

CSE Faculty Startup Package Frequently Asked Questions

Last Revised: 8/9/24

1. **Where can a faculty member find the duration of their Startup package? When can a faculty member start using the funds in their Startup Package?**
 - a. The start date and duration of the faculty member's startup package can be found in their offer letter. A faculty member may begin charging expenses to their startup package effective as of the startup start date in their offer letter.

2. **What can a faculty member use their Startup Package funds for?**
 - a. The funds can be used for the purposes outlined in the offer letter and accompanying detailed excel file.
 - b. All startup expenditures must be compliant with CWRU Business Policies, which can be found here: <https://case.edu/policies/> It is the faculty member's responsibility to ensure that startup expenditures (including reimbursements) are compliant with CWRU Business Policies. Faculty members are encouraged to consult their business manager if they have questions about specific expenditures or reimbursements, prior to incurring the expense.
 - c. Expenses are expected to have a legitimate business purpose, and be actual and reasonable, including travel expenditures. Faculty are encouraged to work with the University's contracted travel agents to secure preferred travel arrangements and rates. Website: <https://case.edu/travel/travel-resources/preferred-travel-agents> or ask your Business Manager for contact information.
 - d. Personal furniture is not an allowable expense on startup package funds.
 - e. In some cases, additional terms and conditions may apply to startup packages. If there are additional sponsor terms that apply, this information will be communicated to the faculty member and business manager.

3. **How are moving and relocation costs handled? And what costs are eligible for reimbursement?**
 - a. Most faculty are offered relocation assistance as part of their startup package. It is expected that these funds will be expended within the first year. Any extension must be pre- approved.
 - b. To reduce out-of-pocket expenses, faculty may opt to work with University Procurement to pay for professional moving costs directly out of their startup account. Procurement policies must be followed pursuant to these guidelines: <https://case.edu/procurement/purchasing/how-buy>. Professional moving services costing \$9,999 and below only require one quote, moves costing more than \$10,000 require at least two quotes. Those choosing this option should work with their Departmental Manager. Further, travel arrangements may be made through the University's contracted travel agents so that airfare and hotel may be directly billed to the startup account.
 - i. A list of CWRU's preferred / approved moving companies can be provided upon request.
 - c. Other eligible moving expenses would include airfare during the move or for trips to find housing, hotels during these trips, gas reimbursement, car rental, and temporary housing.

Proper receipts must be provided as detailed in the university travel policy found here: <https://case.edu/policies/> Further questions about eligible costs may be addressed to the Department Manager or Dean's Office.

- d. Relocation costs are capped at the amount listed in the signed offer letter. You may not borrow from other startup budget categories in the offer letter to use towards relocation costs. In the event that your moving costs are quoted to be higher than the budgeted amount listed in your signed offer letter, we would have to explore how that would be handled but it may be as simple as writing a check to the university for the difference (if paying for the moving costs with a Purchase Order rather than reimbursement).
- e. Unspent relocation costs may not be rebudgeted, including towards summer salary.

4. Please explain the tax applied to moving and relocation expenses in Startup packages.

- a. The Tax Cuts and Jobs Act (TCJA) legislation passed in December 2017 included a change relating to the taxing of relocation or moving expenses. Effective January 1, 2018, all reimbursements for relocation/moving expenses are taxable to the employee due to TCJA. This change not only applies to new contracts but to any outstanding reimbursements/moves on existing contracts.

5. Can a faculty member request an extension of their Startup package duration, if unspent funds remain at the end of the initial term? When should such requests be submitted?

- a. Faculty members with unspent startup funds at the end of their stated startup term may request an extension from the Dean's Office (Associate Dean of Finance: Cena Hilliard).
- b. Initial/First Extension: Submit requests to the Associate Dean of Finance. Typically, a one-year extension is granted.
- c. Subsequent Extensions: Faculty members seeking extensions beyond one-year should submit a detailed spending plan along with the requested extension time period to the Associate Dean of Finance for review.
- d. Timing: Startup extension requests should be submitted to the Associate Dean of Finance for review no later than the end of the Spring semester. Extension requests received after this time may not be able to be accommodated, depending on fiscal constraints. Faculty members should copy their business manager when submitting extension requests.

