

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

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

Date: October 13, 2017

Re: Industrial Memberships – Supersedes memos dated May 5, 2005 from
Larry Pherson and Peter Dunn and December 18, 2014 and September 10, 2015 from Dan
Hirleman and Ken Sandel

This request for policy revision relates to centers and consortia supported by 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 (corporate or governmental agencies) 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. Organizations with many divisions are allowed 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.

The purpose of this memo is to request your approval to revise the F&A policy to apply not only to corporate members but also to government agencies that join the consortium under the same terms and conditions as the corporate members.

Approved: *James S. Almond*
James S. Almond
Senior Vice President and Assistant Treasurer

Suresh V. Garimella
Suresh V. Garimella
Executive Vice President for Research and
Partnerships

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