Faculty Setups

Faculty setup funds from the Dean’s Office are provided on an as-needed basis, are typically distributed over three years, and are subject to time limitations. Letters from the Associate Dean for Research and Planning identify the precise terms for each setup, but, in general, 85% of the total setup fund must be spent or encumbered during the first four years of the appointment. A proportional share of unspent and unencumbered balances greater than 15% of the total package (not just the Dean’s Office portion) must be returned to the Dean’s Office at the end of the fourth year of the commitment per the terms of the commitment letter.

Dean’s Office commitments to setups are transferred as-needed and as-requested by departments, but departmental contributions must be spent prior to requesting Dean’s Office funds. For example, in year one, the amount needed from the Dean’s Office is the amount by which the projected expenditures exceed the departmental commitment for year one. Transfers may be requested either at the end of the fiscal year based on actual expenditures, early in the fiscal year based on spending projections, or periodically throughout the fiscal year.

When requesting a transfer from the Dean’s Office, departments should indicate whether or not the department contribution for that year has been spent. If a transfer request in any given year is more than 1/3 of the total Dean’s Office commitment, justification must be provided.

If a faculty member leaves the institution prior to the deadline set in the setup memo, a reconciliation is done to return a proportional share of the unspent balance to the Dean’s Office and the commitment is closed.

At the deadline stated in the setup memo, the Dean’s Office will contact departments to determine whether there are unspent funds to be returned. (Payroll encumbrances extending beyond the fourth year are not considered a valid encumbrance for this calculation.) If funds remain in excess of the limit set in the memo, a reconciliation is done to determine the share to be returned to the Dean’s Office.

When setup funds are remaining:

\[(\text{Amount of total setup package}) - (\text{Amount spent & encumbered}) = \text{Unencumbered balance}\]

If the Unencumbered balance is less than 15% of the total package, then the Dean’s Office transfers the full amount of the Dean’s Office setup commitment and closes out the commitment.

If the Unencumbered balance is greater than 15% of the total package, then the Dean’s Office commitment is reduced proportional to the commitment. For example, if the Unencumbered balance is 25% of the total package, then the Dean’s Office commitment is reduced by its proportional share of the 10% excess (25% less the allowable 15% balance = 10%). If the Dean’s Office contributed 60% to the setup, then the Dean’s Office commitment would be reduced by 60% of 10% of the total package. A final transfer is done to reconcile to that revised commitment, and the commitment is closed out.

In cases where setup funds remain at the deadline, an exception may be requested from the Associate Dean for Research and Planning including the reason, details of the circumstances, and plans for expenditures within one additional year.