6. Can a faculty member rebudget their Startup Package funds?

- a. Generally, a faculty member may request to rebudget remaining startup funds between expense types with the exception of construction/renovations, graduate student stipend and tuition, moving (relocation) expenses, and summer salary, provided there are no applicable sponsor or other restrictions.
- b. A faculty member should submit a prior approval request to rebudget remaining funds to the Dean's Office (Associate Dean of Finance). Rebudget requests should include a justification for the changes, the proposed changes by specific expense category and amount.
- c. Renovation / Construction: These costs are generally paid directly by the Dean's Office and are tracked separately from the rest of the startup package funding. The Dean's Office takes on the risk of overages, and recoups remaining funds, in the unlikely event that should occur. Renovation and construction startup funds may not be rebudgeted.

- 7. Can the Faculty's Summer Salary be charged to the Startup package?**
 - a. If summer salary was specifically included in the startup package, yes.
 - b. Startup summer salary is limited to the number of months stated in the signed offer letter. Additional months of summer salary using startup funds may not be requested, including rebudgeting funds from other startup budget categories to increase the number of months of summer salary.

- 8. Cost Share: Can the Startup package be used to support cost share, assuming the funding agency's cost share requirements are met regarding allowability, allocability, applicability?**
 - a. Academic Year (AY) Salary: No; cost shared AY should be covered by the department rather than the startup speedtype.
 - b. Summer salary for PI: If the faculty member has remaining summer salary commitment in their startup package, then this could be counted towards cost share. In this scenario, the faculty member must request prior approval from the Dean's Office, and include the proposed plan in the Proposal Information Form (PIF) that is submitted. Approval would be contingent upon compliance with the sponsor's cost share requirements, remaining funding, and other considerations applicable to the specific request.
 - c. All other requests will be reviewed by the Dean's Office on a case-by-case basis and require prior approval before proposing to a sponsor or implementation.

- 9. Why is faculty AY salary a departmental expense, rather than a Startup expense (for faculty with Startup packages)?**
 - a. This is how all CSE startup packages are structured.

- 10. Can Startup funds be used to pay a temporary administrative employee (i.e. through Kelly Services)?**
 - a. Yes, faculty may request to rebudget startup funds with prior approval from the Dean's Office, and provided that the overall FY and startup budget is not exceeded. See Question 6 above.

- 11. What happens to the unused Startup funds if the faculty member with a Startup separates (or resigns) from Case Western Reserve University, and/or Case School of Engineering?**
 - a. Faculty who tender their resignation to and/or otherwise separate from CWRU and/or CSE shall relinquish their unused startup funds effective immediately upon CSE's receipt of the recipient's resignation letter ("Resignation Notification Date"). New expenditures from any startup funds require prior approval from the Dean's Office after the Resignation Notification Date, and such proposed expenditures must benefit CWRU or the department in some way. Please see below for additional information for specific circumstances.
 - b. Unspent startup balances will remain with the University upon faculty member's departure.
 - c. If there are any sponsor-specific restrictions or criterias relating to the disposition of startup funds upon faculty departure, then those conditions shall take precedence.

- d. **Example 1:** On February 1, a faculty member tendered their resignation effective Jun 30, 2022 to the CSE Dean. The faculty member has \$10,000 remaining funds in their startup package as of January 2022 and plans to travel internationally in March 2022 using their startup funds to cover the travel expenses. The faculty member has not yet requested prior approval for this international travel. Under this policy, the faculty member must request prior approval from the Dean's Office for startup expenditures after their resignation notification date, and must include a justification that demonstrates the benefit to CWRU or the department of the proposed travel.
- e. **Example 2:** A faculty member tendered their resignation effective November 30. They have \$50,000 in startup funds remaining as of the date of their resignation, and they have two graduate students with stipend and tuition needs for the remainder of the Fall and following Spring semesters. The faculty member may request prior approval from the Dean's Office to use the remaining funds towards their graduate students' stipend and tuition expenses.

12. A faculty member has purchased equipment and other items using startup funds. Who owns those items? Can the faculty member take those items with them to their new employer when their employment relationship with CWRU / CSE ends?

- a. Anything purchased using startup funds is the property of CWRU.
- b. Faculty members departing the university would need to negotiate with CSE to purchase any items bought using startup funds. Faculty members wishing to purchase equipment upon leaving CWRU/CSE should contact the CSE Dean's Office. Items determined eligible for purchase will be assessed at their fair market value.

