellowships, participant support costs, and as well as the portion of each subgrant and subcontract subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.

Definition of Equipment: Equipment is defines as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Definition of Off-Campus: A project is considered off-campus if the activity is conducted at locations other than in University owned or operated facilities and indirect costs associated with physical plant and library are not considered applicable to the project. Use of the off-campus rate must be approved prior to inclusion in a proposal. A request must be submitted to SPA justifying the reason for the off-campus rate. This request must be submitted at least two weeks prior to the due date of the proposal. SPA will make a determination whether the off-campus rate is approved for use.

Treatment of Fringe Benefits: This organization charges the actual cost of each fringe benefit direct to Federal projects. However, it uses a fringe benefit rate which is applied to the salaries and wages in budgeting fringe benefit costs under project proposals. The following fringe benefits are treated as direct costs: FICA, SUI, WORKERS COMPENSATION, RETIREMENT PLAN, AND HEALTH/LIFE/DISABILITY INSURANCE.

Treatment of Paid Absences: Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

3. In most cases the activities of the University will be considered to be on-campus activities. Off-campus rates for indirect cost will be used only if the project will be conducted in a remote location for an extended period of time. A project that would qualify for off campus rates would be one that would not be using University facilities for any of the work performed. Some examples of departments that would be off-campus are Agronomy Seed Farm (Casselton), Forest Service (Bottineau), Research Centers (Carrington, Central Grasslands, Dickinson, Hettinger, Langdon, North Central and Williston) (this list is not all inclusive). If the project is split among departments – the on-campus/off-campus rate should be determined by where 50% or more of the work is being performed. However, use of the off-campus rate must have SPA's approval.
4. If the indirect cost rate assigned to a particular project is scheduled to change during the life of the project, the indirect cost rate should remain at the rate of the initially funded budget period.
5. Unless specifically prohibited or limited by the sSponsoring aAgency, the inclusion of indirect costs at the appropriate current federally negotiated rate is required in every grant and contract budget. If a sponsoring agency restricts recovery of indirect costs to a percentage that is less than the appropriate current federally negotiated rate, the Principal Investigator must provide to SPA a copy of the sponsoring agency's guidelines or published policy reflecting the indirect cost limitation. No exceptions for reduced indirect costs will be made for research sponsored by for-profit entities (i.e. companies) unless there is a clear, established policy that is publically posted on the entity's website (and that applies universally to all proposals). If an awardproposal is receivedsubmitted without the inclusion of indirect cost, SPAthe Office of Sponsored Programs Administration reserves the right to will renegotiate the awardagreement for the inclusion of indirect cost, either by an increase in the award amount or by reallocating the award amount to cover both direct and indirect costs.
6. **INDIRECT COST ALLOCATIONS.** In order to provide an additional incentive for faculty and staff participation in sponsored activities at NDSU, it is the University's policy to directly support such activity with a portion of the indirect cost payments received by the University under all sponsored agreements.

Of the indirect costs drawn, 42.0% will be allocated back to the generating colleges or units; 16% will be allocated back to the Office of the President (for Research); and 42.0% to the Office of the President. Allocation exceptions must be approved by the President.

HISTORY:

New	July 1990
Amended	April 1992
Amended	December 1996
Amended	August 1997
Amended	January 2000
Amended	October 2004
Amended	August 2007
Amended	February 16, 2011
Housekeeping	July 12, 2013