

RESEARCH INCENTIVE GUIDELINES

October 2006 (Revised October 2007)

SECTION 1

RESEARCH EXPENDITURE CLAIMS

As in previous years, the allocation of Research Incentive (formerly Research Challenge) funds for the fiscal year 2008 will be based on actual research expenditures in the 2006 fiscal year. Eligible research projects will comprise all externally sponsored basic and applied research, scholarly, and creative activities as defined below in any discipline present at an institution. The following guidelines are to be used in determining whether funds expended for specific projects are eligible for matching. For the 2009 fiscal year the most recent R&D expenditures data available from the National Science Foundation (NSF) will be used to determine the allocation of Research Incentive (RI) funds

1.1. Definitions

"Externally Sponsored" indicates that funds are from federal, industry, corporate foundation, or private sources outside the university, and are not a part of the public support provided by the State of Ohio. Such funds must be designated as separately budgeted research projects as evidenced by a contractual agreement between the sponsor and the university.

"Basic Research" is systematic study conducted with the objective of gaining fuller knowledge or understanding of the fundamental aspects of observable facts without specific applications toward processes or products in mind.

"Applied Research" is systematic study conducted with the objective of gaining knowledge or understanding necessary for determining the means by which a recognized and specific need may be met.

"Scholarly and Creative Activities" are those sponsored investigations into fundamental knowledge normally found within such disciplines as the arts and humanities.

1.2. Allowable Expenditure Categories

1.2.a FY 2008

The following are allowable: direct costs, recovered indirect costs, equipment purchased as a part of a research grant, and research sub-contracts awarded to the university.

1.2.b FY 2009

The expenditure data as detailed by the most recent NSF report for R&D expenditures from federal sources, industry sources, and "other sources" (as defined in the NSF report) will be used

to determine the RI awards for FY 2009. Note that expenditures from state and local governments, and institutional sources will not be included in the determination of allowable expenditures.

1.3. Ineligible Projects and Funding Sources

1.3.a FY 2008

Ineligible projects are those which do not meet the definition of basic or applied research or of scholarly or creative activities that do not lead to the creation of new knowledge, even though activities may be conducted by faculty. All or a part of the expenditures for a given project may be ineligible for matching. Some examples of ineligible projects are given below.

1. Ineligible are projects considered as quality control; routine product testing; mapping and surveys; collection of general purpose statistics; and experimental production, unless it is clear from the project abstract that a basic or applied research question is addressed through those activities.
2. Ineligible are projects conducted solely for training of personnel. General grants with "training" or "development" in the titles that are, in part or in whole, basic and applied research may be supported if sufficient supporting documentation is presented to clarify what portion is directed to basic and applied research.
3. Also, ineligible are projects involving the development of curricular materials. If such projects contain substantially new conceptual approaches, a portion of the activities may be included and should be easy to identify in the project abstract
4. Grants awarded for the sole purpose of supporting graduate fellowships are assumed to have a portion of the funds directed to training. Only that portion of funds directed to basic and applied research will be eligible. Please present documentation for the basic and applied research portions of the grant. Graduate research fellowships are fully eligible.
5. Ineligible also are funds allocated principally and specifically for conferences, seminars or other meetings or methods of disseminating research. If such activities comprise one of the principal purposes of a project (greater than 25% of the expenditures), and the abstract mentions dissemination as a major objective of the grant, the funds for dissemination should be excluded from the claim for an otherwise eligible project. However, if such activities are an integral but derivative part (less than 25%) of a project and the project abstract does not mention dissemination as an objective, the funds for dissemination do not need to be excluded from the claim.
6. Grants from the Ohio Humanities Council and the Ohio Arts Council rarely, if ever, support basic and applied research but rather usually support projects intended to

