

	Policy Owner:	<b>Vice President for Research</b>	
	Responsible Office:	<b>Office of the Vice President for Research</b>	
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	Policy Title:	<b>Establishment and Management of Research Centers, Public Service Centers, and Institutes (Interim)</b>	

## Definitions

**Faculty:** tenured and tenure track Faculty, clinical Faculty, and professors of practice (including assistant and associate professor-level) Faculty who are primarily affiliated with academic departments.

**Research Faculty:** Faculty who are employed at the rank of assistant, associate or (full) research professor and who may be affiliated with centers/institutes or academic departments.

## Policy

Many of society's most complex challenges are found at the interface of multiple disciplines, requiring a team science approach with expertise that falls outside of an individual department or school. The current highly competitive funding climate also places administrative expectations on research teams that are not easily met by individual academic units whose resources are spread broadly across teaching, research, and service obligations. Research Centers, Public Service Centers, and Institutes provide an organizational structure that can be used to create innovative programs that keep the university in the forefront as a research and scholarly institution.

These Centers and Institutes are intended to serve the interests of the university by producing the highest quality scholarly work, an overriding objective that transcends other considerations. Such centers may focus on research, instruction, public service or some combination thereof. Usually they are based on scholarly interest or in response to external funding opportunities and may be particularly relevant within the context of the Arizona Higher Education Enterprise Plan. In addition, some centers are established around a particular facility or service for the benefit of the university community.

This policy sets forth the framework for the establishment, maintenance, and evaluation of Research Centers, Public Service Centers, and Institutes (hereinafter referred to as “centers/institutes”) at NAU. This policy governs all centers/institutes that are created through the NAU approval process. It does not govern centers/institutes that are created for the purpose of an individual grant or contract.

### 1. General Criteria for Centers and Institutes

All centers/institutes at NAU, proposed and existing, must:

- A. Be led by a director with a strong vision who can articulate specific research goals around a focused, well-defined area or topic of inquiry.
- B. Demonstrate a set of beneficial outcomes for the university, not just for the researchers, as a focus of the rationale for the establishment/existence of the center.

- C. Be in the university's interests, align with university strategic goals, and support and enhance the academic missions of the colleges, departments, and programs.
- D. Facilitate interdisciplinary activities. Centers/Institutes should be able to connect people and ideas that won't be easily integrated into a single department, and to demonstrate synergy that would not result from collaborations across individual disciplinary departments.
- E. Be attached, organizationally, to a college (except on the President's recommendation).
- F. Demonstrate an ability to generate cutting edge research and/or critical public service work.
- G. Demonstrate an ability to enhance competitiveness for external funding. Productive centers/institutes should show a level of aggressiveness in pursuing large grants, collaborating for large projects, and seeking national center designations.
- H. Involve multiple Faculty-level investigators over time such that the entity can survive the departure of the original director/founder and other Faculty investigators.
- I. Support student engagement, both graduate and undergraduate. Center/Institute contributions to the university should not be limited to research or service productivity but also to mentoring and small-group teaching.
- J. Generate sufficient levels of financial support and independence. It is not expected that centers/institutes will have identical models for internal and external support.

## **2. Process for Developing a Center or Institute Concept**

- A. Read and review this policy.
- B. Arrange to meet with one or two center/institute directors to add perspective to and inform planning.
- C. Develop a draft plan, incorporating all of the required elements and criteria described in this Policy.
- D. If institutional support is anticipated, discuss the draft plan with the administrative office(s) that might provide such support. NOTE: Institutional support is not guaranteed.
- E. Invite input on the draft plan from the applicable department chair(s) and dean(s).
- F. Invite input on the draft plan from the associate VPR and other relevant campus administrators.
- G. When the plan is finalized, submit the plan to the Office of the Provost. Once the plan is reviewed and approved at the Provost level, it will be sent out to the appropriate dean(s) and department chair(s) with the closest affiliation to the center/institute.

