

# Best Practices in Cost Recovery and Revenue Enhancement



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## **Complied by:**

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The purpose of this document is to provide specific examples of methods that RCE faculty and staff use to recover program costs and enhance revenue. It begins with a list of RCE employees who are currently practicing each of the 20 strategies for cost recovery and revenue enhancement described in the April 2006 RETF report, *Cost Recovery and Revenue Enhancement: Taking Ownership of Our Future*. This is followed by information provided by the contributing authors who completed a *Cost Recovery and Revenue Enhancement Best Practices Template* for the RETF between May and August 2006.

# **“Best Practices” Examples: RCE Cost Recovery/Revenue Enhancement Strategies**

## **#1- Teaching an undergraduate or graduate course at Cook College (SEBS)**

Nurgul Fitzgerald, Joel Flagler, Barb O’Neill, Deb Keenan, Carol Byrd-Bredbenner, Zane Helsel, George Hamilton, Bruce Clarke, Steve Hart, Ann Gould, Joe Heckman, Jim Murphy, Gary Pavlis (co-instructor), Mark Vodak, and others

## **#2- Teaching an online undergraduate or graduate course for Rutgers University**

Anne-Michelle Marsden (former RCE faculty member)

## **#3- Special Problems Advisor for SEBS students**

Carey Williams, George Hamilton, Joel Flagler

## **#4- Applying for grants that recover salary and fringe benefits**

Dave Lee, Bill Hlubik, George Hamilton, Barb O’Neill, Chris Obropta, Ginny Powell, Laura Bovitz, Lisa Rothenburger, Macy Compton, Dean Polk, Luanne Hughes, Karen Ensle, Maria Young, Joe Ingerson-Mahar, and others

## **#5- Contract with organization to buy out a piece of time for work on a project**

Barb O’Neill (NJ Coalition for Financial Education, National Endowment for Financial Education), Joe Ingerson-Mahar

## **#6- Contract with another land grant or state Extension program or CSREES-USDA to buy out time**

Mel Henninger (served as PA potato specialist in 1990s)

## **#7- Receive salary cost recovery for services provided to an eXtension Community of Practice**

Carey Williams, Barbara O’Neill, Luanne Hughes

## **#8- Trade money for time (voluntary reduction in work hours and pay)**

Pat Brennan, Rachel Tansey; others have also done this also on a case by case basis (consult department chair)

## **#9- Teach a course at another Rutgers campus, college or university, or community college**

Nobody that the RETF is aware of

## **#10- Teach a course for OCPE**

About 40 RCRE faculty members...see Jim Morris at OCPE for details

## **#11- Request honorariums for speaking or services for non-profits or corporations**

Karen Ensle, Barb O’Neill, Pat Brennan, Laura Bovitz, Macy Compton, Alayne Torretta, Ellen Williams, Maria Young, Rachel Tansey, Sharon Blasé, Daryl Minch, Laura Bovitz (True Colors/Character Ed.), Chad Ripburger, and others

## **#12- Develop a product or service in demand and sell it for a profit**

Robin Brumfield, Barb O’Neill, Pat Brennan, Luanne Hughes, Deb Keenan & Kathleen Morgan (*Jumpstart Your Bones*), Joe Ingerson-Mahar (IPM poster), Gary Pavlis (blueberry newsletter and NJ Wine Competition), and Jerry Ghidui

## **#13- Develop a product in demand and sell a license to use it indefinitely or for a certain time period**

Nobody that the RETF is aware of

## **#14- Charge fees for time-intensive, personalized services**

Bruce Barbour, Rich Buckley, Bob Mickel, Donna Foulk, and Dean Polk

## **#15- Become a trainer for mandatory regulatory compliance education and other requested programs**

George Hamilton and OCPE (lots of programs!); Deborah Cole and Jeannette Rea-Keywood (21<sup>st</sup> Century Learning Ctrs.)

