**Research Core Facility Subsidy Process**

As detailed in the memo from VPRI Conover on October 26, 2018, RCFs will be operating under a new subsidy model that is based on a percentage of RCF labor costs going forward. The OVPRI will be evaluating this new model over the next two years to determine its viability and success, and we welcome feedback from RCF staff and faculty. Planning meetings with each core during the Fall of 2018 began to articulate how the subsidy process would be implemented. This document outlines that process going forward.

**Purpose**:

* To ensure that RCFs are well-positioned to address future research needs of faculty, students, researchers, external collaborators and industrial partners, as well as their own pursuit of long-term success and sustainability.
* To provide a fair and transparent process across all RCFs for providing institutional support in the form of a subsidy for RCFs.

**Process:**

1. For a given fiscal year, RCFs will go through their typical costing process approximately 6 months in advance to project revenue and costs and to evaluate rates. At this time, RCBS will provide an excel spreadsheet that contains the proposed subsidy amount for each RCF and how that amount was determined, for review and discussion.
2. As in the past, whole year subsidies for a given fiscal year will be transferred to RCFs in August. This money will be moved into an ICC account for the RCF and not into the service center account as was done previously. The RCF Director/Manager and FAC have broad discretion in if/when that money is moved into the service center to prevent any negative balances. Note that negative balances in service center accounts are charged interest.
3. Given that labor costs are a constantly moving target, in September, RCBS will provide an update on the projected subsidy for the current fiscal year. Updated projections will be supplied to RCFs for review and discussion if warranted. Adjustments will be made to RCF ICC accounts by January if needed.
4. At the end of the fiscal year, OVPRI may assess negative balances and adjust service center balances as needed for compliance with all applicable laws. RCFs that have consecutive years with negative balances will be subject to an RCF review process described in the RCF Business Evaluation document.

**Caveats:**

1. ICC accounts allow accumulation of reserve funds for RCFs with positive balances and going forward; it is not expected that RCFs will carry significant positive balances in service center accounts.
2. Money can be pulled back to OVPRI from RCF ICC accounts, but generally only in instances where the subsidy for a given fiscal year is projected to be or was actually more than the agreed upon subsidy calculation.
3. Cores that wish to save a significant amount in their RCF ICC accounts must develop written plans for these funds, such as saving up for equipment, to be reviewed and approved by the VPRI. RCFs without an approved written plan will not be allowed to have significant positive carry-forward in RCF ICC accounts.
4. Changes in staffing will not automatically trigger a change in the subsidy, but best approximations for fiscal year projections will be made at each timepoint described above.