## **3. Establishing a New Center or Institute**

The Arizona Board of Regents (ABOR) must approve the establishment of a new center/institute. A written proposal to establish a new center/institute will be submitted to the President for review and approval. Upon the President's approval, the University will submit a request to establish a new organizational unit to the ABOR office in accordance with ABOR Policy 2-223. Prior to publicly announcing the establishment of a new center/institute, the University must comply with the process outlined in ABOR Policy 2-223.

The written proposal will include the following components:

- A. Research or public service plan(s).
- B. Schedule of performance or outcome goals expressed as a set of metrics established for meeting/exceeding productivity expectations.
- C. Listing of departments, college(s), and any other sponsors involved and the relevance of the center/institute's activities to the academic mission of these sponsors.
- D. An explanation of how funding resources for director, associate director (if applicable) staff, graduate students, post-docs, and Research Faculty will be generated. This includes mechanisms for salary funding supplements for the director (if appropriate) and buyout of some type for any teaching time otherwise expected of the director.
- E. A list of the Faculty who will be appointed to the center. All Faculty members shall maintain a primary affiliation with a specific academic department unless an exception is approved by the corresponding dean.
- F. Resource requirements, including staff, space, equipment, operational expenses and any institutional matching funds.
- G. A financial plan and funding projections for 5 years.
- H. Acknowledgement of a recertification process for the renewal of the center/institute every seven (7) years as a result of internal review (see Section 10). A sunset clause must be included in the event that the unit does not fulfill university expectations or funding projections.
- I. A description of the advisory board, including member composition, expectations for the board, terms of membership, and meeting frequency.

#### **4. Maintaining an Existing Center/Institute**

Existing centers/institutes will provide an annual report on or before July 30 that includes the following components:

- A. A summary of the previous FY year's progress including, as applicable, grants received and proposals submitted; publications, books, book chapters, reports, white papers, working papers, etc.; patents; awards to members and students; examples of public service, outreach, and community engagement; summary of students trained.
- B. A budget spreadsheet illustrating how the previous year's funds were spent.
- C. A budget spreadsheet projecting the next year's spending.

#### **5. The Financial Model for Centers/Institutes**

- A. Centers/Institutes must be established with, and must maintain, a sound financial model.
- B. Some portion of facilities and administrative costs (F&A) distributed to centers/institutes must be reserved to ensure future resources for the operation and sustainability of the unit.
- C. A newly-established center/institute may be eligible for some institutional support for infrastructure needs (e.g. physical and personnel). The VPR, the Provost and the President may contribute funds to support newly-established centers/institutes. Requests for institutional support should include a justification in terms of institutional benefit, and

should clearly describe the financial plan for sustainability following the end of institutional support.

- D. Centers/Institutes that secure financial commitments from the institution are expected to move toward a reduction of financial support from the institution within 5 years.
- E. The center/institute director and Faculty are responsible for securing and maintaining a sufficient level of external funding to support center/institute activities.
- F. Full time, tenure track Faculty associated with centers/institutes shall remain primarily affiliated with specific academic departments unless an exception is approved by the corresponding dean.
- G. Research Faculty, students, and staff supported on external grants may be affiliated with centers/institutes