## **#16- Cultivate relationships for substantial cash gifts that can be applied toward salary recovery**

Bruce Clarke (turfgrass program endowed chair), Nick Polanin (NJ Youth Corps)

## **#17- Obtain corporate financial sponsorships to underwrite the salary/fringe cost of a signature program**

Cranberry industry-Marucchi farm operation; Glassboro Youth Farmstand project (Luanne Hughes and Linda Strieter); Peter Shearer

## **#18- Apply patent royalties toward recovery of 10% of salary value**

Several turfgrass specialists have received patents

## **#19- Develop and implement improved office administration processes that recover money to apply to salaries**

Nobody that the RETF is aware of at state level; in some counties, CEDHs are able to transfer funds between operating and salary accounts

## **#20- Conduct a profit-making conference or speakers bureau for professionals to recover salary and fringe**

Penn-Jersey conferences, OCPE courses, Gary Pavlis (blueberry meetings)

Updated 8/15/06

## **Bruce Barbour**

Environmental Program Leader

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### **✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

We operate the *Rutgers Environmental Steward Program* as a fee based volunteer training and facilitation program.

### **✚ Approximately how much revenue have you generated?**

Gross fees were a bit over \$7,000 last year.

### **✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Currently held in accounts at the EcoComplex and program partner, Duke Farms Foundation. Some money will be moved to a sundry, according to a pre-arranged sharing agreement with collaborators.

### **✚ How did you get started? Who are your key contacts and cooperators?**

Inspired by work done by Hlubik et al. in Middlesex County with Master Gardeners. Assessed feasibility according to the “ABCs” of Extension; i.e., for any extension effort to succeed it has to have certain conditions existing, (or bring them into existence as part of laying the foundation.) Some of them are:

- A.) Real problems...with technology or knowledge in existence that can solve them but not being widely used;
- B.) Audiences who are aware of the problems and ready to change, ready to fix them...the teachable moment
- C.) Support...you could call this the "sugar daddy". Someone who sees the big picture and agrees with the need for change and has the means to at least get it rolling. This might be the Federal government or a foundation but, in the past, it has also been private industry and members of the public.

Partnerships formed on many levels, internal and external...too many to list here. One major partnership evolved with Duke Farms Foundation that brought significant labor and capital resources, but no cash.

### **✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

The quality of your feasibility assessment is everything. Too many people initiate projects where one of the ABCs is either missing or so weak that there is only a remote chance of success. Whole programmatic areas of extension are dogged by this problem. Know when it is time to give it up and change direction. Some educational situations just are not suitable for addressing in the context of extension.

### **✚ Other comments and suggestions about revenue enhancement?**

Given our current system and administrative set up, fee for service and contracts are going to be more attractive to most agents; there are too many headaches administering grants particularly for off-campus faculty. Usually county faculty don't have the title/reputation to win the large grants and small ones are more trouble than they are worth. Large grants are feasible for Specialists and researchers on campus but, instead of hiring new staff to work on grants, we should implement a system that encourages specialists to “hire” existing agents and program associates to get the job done. That would create genuine cost savings for the system. Otherwise I don't see how we really make any money on grants.

**Richard Buckley**  
Plant Diagnostic Laboratory Coordinator  
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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

Pay-per-diagnosis disease, insect pest, and weed plant problem solving  
Pay- per-sample soil nutrient testing service  
Fee based lecture service  
Participate in OCPE courses as instructor and course coordinator  
Contract laboratory services for research and demonstration grants  
PI for National Plant Diagnostic Lab Network grants program

**✚ Approximately how much revenue have you generated?**

\$50 to \$150K per year for last 15 years in plant diagnostic lab; \$360,000 for 2005 if soil testing lab revenue is included – 89% of total laboratory overhead including salaries and benefits.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Dedicated extension account

**✚ How did you get started? Who are your key contacts and cooperators?**

Internal loan from turf center - Joint administrative effort by Bruce Clarke, Ann Gould, Zane Helsel, and Karen Giroux (RCE/NJAES/COOK). Primary clientele: commercial turf, nursery, and landscape industry, including all stakeholders from producers to end users in residential landscapes.

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

You must develop and deliver a quality product.

**✚ Other comments and suggestions about revenue enhancement?**

Total cost recovery is nearly impossible – salary and benefits costs outpace revenue growth. I can provide detailed annual (calendar year) reports for the Plant Diagnostic Laboratory since 1991

**Bruce B. Clarke**  
Specialist in Turfgrass Pathology  
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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

One method that I use is teaching on-campus courses at Cook College. This summer, I am teaching a summer graduate course (all day Tuesday and Saturdays).

**✚ Approximately how much revenue have you generated?**

Hundreds of thousands of dollars before the endowment. These funds were raised by cultivating a contact that I met back in 1988 while conducting applied research at the Suburban Golf Course in Union, NJ.

