Background
A task force met during AY10-11 under the direction of the Vice President for Research to explore policies and practices related to the recovery and use of indirect costs (Facilities and Administrative) funds. The group recommended that the Office of the Vice President for Research (OVPR) should be charged with managing a pilot program (FY12 and FY13) that would utilize some significant portion of centrally-managed indirect cost recovery for investments into activities and infrastructure that would build NAU’s research capacity. This pilot program was named, “Research Investment Fund” (RIF) and is managed by the Office of the Vice President for Research.

Under this program, some of investments are made in the form of competitive grants to NAU faculty and staff. These grants are governed by the following terms and conditions.

Applicability
These terms and conditions apply without exception to projects funded by RIF through the Office of the Vice President for Research.

Responsibilities of Recipients
The OVPR expects each recipient to spend RIF funds within the initial project period and to report outcomes that demonstrate the intended impact.

Budget Administration
The Principal Investigator or Project Director is responsible for managing RIF funds, for keeping expenditures within the limits of the approved budget categories and for adherence to these terms and conditions. All expenditures made with RIF funds must conform to University accounting policies and procedures that generally apply to state funds and must be directly allocable to the RIF project or purpose for which the funds were awarded.

Receiving your RIF Award/Allocation
All recipients of competitive RIF funds must submit a proposal consisting of a budget request and a narrative which, at a minimum, provides the following information:

a. HOW the RIF funds will be spent (i.e., budget by expenditure category, calendar quarter and including budget justification);
b. WHAT the RIF funds will support (i.e., budget by activity and accompanying narrative)
c. Projected outcomes
d. Narrative explaining how the RIF-funded activities will generate the projected outcomes

During the proposal review and award negotiation process, the OVPR will evaluate these requests to ensure that activities are aligned with NAU RIF objectives, that costs requested are reasonable, justified
and that they are consistent with the kinds of costs that are appropriate to be funded by the RIF program. The OVPR will also consider whether or not the funds requested would be sufficient to fund the activities described and may adjust the allocation accordingly.

**Allocation of RIF Funds**

The OVPR will transfer RIF funds into a departmental local account. Such account must be assigned a Program Code that represents the type of project for which the funds were awarded (e.g., research, public service). **Funds will not be transferred by the OVPR until an appropriate local account is available.**

In order to ensure that RIF funds are spent in a timely way, costs must be directly charged to the RIF budget when they are incurred (i.e., costs should not be first charged to another account and then transferred at some other point during the project period). The OVPR reserves the right to approve all costs transferred from other accounts to the RIF budget. **Costs that are determined not to be allocable to the RIF project will be disallowed.**

**Budget Modifications.** At any time during the project period a RIF project director may determine that funds in certain budget or activity categories will not be spent as originally planned (e.g., due to savings). In all such cases, project directors should redirect funds to cover costs that can be justified as supporting the goals of the project. The redirection of RIF funds will require **prior approval** (i.e., prior to incurring the expense) of the RIF Program Office under the following circumstances:

a. Any time the redirection of funds is the result of a change in the scope of activities/purpose that was described in the proposal
b. To move funds to or from any Personnel expense category*
c. To move funds to or from any Capital expense category*
d. To move funds to International Travel*

*Such costs must first be allowable under the applicable funding program. For example, if personnel costs are not supported under a specific internal grant program, funds may not be moved to any Personnel expense under any circumstances.

Requests for budget modifications requiring approval will be accepted by the OVPR up to sixty (60) days prior to the end of the project period.

**Unspent funds.** *Every attempt should be made to spend RIF funds during the awarded project period. No-cost extensions are only considered under extenuating circumstances.* PIs who determine that funds will be unspent at the end of the project period should contact the Associate Vice President for Research to discuss before requesting a no-cost extension:

a. The anticipated amount of the unspent funds and why they will not be spent
b. Why the funds could not be redirected to support the project during the project period
c. What the funds will be used for if the request is approved and how the use of the funds will support the goals of the project
d. Approximate date when the funds will be spent

Such requests will be considered by the OVPR up to sixty (60) days prior to the end of the project period. **The consideration of these “no-cost extensions” will be dependent upon a number of factors, including whether or not funding is needed for other activities.**

**Funds that remain unspent at the end of the project period and that have not been approved for retention by the project will revert to the Vice President for Research.**

Revised 9/01/2015
Intellectual Property. NAU and ABOR policies regarding intellectual policy apply to all NAU employees and non-employee students, as well as those who create intellectual property with the significant use of university resources. The RIF Principal Investigator/Project Director is responsible for ensuring that all individuals, including students, associated with the project comply with these Policies. Both policies can be found at http://nau.edu/Research/NAU-Innovations/For-NAU-Inventors/.

If any intellectual property is developed under any RIF project, it must be promptly disclosed in accordance with these policies. If necessary, contact NAU Innovations (ext. 3-5311) to discuss the processes for disclosing, and to learn about protecting, the IP.

Reporting Obligations:

Publications arising from work funded in full or in part by the Research Investment Fund should acknowledge the funding as follows:

“This work was funded by the Northern Arizona University Research Investment Fund.”

Final Report
A final narrative report describing the activities supported by RIF funding is due on or before June 1 of each fiscal year (for projects on a fiscal year cycle) or on or before the end date of the project period, whichever applies. This report should not exceed 5 pages and should describe the extent to which project tasks and goals (as stated in the approved proposal) were accomplished.

Recipients of RIF funds who fail to submit complete final reports may be ineligible to receive further support under RIF and any other programs administered by the Office of the Vice President for Research.

Contact Information
Principal Investigators/Project Directors are encouraged to keep in touch with the Vice President’s Office during the course of the project. Any anticipated changes in the project timeline and/or scope of work should be discussed with RIF Program staff in a timely manner.

To initiate budget modifications that require advance approval or request retention of unspent funds, or for any questions relating to these terms and conditions, please contact Christine Wheless, Research Development Coordinator, at ext. 3-8594.

To discuss anticipated changes in the scope of funded projects, please contact Dr. Diane Stearns, Associate Vice President for Research, at ext. 3-4460.