## **6. Distribution of F&A**

- A. The default F&A distribution for NAU is 70 percent F&A assigned to central administration, 20 percent assigned to the supervising dean/college, and the remaining F&A distributed between departments and Pls.
- B. Centers and Institutes, unless otherwise negotiated, will operate on a 70%, 25%, 5% split of F&A: 70% to central accounts, 25% to the center/institute, and 5% to the supporting college.
- C. Any renegotiated assignment of F&A will be applied to future proposals at the time of submission. The recalculation of F&A assignments on existing grants is presumed to be difficult because funds will have been allocated at the time of award.
- D. Because an explicit goal of centers/institutes is to develop interdisciplinary collaboration, Pls and co-Pls from multiple academic units should be encouraged to work together. Thus, an equitable process for distributing F&A must be established for projects spanning multiple colleges or units.
- E. For any external funding that generates F&A, this policy recognizes a “split credit” model for F&A distribution, where the amount of F&A returned to a Principal Investigator (PI) represents each PI's contribution to the project and proposal in terms of ideas, expertise and talent. This is not the same as percent effort, which is reflected in the proposal budget as time spent conducting the work. For grants with multiple Pls, distribution of F&A will be calculated using the percentage of credit assigned to each PI at the time of proposal submission. (The assignment of percent credit is made by mutual agreement of the Pls.) The designation of PI credit must be consistent with the sponsor's definition of such, as guided by the Multiple PI Federal Register Notice (70 FR 41220).
- F. The center/institute director or the dean can negotiate a different F&A return arrangement based on the level of support anticipated to be drawn from the dean and/or department. This should be verified in writing as an addendum to the Center proposal.
- G. Any requested change in the F&A distribution agreement must be approved by the dean, Provost, VPR, and President.

## 7. Support for Research Faculty

- A. Funding for Research Faculty salaries and research is expected to be secured through external grant support and contributions from the center/institute.
- B. A funding plan must ensure that Research Faculty have sufficient effort (5 to 15 percent) supported on discretionary funds (e.g., F&A returns) for activities such as proposal writing and university service, if applicable.
- C. New Research Faculty should receive funding from the center/institute if they do not have active grants at the time of affiliation with the unit.
- D. All Research Faculty (i.e., individuals with the title of Assistant Research Professor, Associate Research Professor, or Research Professor) are able to access a centrally managed salary reserve fund after a period in which eligibility is established as set forth in section 7D.1 below. The purpose of this reserve is to support a Research Faculty member's salary and benefits if there is a gap in salary/ERE funding from grant or other sources. Salary reserve funds cannot be used for any purpose other than payment of expenses related to salary and EREs for the Research Faculty member. Eligibility for the salary reserve benefit and any funds received may not be transferred among individuals. The salary reserve benefit is available to all Research Faculty at NAU, regardless of center/institute affiliation, and including Research Faculty with no center/institute affiliation.
  1. Establishment of eligibility: Eligibility for the salary reserve benefit is established when a Research Faculty member generates F&A funds that are recovered by NAU and that result from the Research Faculty member's grant-related activity as PI, co-PI, or other named personnel. The salary reserve benefit will accrue at a rate of 35% of the F&A generated via expenses associated with the Research Faculty member's salary and EREs on external grants to NAU over a period of five (5) calendar years from the date of initial eligibility or until the maximum benefit (equal to one (1) year of the current academic year salary plus EREs for the Research Faculty member) is reached, whichever occurs first.
  2. Use of the salary reserve benefit: After establishing their eligibility, a Research Faculty member may use the salary reserve benefit to cover any gap (whether partial or complete) in their salary/ERE funding. A Research Faculty member does not, however, have any obligation to use the salary reserve benefit at any time (e.g., they may choose to transition to a lower FTE and commensurate salary rather than use the salary reserve benefit). Use of salary reserve funds to pay a Research Faculty member's salary and EREs will draw-down their available salary reserve benefit on a dollar-for-dollar basis and also stop their accrual of any additional salary reserve benefit (i.e., it is not allowable to simultaneously accrue salary reserve benefit and draw-down from salary reserve funds). Use of the salary reserve benefit will continue until the Research Faculty member has expended all of the funds they have accrued, the Research Faculty member requests to stop using the salary reserve benefit, or after a period of one (1) year (defined as the consecutive 12-month period commencing when a Research Faculty member first accesses salary reserve funds) elapses, whichever occurs first. Any unused salary reserve funds will remain available for the Research Faculty member to use at a future date; however,

there must be a period of at least twelve (12) consecutive months between a Research Faculty member's use of salary reserve funds.