**✚ How did you get started? Who are your key contacts and cooperators?**

The donor (Mr. Ralph Geiger) appreciated the benefits that our research provided to his course and the turf grass industry, and, over the next 15 years, we developed a close working relationship. This resulted in donations of \$100,000 for student scholarships, \$125,000 as seed money for the Geiger Education Complex built on Hort Farm II in 2000, and, most recently, the \$2 million gift for the endowed chair.

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

Over all, I guess the take home message for me was that, while doing your usual Extension/research duties, one should always keep an eye out for potential funding opportunities. Such opportunities may not always be obvious (it surely was not apparent to me for many years with Mr. Geiger), but identifying them and following up over several years can pay off for the individual and the organization.

**✚ Other comments and suggestions about revenue enhancement?**

The key for me was getting to really understand what the donor was interested in, being honest and up front with him regarding what we could and could not do in these areas, and then clearly articulating the needs of the turf program/Extension so that he his interests and our needs matched up well.

Once that was done, it was just a matter of choosing projects that were doable and then making sure that we delivered. Over the past 15 years, projects kept getting bigger until the final gift of \$2 million for the endowed chair was realized in the Fall of 2005.

**Joel Flagler**

CEDH and County Agricultural Agent, Bergen County  
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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

I have an 80/20 split appointment. I teach 3 courses for Plant Biology Department and am a faculty advisor to interns and Horticultural Therapy certificate students.

**✚ Approximately how much revenue have you generated?**

I generate approximately \$7,000 per year.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

The money is journal-entried to Rutgers Cooperative Extension by staff in the Extension Finance office. It is used by RCE to offset my salary..

**✚ How did you get started? Who are your key contacts and cooperators?**

I came up with idea of new curriculum in 1995. The Plant Biology department welcomed me warmly and I have been teaching courses ever since.

## **Jerry Ghidiu**

Specialist in Vegetable Entomology

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### **✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

In my Extension activities directed around agriculture, I’ve determined a field/area that few others are involved with, or have capabilities of working with, that gives me an advantage. I am increasing my workload with “chemigation”, which is applying fertilizers, pesticides, etc. through a trickle irrigation system. This technique reduces the amount of pesticides used, reduces application costs to farmers (because they already use the trickle system), and is highly desired by the agrichemical industry/EPA because of safety, pesticide reduction, increased effectiveness, etc. for vegetable production. Few states have this system, and fewer researchers utilize it as a pesticide-application technique (because of costs, labor, technology, etc). In general, NJ has been increasing the use of trickle irrigation for agriculture (as are many states because water use is a critical issue with many states). Because this is a relatively new use, many opportunities also exist for state-of-the-art irrigation injection equipment and precision mini-pumps, and even non-pesticide application considerations (fertilizers, plant growth enhancers, etc).

I use a NJAES Bulletin to “advertise” my results and send these to current and potential agriculture industry reps that have supported, or may support, such projects with grants. When they see the results and associate my name with this technology, they call to arrange a meeting to see how I can work into their company plans/needs or expand current projects.

### **✚ Approximately how much revenue have you generated?**

Small grants can add up to large totals, and with such a system as above, several ag companies can be included in the same test, each willing to support the effort. A higher dollar figure can be obtained because there are few locations throughout the US that conduct such research. In past years, small grants have totaled \$5 to \$50 K per year, but can only increase with this technology.

### **✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Mostly sundry RCE accounts.

### **✚ How did you get started? Who are your key contacts and cooperators?**

Meeting with ag reps and scientists at various professional and other agricultural meetings to find out where the “gaps” are: what’s needed and who is available to conduct that research. Several companies expressed an interest in trickle technologies but could not find research personnel to conduct these trials.

## **George Hamilton**

Specialist in Pest Management

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### **✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

I have a 10% teaching appointment

I do a good deal of teaching for OCPE

I have several grants that pay a portion of my salary and that of my staff

I receive contract money from private entities

**✚ Approximately how much revenue have you generated?**

Last year approximately \$300K, not counting my teaching appointment.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Some goes to my sundry account; other money goes to individual grant/contract accounts

**✚ How did you get started? Who are your key contacts and cooperators?**

They came to me.

