Guidelines on the disposition of unspent discretionary funds held by retiring or departing faculty.

When members of our faculty decide to retire or resign to take a position at another institution, our first priority is to express our gratitude for their service and to encourage them to remain our colleagues and collaborators. We wish the separation of personnel from our campus to go as smoothly as possible and with recognition that retiring or departing faculty may have financial obligations on our campus that will extend beyond their leave date (e.g., to complete funded research projects, support continuing graduate students, etc.). At the same time, it is important that faculty members understand that discretionary funds—whether accumulated via endowment earnings, special allocations, indirect cost recovery receipts, start-up support, HASS allocations, etc.—are university (and public) resources that have been allocated to them as long as they are active members of our faculty.

In a spirit of mutual respect, and to honor our obligation to steward public funds wisely, unit heads should work proactively with departing and retiring faculty members to manage their discretionary funds purposely and appropriately. In managing such matters, the following guidelines should be considered and communicated to the faculty members. Note that exceptions can be made to these guidelines in cases of retiring the faculty members who remain on campus and maintain an active research program with externally funded research.

1. As soon as possible after units heads become aware of a faculty member's intentions or plans to resign to take a position at another institution or retire, an accounting should be made of all "leave-behind obligations" (for example, support for students remaining here or postdocs and research staff who have existing employment contracts for which the campus is obligated, deficits in all accounts, etc.). A meeting should occur between the department head and/or business manager and the departing faculty member to go over all accounts, explain the university's policies, and formulate a plan for the faculty member's discretionary funds. In cases where the faculty member is working with a research institute outside the department, the institute should also be engaged in the conversation.

2. Any "leave behind obligations" should be met using funds from the faculty member's research and discretionary accounts in the following order:

    a. Applicable sponsored research contracts (see 6 and 7 below);
    b. The faculty member's ICR account;
    c. The faculty member's unrestricted research gift accounts;
    d. The faculty member's other gift accounts (such as named appointment-related);
    e. Any other discretionary commitments from department, college, campus or system (start-up funds, University Scholar support, HASS, etc.).

3. After meeting those obligations, any remaining funds in the ICR account revert back to the department/unit.

4. Any balances remaining in the faculty member's startup accounts should be returned to the department, college, and campus units that provided the funding, in the same percentages as their original contributions. Likewise, balances from special discretionary commitments (University Scholar, HASS, etc.) should be returned to the department, college, campus or system in the same percentages as their original contributions.

5. The faculty member should be informed that no equipment may be physically removed/transferred until appropriate paperwork is completed and required approvals are in place.

6. Remaining sponsored project funds for which the faculty member is the principal investigator may often be transferred to a new employer, with unit head and sponsor approval. When possible, funding for continued support of graduate students remaining at Illinois should be subcontracted back to Illinois, with an Illinois PI being named. Note that faculty members who take a position at another institution CANNOT remain as a PI on sponsored projects at Illinois following their departure with possible exceptions for emeriti who remain actively engaged and present on campus. It is important to keep in mind that grants and contracts with external sponsors include legal obligations that must be considered as part of such transitions, and faculty and units should work with the relevant campus units, such as OBFS and OSP to be sure that these are handled properly.

7. In the case of remaining sponsored project funds for which the faculty member is the principal investigator and for which transfer to another institution is not allowed or is not the preferred option for sustaining the research, another faculty member shall be assigned as PI who is capable of carrying out the research, with unit head and sponsor approval, or the funding will be returned to the sponsor. Exceptions can be made for emeriti who remain actively engaged on campus.

8. Gift funds that were not generated by the faculty member explicitly for her/his research revert to the department or college, depending on the source of funds. For example, funds from the college endowment for a professorship would return to the college. Funds from an industrial gift to the department would return to the department.

9. For gift funds that were explicitly targeted by the donor to support the faculty member in his or her research, up to 10 percent will remain with the department to cover administrative costs if a) the fund agreement permits and b) those costs were not assessed to the gift at the time it was received, and the remaining 90+ percent can be transferred with the exiting faculty member, assuming "sponsor" approval has been obtained.

10. Using discretionary funds to cover the costs of travel to conferences or symposia is permitted provided the commitment to attend was made before the faculty member's decision to resign or retire and the event occurs before the faculty member's separation date. Executive officers may approve reasonable exceptions to this policy at their discretion.

11. Any and all remaining reimbursements/expenditures from any retiring or departing faculty members' research accounts shall be approved by the unit EO. Such expenditures should be limited to reimbursements of costs already incurred. Please note that equipment purchased with University of Illinois funds can only be transferred to another university with special permission. No permission should be given for equipment purchased after the faculty member's intent to resign was known.

Please note that these guidelines focus on financial-related matters. There are other important issues that must be considered as well, including the development of an appropriate plan to ensure that students advised by the departing faculty member are not penalized because of the departure, and whether or not the departing faculty member will retain laboratory or office space. Additionally, if the new employing institution is foreign or a private business, some of the above guidelines may not apply. For example, it is not likely that federal sponsors would allow a transfer of their award or related equipment outside of the United States or to a corporate entity.

Also note that these guidelines are targeted at faculty members who accept a position at another institution following retirement/resignation. In situations where a retiree does not accept another position, remains in the area, maintains an active research agenda on campus, and is engaged in advancing the mission of his/her department and college, the Executive Officer, with approval from the dean, shall have the ability to authorize continued use of a portion of the faculty member's discretionary fund balances upon review of a spending plan submitted by the retiree.