3. One-time opportunity to re-establish eligibility: After their first use of the salary reserve benefit, a Research Faculty member may re-establish their eligibility for the benefit (as set forth in section 7D.1 above) only once. The salary reserve benefit will then accrue at a rate of 35% of the F&A generated via expenses associated with the Research Faculty member's salary and EREs on external grants to NAU for a single consecutive period of up to three (3) calendar years from the date of re-eligibility or until the maximum benefit (equal to one (1) year of the current academic year salary plus EREs for the Research Faculty member) is reached, whichever occurs first. The Research Faculty member will have no further opportunity to establish eligibility for or accrue additional salary reserve benefit.
4. If a Research Faculty member's employment with NAU is terminated or payroll title is changed for any reason, the salary reserve benefit is forfeited. Promotions within the Research Faculty track and changes to/from NCF (No Current Funding status) do not impact salary reserve eligibility.
5. Salary reserve funds are intended to act as a bridge from one funding source to another for Research Faculty. Thus, there is the expectation that a Research Faculty member actively drawing down salary reserve funds will make a good faith effort to secure future funding to support their position at NAU. NAU reserves the right to rescind access to the salary reserve funds if it reasonably believes that such a good faith effort is not occurring.
6. Salary reserve funds cannot be used as a cost-share for work associated with any sponsored project. Work effort funded through the salary reserve benefit may not be assignable to any sponsored project.
7. Administration of the Research Faculty salary reserve benefit will be jointly conducted by the University Budget Office and Office of the Vice President for Research. These offices will monitor and review all aspects of application of this policy.

## **8. Salary Differential for Research Faculty**

- A. Salary levels for Research Faculty are negotiable independent of department/college/HR guidelines. Because Research Faculty are expected to support their own salary and are not granted tenure, it is reasonable that their salary rates be competitive with the market rather than with a typical percentage of CUPA standards for other university Faculty positions. However, Research Faculty should understand that a higher salary may make full reserve funding (see Section 7.D) more challenging.
- B. Salary requests for Research Faculty will be reviewed and negotiated among the center/institute director, the Provost, and the Vice President for Research.
- C. There should be no assumption that Research Faculty will be absorbed by an academic department if that individual is unsuccessful in supporting his/her salary through external grants within three to four years after affiliation with a center/institute. This understanding must be clearly stated in all offer letters and annual contracts.

- D. The academic appointment of a research Faculty member will reside in either a department or at the dean's level.

### **9. Distribution of F&A Generated by Other Faculty**

- A. Because of their interdisciplinary nature, centers/institutes will occasionally draw upon talented researchers who are members of the Faculty. Recovered F&A distributions for these Faculty serving on a sponsored project will flow back to his/her college and department, with up to 20 percent going to the college and up to 10 percent going to the department, and some portion of the department percentage going to the Faculty investigator.
- B. The amount of F&A that will flow back to the college will be calculated using the percentage of credit assigned to the Faculty member on the sponsored project as established at the time of proposal submission.
- C. In the event that teaching time or extensive research time (above the percent effort allocated to research in the SOE) is involved, a center/institute and college can negotiate buyout of Faculty time for participation in unit sponsored projects. This negotiated buyout can help compensate the college for earlier career investments, initial start-up costs, and loss of teaching/mentoring expertise. Consideration must be given to the needs of academic departments to maintain a population of productive researchers. Departments must not have their teaching capabilities too adversely affected by Faculty participation in center/institute projects.
- D. Departments and colleges must also recognize that the full potential of Faculty members' scholarship may require inter-academic unit effort and contributions or buy-out of teaching time. Individual department resources are frequently insufficient for interdisciplinary and large team approaches to research. Sharing Faculty with centers/institutes will immediately enhance NAU's research base, and departments/colleges should encourage and not restrict these opportunities.

### **10. Travel Approval Processes for Center & Institute Faculty & Staff**

The minimum requirements for travel approvals within Centers & Institutes are as follows:

- A. Non-faculty employees who report within Centers/Institutes must have travel approval through their direct supervisory chain within the Center/Institute.
- B. Faculty who work within Centers/Institutes must have travel approval from the chair or director of their academic unit for travel occurring during the academic contract period; off-contract travel by faculty requires approval by the Center/Institute director.
- C. Travel by Center/Institute directors should be approved by their supervising Dean, or by the appropriate VP for those centers that report directly to a VP. If a center/institute director is also a faculty member, their chair should be notified and consulted in the event that travel interferes with their academic obligations.

