

Research Center and Institute (Tier 1) Reserve Account Guidelines

Purpose

Reserve accounts may be established by Tier 1 Centers and Institutes. The purpose of the reserves is to provide a means for units to save for large, extraordinary capital needs, provide bridge funding for staff salary and fringe costs during and/or for unpredictable or non-trend like needs (pandemic, national crises, etc.) and similar purposes. Tier 1 Centers and Institutes are self-supporting organizations that receive no general fund support, are responsible for much or all of their facility and administrative expenses, employ a number of soft funded staff, have a Director that dedicates a substantial portion of their effort to leading the Center or Institute, and may be a separate organizational unit of the University. Current Tier 1 Centers and Institutes include: Keweenaw Research Center, Michigan Tech Research Institute, Great Lakes Research Center, Applied Power Systems Research Center, Center for Technology and Training, Institute for Computing and Cyber Systems, and Health Research Institute.

Practice

A Tier 1 Center or Institute will address the request for a reserve account to the Vice President for Research (VPR). The intended use and expected maximum amount of funds to be accumulated must be documented in the request. A minimum of \$50,000 must be available to fund the reserve account in a single transaction. The VPR will send approved reserve account requests to the Associate Vice President for Finance (AVPF) for approval and the AVPF will send approved reserve account requests to Sponsored Programs to be established.

Guidelines

- Reserve accounts will be identified with E35nnn index numbers.
- General Fund moneys shall not be transferred into reserve accounts.
- Funds may not be expended from a reserve account, but must be transferred into a Plant Fund account (if for capital projects), payroll account (if for bridge funding), or other similar account, prior to being expensed.

- The VPR and AVPF must approve transfers out of Tier 1 Center and Institute reserve accounts.
- Reserve accounts are not subject to the administrative fee.
- The Centers and Institutes will determine if there is a need for one reserve account or multiple reserve accounts based on their specific needs and funding.