- contribute to the greater public understanding or appreciation of the arts and humanities. However, these grants will be considered eligible if enough evidence is presented to demonstrate the project is basic and applied research.
7. Any funds not received directly by the college or university regardless of their relationship to Research Incentive guidelines are ineligible.
 8. Funds provided for the sole purpose of replacing the salary of a faculty member or researcher are ineligible unless the project meets the definitions of research contained in the guidelines, and payments are made through the institution and not directly to the individual.
 9. Support of research through an institution's endowment is ineligible for Research Incentive funds match.
 10. Contributed equipment is not eligible, even when a contractual arrangement for publishable research exists between the donor and the recipient of the equipment. The true value of the equipment is often extremely difficult to establish, and such gifts can be a manufacturer's strategy for taking a tax advantage for outdated or unsaleable equipment.
 11. Also ineligible are other in-kind expenses (including released time), institutional matching and sub-contracts let to another institution.
 12. Funds treated by the donor or the institution as gifts are ineligible regardless of their relationship to the criteria of Research Incentive.
 13. All or parts of grants (or sub-grants) which are related to a research institute or center but which are not principally for research (e.g., for administration or travel) are not eligible. However, grants which have as their principal purpose the establishment, or continuation, of a research center or institute are eligible in their entirety.
 14. If funds are a part of the public support provided by the State of Ohio (e.g. Third Frontier Project awards, Ohio Aerospace Institute awards, etc.) or are from other governmental entities such as counties or municipalities, they are ineligible. However, funds which pass through Ohio agencies from federal sources for the purposes of basic and applied research may be eligible.
 15. Federal funds for sustaining research grants which are already matched by a specific State of Ohio appropriation are ineligible. (An institution's "cost-sharing" is not considered State of Ohio monies.) Sustaining grants from Federal sources which are not already matched by State of Ohio funds are eligible only if they meet all the other criteria.

16. Ineligible are funds that come to the state as a part of a formula in which the state (not the University) is required to provide some match in order to secure the money.
17. Action Funds were designed to assist with other Board of Regents' efforts to leverage external research dollars, and, thus, funds leveraged with these monies are fully eligible. The Action and Investment Fund awards themselves cannot be claimed.

1.3.b FY 2009

The R&D expenditures as reported by the NSF from state and local governments and institutional sources will not be included in the eligible claims total.

1.4. Reporting Claims (FY 2008 awards only)

Each university will be required to determine the eligibility of specific research expenditures from externally sponsored grants in the previous fiscal year (7/1/05 to 6/30/06) according to the definitions given above. Reports claiming eligible projects should be in the electronic format provided by the Board of Regents. Instructions for using the electronic format may be found at <http://www.regents.state.oh.us/hei/datasubdoc/financial/production/refile.html>

Universities should submit their claims from the fiscal year 2006 for Research Incentive Program matching dollars between November 15 and December 15, 2006. **No claims submission will be required for FY 2007 expenditures as the most recent available NSF expenditure data will be used.** If you have any questions about the submission format or the time-line please contact Harry Andrist at handrist@regents.state.oh.us or Frank Tepe at ftepe@regents.state.oh.us.

SECTION 2

INSTITUTIONAL PLANS FOR THE USE OF FY 2008/09 RESEARCH INCENTIVE FUNDS

The Research Incentive Program authorization for the fiscal years 2008 and 2009 requires that the recipient universities submit to the Ohio Board of Regents for review and approval their plans for the allocation of Research Incentive funds within their university. A university's failure to submit these plans may result in the withholding of the Research Incentive allocation for that university. Such plans should give the rationale for allocation in terms of the objectives of the Research Incentive Program. To facilitate the evaluation of these institutional plans in terms of program objectives, these plans are due to OBR no later than **May 15, 2007**. The core objectives of the Research Incentive Program continue to be the same as in previous years, which are:

- ◆ *To enhance the quality of research and scholarship at Ohio's universities;*
- ◆ *To increase the level of federal and private research funding received by Ohio's universities, and;*
- ◆ *To encourage research efforts that support the Third Frontier Project and economic growth in Ohio.*

Institutional Plans for the use of Research Incentive funding must demonstrate a *significant investment* in **Third Frontier Project** research activities dependent upon the level of **Third Frontier Project** investment, which might mean as much as 10% of local Research Incentive Program funding being invested in Third Frontier Project related research for a university with

multiple Wright Centers of Innovation. As delineated in the **Third Frontier Project**, universities are strongly encouraged to increase their efforts to work in partnership with industry to the greatest degree possible in all research areas that lend themselves to possible future commercialization activities. The development of **Wright Centers of Innovation** provides universities with a new source of state funding to further leverage their Research Incentive Program funding and greatly enhance their efforts to achieve the core objectives of the Program. Research Incentive Program funded research efforts that address the economic development objective will want to demonstrate a unique competitive advantage in the expected field of commercial development as well as defining the major approaches for advancing the commercial development of the outputs of the proposed research effort.

2.1 Institutional Objectives and/or Goals

Please give a brief description of the overall institutional objectives and/or goals with respect to the expenditure of Research Incentive Program funds and how they relate to the core objectives of the Program as delineated above.