13. What is the difference between the Startup Budget and the Annual Budget for the Startup?

- a. Startups are typically multi-year commitments that begin on the date specified in the faculty member's offer letter. CWRU's Annual Fiscal Year (FY) budget begins on July 1, and ends on June 30. A startup has an annual FY budget that is set during the annual budgeting process; the startup annual budget represents the forecasted expenditures for the applicable FY, and budgeted expenditures should not exceed the available remaining startup funds.

14. What speedtype should graduate stipend and tuition supported on startups be budgeted and charged to?

- a. Beginning in FY22 and going forward, graduate stipend and tuition should be budgeted and charged to the actual startup speedtype and department. This facilitates easier tracking of the startup package commitment, particularly year-over-year.

15. When a startup is funded from multiple sources, what sources should be used first?

- a. Generally, the expenditures should be charged to the most restrictive funds, in order of most restrictive to least. However, the funding documentation must be consulted for any additional parameters regarding eligible expenditures.
- b. **Example:** Faculty member has a startup funded from two RES speedtypes, plus an OPR speedtype. The RES speedtype #1 has a project period of 7/1/2020- 7/1/2021 and budget of \$100,000. The RES speedtype #2 has project period 7/1/2021-7/1/2022 and budget of

\$100,000. Aside from the project periods, the RES speedtypes do not have restrictions on allowable expenditures. The sponsor must give prior approval for extensions of the RES #1 or RES #2 project periods. The OPR does not have a project period and the remaining startup budget is \$200,000. The faculty member's startup package duration is 7/1/2020 - 6/30/2023.

- i. In this scenario, startup expenditures in the period 7/1/2020 - 7/1/2021 should be charged first to RES #1, up to \$100,000 of expenditures. If more than \$100,000 of expenditures are made in this year, the balance should be charged to the OPR speedtype.
- ii. Startup expenditures in the period 7/1/2021 - 7/1/2022 should be charged first to RES #2, up to \$100,000 of expenditures. If more than \$100,000 of expenditures are made in this year, the balance should be charged to the OPR speedtype.
- iii. Unless the sponsor approves extensions to the project periods for RES #1 or RES #2, startup expenses for the year 7/1/2022- 6/30/2023 must be charged to the OPR.

16. Do startup expenses charged directly to another speedtype, or journaled from the startup speedtype to another speedtype, still count towards the startup package?

- a. Yes. Occasionally, for various reasons, startup expenses on an unfunded speedtype may be supported from a funded source. In these cases, the Dean's Office will notify the Department Manager of the action needed. Department Managers are responsible for tracking startup expenditures against the startup commitment, regardless of the speedtype used. For startups using BGT speedtypes, the Dean's Office will reduce the BGT startup speedtype budget to reflect the utilization of their startup on the non-BGT speedtype.
 - i. **Example 1:** An equipment purchase is selected to be paid from an Endowment speedtype provided by the Dean's Office. The expense is charged directly to the endowment. The department manager should track this expense in the multi-year startup tracking document for that faculty member and reduce the remaining startup budget accordingly.
 - ii. **Example 2:** Graduate stipend stipend and tuition is selected to be paid from an Endowment speedtype provided by the Dean's Office. The expenses are journaled from the department and startup speedtypes to the designated endowment (alternatively the tuition may be charged directly to the designated speedtype). The department manager should track these expenses in the multi-year startup tracking document for that faculty member and reduce the remaining startup budget accordingly.

17. How are Startup Package overages handled?

- a. Startup package overages should be resolved as soon as they are identified, no later than June 30th of each fiscal year.
- b. Startup package overages are the responsibility of the home department of the startup package holder, meaning that startup package overages will be journaled to the home department OPR speedtype unless another open speedtype with funding is provided by the department to cover the overages.

18. Can purchases be made using Startup Funds prior to the start date listed on the new faculty hire's signed offer letter?

- a. Requests to purchase equipment or other items with startup funds prior to the new faculty hire's start date listed on their signed offer letter must be emailed to the Associate Dean of Finance in the CSE Dean's Office for review and approval prior to submitting or processing an order. The department may be asked to provide additional information about the proposed order(s), such as a vendor quote with terms and conditions, including payment terms, order lead time, item dimensions (especially for equipment), etc. Each request will be reviewed on a case-by-case basis.