To: Jim Almond, Senior Vice President of Business Services and Assistant Treasurer
    Suresh Garimella, Executive Vice President for Research and Partnerships

From: Ken Sandel, Senior Director, Sponsored Program Services
    Dan Hirleman, Chief Corporate and Global Partnerships Officer

Date: September 10, 2015

Re: Industrial Memberships – Supersedes memos dated May 5, 2005 from Larry Pherson and Peter Dunn and December 18, 2014 from Dan Hirleman and Ken Sandel

This request for policy revision relates to centers and consortia supported by industrial membership fees which convey certain rights to its members by means of a Membership Agreement.

Since 2005, the University has had in place an F&A policy for industrial memberships affiliated with consortiums and centers. The F&A policy allows for no F&A to be charged if the following four guidelines are met:

1) The use of the membership fee paid cannot be directed by the organization paying membership fee
2) There must be a minimum of three organizations paying membership fees
3) Membership benefits must be the same for all members paying the same level of fee
4) Benefits provided through membership in the Center may not provide a competitive advantage for one member over all other members

Exception: An 18 month grace period from the signing of the first member or from the time membership falls below three until the F&A is assessed.

The benefits to the University and Center by not assessing F&A to those membership fees include:
1) A low-initial-cost opportunity for companies to engage with a variety of Purdue researchers
2) Increased number of Consortium members will increase potential for F&A-bearing funded research outside the shared core projects included in membership program
3) Increased resources available for the direct costs of Center activities
4) Increased competitive advantage in securing Center awards due to stronger industrial participation and a greater amount of resources dedicated to Center activities

As time and experience has shown, centers may require time to gain momentum and reach the required membership levels to qualify for the F&A waiver and results in increased difficulty to recruit the first members and launch the Center.

The purpose of this memo is to request your approval to revise the F&A policy to allow a company or organization with many divisions to purchase multiple memberships as long as their representation on technical committees and voting boards do not exceed one-third or three (3) total memberships, whichever is lower. This policy will be applied to existing and future membership agreements.

Approved:

James S. Almond
    Senior Vice President and Assistant Treasurer

Suresh V. Garimella
    Executive Vice President for Research and Partnerships

cc: Associate Deans for Research
    Sponsored Program Services Directors and Managers