



MEMORANDUM

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To: Email Distribution List (NCPA, VCAF, Accounting, Budget, ORSP)
From: Josh Gladden, VCRSP
Date: April 30, 2021
Subject: NCPA Fund 10 Budget

On April 27, 2021 Craig Hickey, Director of NCPA, submitted a request to restructure the Fund 10 budget for NCPA with an effort to (a) consolidate core administrative staff onto the Fund 10 and (b) to provide stable support for 15% of salaries for senior group leaders so they can pursue new projects. In order to accomplish this, the Fund 10 budget would need to be increased by \$125,778 to a total of \$601,587 for FY2022 (which includes 3% raises afforded all university units).

By way of background, the university provides a Fund 10 budget to NCPA each fiscal year which is repaid to the university over the course of the year through monthly deposits of 90% of indirects generated by NCPA projects until the Fund 10 balance is fully repaid. After that, indirects are distributed on a 10/45/45% model to the PI/NCPA/central. Further, NCPA is required to maintain a Fund 10 Reserve account to be accessed if generated indirects ever fail to repay the university budget (Fund 10). They understand and are prepared to increase the reserve account using Fund 25 funds within NCPA.

After consulting with the Controller, Nina Jones, I have decided to grant this request on the following terms:

1. This increase will be phased in over three years with a 50% increase in the first year, and 25% increase in each of the next two years. This results in a monetary increase as follows
 - a. FY22 – increase by \$62,889
 - b. FY23 – increase by \$31,445
 - c. FY24 – increase by \$31,445
2. If indirects distributed to ORSP falls below \$150,000 in a given year, the Fund 10 will revert back to the current levels (adjusted for any raises in the interim). If it again increases to greater than \$200,000 in a given year, the Fund 10 will return to the new level (again adjusted for any raises).