2.2 Planned Expenditures by Category or Strategy

Please identify the research categories and the approximate percentage of funds to be allocated to each category (for example: 40% for university wide competition; 40% for selected colleges or programs; and 20% for selected research centers). Each category should also detail which primary core objective(s) of the Program will be addressed.

2.3 Descriptions and Rationale

Please give a *description* of each planned expenditure category and a rationale for the choice of each. The information given here should be brief, but as complete as possible, since it will be used to compile a report to the Regents and the legislators as part of the allocation process. The *description* of the award categories should include a brief overview of the selection process or the identification mechanism for each category as well as how the results of this funding will be measured. The *rationale* for the choice of categories may include among other things:

- ◆ The potential for enhancing an existing university center of excellence to one of national importance.
- ◆ The potential for attracting external support for the projects and/or the potential of addressing state economic growth issues.
- ◆ Development of a new or enhanced research relationship with an industrial partner.

- ◆ Efficiency in the use of funds through shared resources or collaborative research, especially related to collaboration with a **Third Frontier Project**.
- ◆ Effectiveness in the use of funds through matching fund allocation mechanisms.
- ◆ If more than 10% of the funds are to be used on a contingency basis, the necessity for such a decision.

2.4 “Incentive for Collaboration” Funds

A small amount of funding (10% of the funds available for public universities) is available for the less research-intensive universities as a resource that can be used to facilitate collaboration with other Ohio universities and/or Ohio industry. These funds may be used to further enhance existing research strengths in fields of mutual interest with their potential Ohio universities and/or industrial partners, so as to increase the effectiveness of the universities in competing for external research funding, or to perform basic and/or applied research in areas of potential economic development of the region or the state.

The institutions which qualify for the Incentive for Collaboration component of the funds **must** submit a brief description of their plans for the use of these funds to enhance their collaborative efforts as well as how they will measure and evaluate the results in order to qualify for the receipt of these funds.

SECTION 3

REPORTS ON THE USE OF FY 2008/09 RESEARCH INCENTIVE FUNDS

The Research Incentive Program authorization requires that the Ohio Board of Regents submit a biennial report of progress to the general assembly. Institutional reports submitted according to the following format will enable the regents to prepare reports to the legislators in a timely manner. A university's failure to submit these reports may result in the withholding of current or future Research Incentive allocations.

3.1. Use of Funds Report

(Due no later than October 31, 2009)

- (1) Cover Letter
- (2) Summary of Expenditures
(Please use Form A)
- (3) A list of Research Incentive grants awarded with project title, principal investigator/s and organization unit information.

3.2. Outcomes Report

(Due no later than July 31, 2010)

- (1) Cover Letter
- (2) Leverage
(Please use Form B)
- (3) Selected Project Summaries/ Success Stories

The project summaries / success stories would highlight anyone or more of the following:

- Scholarly outcomes that indicate Ohio's leadership in a given area of research.
- Educational outcomes that highlight effects of research activity on graduate and/or undergraduate education.
- University-industry collaborations or potential economic use of research findings that indicate economic development impact of research in Ohio.
- Collaborative efforts that indicate cost-effective use of a funds and/or synergy in research activity.

- Strategic initiatives.

(4) “Incentive for Collaboration” Funds

For those institutions receiving “Incentive for Collaboration” awards, please describe briefly the outcomes achieved through the use of the “Incentive for Collaboration” component of the 2008-09 Research Incentive award. The information provided in this section of the report will be used as one of the factors in determining future awards from this component of the Research Incentive Program.

Research Incentive Program

Form A

University Summary of Expenditures for FY 2008/09 Funds

(Due no later than October 31, 2009)

Name of Institution:

Total Research Incentive award for FY 2008/09:

Expenditure:

Personnel:

Equipment:

Other

Total

Carried Over:

(If the carried over amount is more than 25% of the total amount, please attach an explanation)

Name of Research Officer:

Signature:

Date:

Research Incentive Program

Form B

University Leverage Report On the Use of FY 2008/09 Funds

(Due no later than July 31, 2010)

Name of Institution:

Research Category/Strategy	Expenditure	Leverage	Leverage Ratio
Total			

Notes:

1. The expenditure categories would be those identified in the May 2007 plans for the use of FY 2008/09 Research Incentive funds. (If the categories and/or related expenditures are substantially different from those identified in the May 2007 plans please attach an explanation).
2. Leverage is the total of all external funds that are identified by the grant recipient/s as being directly attributable to a given Research Incentive award.
3. Leverage Ratio = Total Leveraged/Total Expended for each category

Name of Research Officer:

Signature:

Date: