



Arts and Sciences

UNIVERSITY OF SOUTH CAROLINA

POLICY: Guidelines for Startup Funds

DATE: September 1, 2023

I. PURPOSE

This policy provides the college-level framework for the use of startup funds in the College of Arts and Sciences (CAS) at the University of South Carolina. Faculty members are provided with startup funds for the purpose of establishing and enhancing their professional development and research. Startup funds are to be used to establish a strong foundation for research and teaching programs that are sustained over time. Faculty are expected to deploy these resources in a manner that will enhance their national and international reputations as scholars and teachers and facilitate the acquisition of federal grant funding or other external funds to support their ongoing scholarly activities.

II. POLICY

- A.** Startup funds are included in the official offer of employment from CAS. The amount of the startup package and period of availability are stated in the body of the offer letter signed by the CAS Dean. Any offer of support outside the official offer is not guaranteed by CAS and does not constitute a contractual obligation. The funding of the startup package is negotiated between the Office of the Dean and the hiring unit and is outlined in a separate memorandum.
- B.** The utilization of startup funds is subject to all university policies and procedures governing the expenditure of resources. Departmental business managers can provide guidance regarding university rules relating to procurement of equipment, reimbursement for travel expenditures, contracting for renovations, and the purchasing of books, supplies, or other academic/research materials. Startup funds may be used to cover salaries, fringe, and tuition of graduate students and salaries and fringe of undergraduate students and other research personnel. Summer faculty salary and fringe, also referred to as extra compensation (ECOM), should not exceed 4 months at full pay over the course of the commitment (if applicable) and no more than two months at full pay per year without Dean approval. Departmental human resources managers should be consulted to ensure adherence to applicable state, university, and college policies and procedures.

III. PROCEDURE

- A. CAS has implemented a procedure to establish a startup project account for each newly hired faculty member. These project accounts are N-funds. The Office of the Dean transfers funds on a prorated basis each year, subjective to the terms of the offer letter. These project accounts also serve as the account for other start-up funds to be added (department or Provost contributions). If additional funds are needed by the faculty beyond the annual allocation, a written request with a brief justification should be sent via the unit head to the Dean. If approved, either additional funds will be added or a commitment will be established. Please note all commitments adhere to the College's reimbursement process.
- B. All College startup obligations prior to FY19 are set up as commitments. Expenditures are posted to a department account and reimbursement is requested through the commitment reimbursement process.
- C. Departmental business managers are solely responsible for tracking and managing any departmental portions of startups, including expenses, available funds, and commitment end dates.
- D. Startup funds are initiated at the time of the new faculty member's official start date at USC. In exceptional cases where there is a demonstrated research need to purchase items prior to the start date (e.g., the purchase of instrumentation with long lead times), a risk account may be initiated prior to the official start date provided that the department is willing to cover the costs for the expenditures in the unlikely event that the incoming faculty member does not join USC. ***Units must seek approval from their Associate Dean*** and are advised to exercise caution in utilizing this pre-spending option.

VI. ACCEPTABLE USES

All university policies and procedures must be followed when using startup funds. This includes purchasing regulations and policies governing the use of A, E, or N funds. For example, furniture for personal use (i.e., a couch for an office) is not an acceptable use of university or CAS funds. Startup funds may not be used for any expense that is prohibited under university policies and procedures.

- A. Unless otherwise specified, startup funds may be used for the purchase of necessary equipment and supplies, travel and other professional development activities, and other research-related expenses. In some cases, laboratory remodeling, course buyouts, and summer salary (to include associated fringe benefits) may also be allowed. This should be outlined in either the offer letter or an MOU signed by the faculty member, the unit head, and the CAS Dean.
- B. Faculty Summer Salary: Startup funds may be used to provide extra compensation during the summer as specified in the offer letter (if applicable) up to the maximum allowed under university policy. Total compensation during the summer may not exceed 33.3% of the academic year salary. Both salary and fringe costs will be charged against the startup account. Summer compensation is subject to change on an annual basis. It is the expectation of CAS that individuals who pay themselves summer salary from startup will return to the faculty in the fall. CAS will not reimburse commitments for summer ECOM or related fringe expenses for faculty members who do not return to service in the next academic year.

- C. Hiring undergraduate and graduate students and research personnel: If allowable, startup funds may be used to support salaries, fringe, and tuition of graduate students and salaries and fringe of undergraduate students and research employees. All USC guidelines and procedures must be followed when hiring.

VII. SEPARATION FROM SERVICE

- A. If the faculty member separates from the university within their first three years of employment (or at any date prior to the end date of the startup package), the startup package will be terminated. All residual funds will be returned to the College and the units proportional to their contributions, unless otherwise specified in the offer letter.
- B. CAS will not reimburse any expenses that are incurred after notification from the faculty member that they are resigning.

VIII. EXTENSIONS

Unless otherwise specified, startup funds are available for use for three years from the date of employment. Requests for extensions must include a detailed plan for the expenditure of remaining funds. The request must be submitted from the faculty member via the unit head to the Dean for approval.