Support and Incentives for Obtaining External Grants

November 1, 2017

1. Introduction

This document updates the 2009 Grant Incentive Policy to outline more broadly the support the Stern School provides to encourage the procurement of funding for research from external sources by tenured, tenure-track and clinical faculty members.

The School places value on applying for and receiving funding for research from external sources, particularly from competitive sources that provide external evaluation and validation to faculty research and enhances the reputation of the investigator and of the School. The process of writing a clear, potentially fundable proposal clarifies the goals and procedures of the research, and generally should increase the quality of the work, whether or not the research is ultimately funded.

Grant funds are provided under an agreement for an end product; funds provided without an agreement or expectation are considered gifts. Examples of grants include foundation fellowships (e.g., Sloan Fellowships), government grants and corporate funding. Without defining precise criteria, Stern encourages obtaining grants that provide an amount equivalent to at least 40% of the grant's direct costs in overhead support, and that is intended to support research activities such as Ph.D. students, postdoctoral researchers, faculty summer research salary support, obtaining data, technical aid for specific research problems (coding, programming), research-oriented workshops, and other research support activities, such as conference travel.

Recognizing that peer-reviewed grant applications require significant effort and can provide meaningful feedback on the quality and potential impact of ongoing research, solicitation of external support is considered in annual merit reviews and increases.

2. Grant Proposal and Administrative Support

Stern's Associate Director of Funded Faculty Research helps faculty with all stages of the proposal and award, including researching potential funding, preparing the budget and other sections of the proposal, submitting the application to NYU Office of Sponsored Projects, helping the department process expenses, and monitoring progress reports.

3. Overhead Sharing

In the interest of encouraging and rewarding external funding, Stern gives investigators a portion of the overhead on eligible grants administered by NYU's Office of Sponsored Programs. When calculating this incentive funding, Stern will review all indirect costs or "overhead" associated with the project.

Overhead represents those expenses not readily allocable to any single research project; they are the institution's costs for carrying out research or training activities, including but not limited to administration and general operating costs.

The incentive will be provided to the investigator once grant funding reaches a two-part threshold: 1) a cumulative award amount of $250,000 received and 2) an average level of overhead of 25%. In other words, once a faculty member has received at least $250,000 in overhead-bearing grant funds, which on average contribute overhead of 25%, the incentive will be distributed. The incentive equals 30% of the grant's overhead, and will be distributed to the principal investigator's STARS account twice a year, after receipt by Stern.

4. Summer salary (credit)

Faculty who procure external funding for summer research support, but already have Stern-funded support, can receive summer salary credits. Any such credit must be documented in writing when allocated. These credits, including those from honorifics, will be applicable only for summer research support and may not exceed the 3/9th cap. Credits are forfeited at the end of employment and will not be reimbursed.

5. Course Buyouts

Subject to approval by the vice dean of faculty, grants may include funds to free up principal investigators' time to conduct the research required by grant projects. If allowed by the funder(s), up to one course per year may be "bought out" by a grant or combination of grants. The teaching load reduction must occur during the period of the grant, since it is specifically designed to allow research on the specified project, and cannot be credited for future use. The reduction cannot result in an overload course being assigned during the same year the load is reduced.