



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

MEMORANDUM
Via e-mail only

Date: September 14, 2020

To: Deans and Directors

From: John Karl Scholz, Provost and Vice Chancellor for Academic Affairs
Laurent Heller, Vice Chancellor for Finance and Administration

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Subj: 2020-21 Fund 150 Overhead Allocations

This memorandum documents the amount of federal indirect cost reimbursement carryforward balance that will be released to your unit as part of the 2020-21 Fund 150 overhead allocation. The project number and amount of your unit's allocation are listed in Appendix A.

As part of the new budget model recommended by the Budget Model Development Committee and approved by Chancellor Blank, allocations to schools and colleges are distributed according to a formula based on a two-year average of direct expenditures and overhead generated. Overhead generated and direct expenditures as categories are given equal weight in the formula, and the most recent year is given twice the weight of the previous year.

In addition, the new budget model used a similar methodology to redistribute a share of school and college Fund 101 budgets beginning with the 2016-17 annual budget development process.

The source of funding for this allocation is overhead generated by federal research grants and contracts. The revenue represents reimbursement by the federal government for prior GPR-funded administrative (both central campus and divisional/departmental) and facilities (e.g. debt service, operations and maintenance) expenditures in support of the organized research program.

The purpose of this allocation is to provide funding for investment in critical research staff resources and the capital needs of organized research programs. The federal overhead allocation is the primary source of support for the underlying infrastructure of UW-Madison's research enterprise. UW-Madison's state-funded budget has never been sufficient to meet the infrastructure requirements of the total research program. Given the recent decline in federal research awards, it is critical that you make optimal use of these funds by prioritizing their distribution to sustain and improve the long-term viability and competitiveness of your critical research programs.

Vice Chancellor for Finance and Administration

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The 2020-21 total Fund 150 capital exercise allocation to schools and colleges will be \$29.6 million, the same amount as distributed last year. As in the past, eighty percent of the campus-wide capital exercise allocation is made directly to schools and colleges.

Finally, it is important to recognize that UW-Madison must continue to manage its year-end balances in a manner that is transparent, accountable and understandable to all of its stakeholders. Within that context, you should make your best effort to expend your allocation before year-end while weighing the strategic nature of your research investments against potential timing constraints on release of funds. School and college indirect cost carryover balance were significant last year. Although all schools and colleges fully documented the commitments against those balances, the balances cannot continue to grow.

Please note that amounts listed in Appendix A relate only to your formula allocations. The Budget Office will follow up with units individually regarding specific purpose allocations.

The Budget Office will contact your budget staff regarding transfer of funding for specific purpose allocations. If you have any questions, please contact Jessica Hawkey (Jessica.Hawkey@wisc.edu).

cc: Chancellor Rebecca Blank
Vice Chancellor for Research and Graduate Education Steve Ackerman
Associate Vice Chancellor David Murphy
Jennifer Klippel
Jessica Hawkey

2020-21 Fund 150 Overhead Allocation (Formula only)

Budget Unit	Addressee	Project Number	Amount
College of Agricultural and Life Sciences	Kathryn VandenBosch, Dean	1502931	\$ 2,132,300
Division of International Studies	Guido Podesta, Dean and Vice Provost for Globalization	1502921	\$ 175,800
School of Business	Vallabh Sambamurthy, Dean	1502934	\$ 12,700
School of Education	Diana Hess, Dean	1502935	\$ 429,300
College of Engineering	Ian Robertson, Dean	1502936	\$ 3,315,600
School of Human Ecology	Soyeon Shim, Dean	PRJ25XM	\$ 163,500
Office of the Vice Chancellor for Research and Graduate Education	Steve Ackerman, Vice Chancellor for Research and Graduate Education	1502938	\$ 5,428,200
WISCIENCE	John Zumbrennen, Vice Provost for Teaching and Learning	PRJ32DG	\$ 15,600
Nelson Institute for Environmental Studies	Paul Robbins, Director	1502939	\$ 90,400
Law School	Dan Tokaji, Dean	AAI3411	\$ 11,000
College of Letters and Science	Eric Wilcots, Dean	1502941	\$ 4,768,600
Public Media	Gene Purcell, Director	AAG5932	\$ 3,800
Extension	Karl Martin, Dean	AAG9814	\$ 474,900
General Library System	Lisa R. Carter, Director	1502942	\$ 2,700
School of Medicine and Public Health	Robert Golden, Dean	AAD1389	\$ 10,443,300
School of Nursing	Linda Scott, Dean	1502945	\$ 32,800
School of Pharmacy	Steven Swanson, Dean	1502946	\$ 419,500
School of Veterinary Medicine	Mark D. Markel, Dean	1502950	\$ 781,400
Division of Continuing Studies	Jeffrey Russell, Vice Provost for Lifelong Learning and Dean	1502951	\$ 12,500
Wisconsin State Laboratory of Hygiene	James Schauer, Director	1502947	\$ 886,100