In addition to the requirements above, Centers & Institutes may have their own internal requirements for travel approval, including financial administrative review to ensure availability of funds.

## 11. Periodic Review of Centers and Institutes

Centers/Institutes will undergo periodic review and assessment through an internal process. During this process, a standard set of data is presented to evaluate the adequacy and effectiveness of a center/institute's human, financial, and other resources. Each center/institute draws upon this data set and its own historical records and planning to reflect upon the program's status and opportunities in a "self study." Such a review acknowledges the diverse missions and structures of centers/institutes while providing a concrete basis for evaluating performance and making recommendations for future activities and investments.

- A. The review of centers/institutes is overseen by the Office of the VPR, and is carried out by an internal committee consisting of representation from the offices of the VPR, Provost and appropriate dean.
- B. Elements of self-study and review are analogous to those used for Academic Program Review: (<https://in.nau.edu/curriculum-assessment-accreditation/academic-program-review/>)
  1. Copy of mission statement, founding documents, or latest strategic plan for unit.
  2. Standard data set for most recent seven (7) years. A useful way to plan for the self-study review is to use the following template for annual reports. (Not all items apply to all centers/institutes.)
    - state budget dollars and FTE, by year, for personnel and for operations
    - TRIF funding or allocation, by year
    - grant/contract dollars, by year (total, direct, indirect)
    - local revenues generated, by year, and administrative overhead generated for university
    - NAU Foundation funding generated, by year
    - state-funded Faculty lines or partial FTE assigned to center, by year
    - grant proposals submitted by center/institute personnel (funded, declined, pending)
    - peer-reviewed publications by center/institute personnel
    - technical or other (non-peer-reviewed) publications by center/institute personnel
    - contributions to instruction by center/institute personnel
    - courses designed and offered, certificates, enrollments, internships supervised, students employed, other.
  3. Narrative review of mission-relevant accomplishments during review period.
  4. Identification and assessment of significant challenges and highest-priority opportunities for unit.
- C. Following the receipt of the self-study report, the center/institute shall draw up an action plan for review by VPR, dean, Provost — This review process provides the university with the opportunity to re-assess university investment in the center/institute and strategic thinking about its role over the next 7 years.

- 12.** Centers/Institutes, in their annual reports to their deans, should list grants funding for Faculty members (both center/institute Faculty and affiliated department Faculty) including the specific direct and total costs assigned to each Faculty member for the given year. This information can be used by departments and deans in their reports of departmental/college productivity.
- 13.** Centers/Institutes should not have the expectation of permanence. Typically, centers/institutes form to address specific issues or problems and cease activities when their objectives are met, or when the center no longer addresses the original objectives, or when the productivity of the center/institute declines significantly.
- 14.** Any changes to this policy will be applicable to centers/institutes as of the revision date.
- 15.** The President has the right to add conditions or exceptions to any of the policies described in points 1-13. With the President’s approval, the University may request the disestablishment, merger, or renaming of existing centers/institutes by following the process outlined in ABOR Policy 2-223. The ABOR Executive Director must approve the disestablishment, merger or renaming any existing centers/institutes.

### Related Information\*

[ABOR Policy 2-222 Descriptions and Definitions of Academic Units](#)

[ABOR Policy 2-223 Academic Locations, Degree Programs, and Organizations Units](#)

### Policy History\*

- 03/03/2026: Interim policy approved. Updated with addition of Section 10, “Travel Approval Processes for Center & Institute Faculty & Staff”.
- 08/01/2024: Updated Section 7.D., removed the application form from Section 2, and formatted policy based on new policy template.
- 03/01/2013: Origination date.

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\* Related Information and Policy History are solely for the user’s convenience and are not part of the official university policy.