**Jeannette Rea-Keywood**

County 4-H Agent, Cumberland County

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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

The Cumberland 4-H Program is very fortunate to have numerous service organizations, businesses and individuals who provide support for county 4-H events, volunteer recognition, national 4-H trips, and 4-H member awards and recognition. Without this sponsorship, many of the county-wide events would not take place because there is no line item in the county budget for recognition and awards.

**✚ Approximately how much revenue have you generated?**

I can not share amount without approval of my advisory board.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

With the 4-H Advisory Committee.

**✚ How did you get started? Who are your key contacts and cooperators?**

4-H program sponsorship has been established in Cumberland County over the past 50 years by making contacts with key leaders in the community, organization officers, business owners, etc. and asking them for support for various programs and events.

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

It is important to provide public recognition for program sponsors. Methods of public awareness and recognition include media releases and photo captions; radio programs; letters, flyers, ribbons and certificates which list the name of the program sponsor; and promotional packets.

**✚ Other comments and suggestions about revenue enhancement?**

Organizations, businesses, and individuals are very willing to provide support for the 4-H Youth Development program in the form of county event sponsorship, volunteer recognition and member awards. The important part to many sponsors is that their money is helping to provide educational opportunities and recognition for 4-H members.

**Chad Ripberger**

CEDH and County 4-H Agent, Mercer County

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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

Efforts include grants, fees for teacher education and program delivery, and support for services. Collaboration has been key.

**✚ Approximately how much revenue have you generated?**

Over the past three years, over \$160,000.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Grant account, RCRE sundry account, local 4-H programming account, and local 4-H advisory council account.

**✚ How did you get started? Who are your key contacts and cooperators?**

City of Trenton, Department of Recreation, Natural Resources, and Culture, provided approximately \$20,000 over the past two years to sustain and expand an initial program provided to youth at one of their community centers in 2004, *4-H Afterschool Adventure* (with a small CYFAR mini-grant). Sharing the impact of the pilot program was key to securing annual funding. I also maintain a close relationship with them by serving on their SCOOP (after-school initiative) Managing Board and Weed and Seed Steering Committee, and by participating in their annual summit. Our programming expanded to their 10 after-school sites and 5 summer day camps. We have developed a strong relationship with their site directors, and they know that we are investing a lot of our resources in their program for their youth.

The Department also provided an additional \$10,000 for the *Teens Teaching Middle School Youth Workforce Preparation Skills* program that was delivered primarily to teens and middle-school youth in Trenton during 2005-2006. This was a supplement to the \$30,000 grant from National 4-H Council. I got them to commit their support at the beginning as part of the proposal.

I have developed a relationship with the Princeton Area Community Foundation through the horse programming that we provide to Trenton youth in collaboration with the Mercer County Equestrian Center. The foundation’s Dorothy E. Katz Reading and Recreation Fund of Hopewell Valley has funded a week of summer day camp at the center each of the past two years. We anticipate this support to be annual as well. I recently presented the program at a Park Commission meeting and highlighted the collaboration.

Each year I work with OCPE to secure funding for our *Youth Farmstand* program from our local Workforce Investment Board and One-Stop Career Center (WIA funding for in-school youth). This support has been annual for the past several years.

Currently working with the National Science and Technology Education Partnership (NSTEP) located in Arlington, VA to provide science and technology education programming to youth in four NJ counties. Pursuing funding (\$25,000-\$150,000) for this initiative in cooperation with NSTEP and working directly with their development officer (revenue shared 50/50).

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

Provide relevant high quality programming to those who need it most. The best way to get someone to fund your programming is to be able to showcase what you are capable of providing. Start on a small scale, do it right, document your impact, and share it! With funding, you can grow your efforts beyond the initial project.

Collaborate, collaborate, and collaborate. Effective collaboration brings opportunity after opportunity. We do not have ALL of the resources needed to effectively impact the issues we address. Through collaboration, you can capitalize on the unique resources of each organization in order to better affect your audience, community, etc. Decide what you want to accomplish, decide who has similar goals but the complement of resources you need and cultivate a relationship. Funders like to reward effective collaboration.

Make sure you are delivering 21<sup>st</sup> century Extension programming – not early 20<sup>th</sup> century (issues, target audiences, community collaborators, program delivery). A lot of money is available for 21<sup>st</sup> century programming.

**✚ Other comments and suggestions about revenue enhancement?**

Extension needs a development officer.

**Don Schaffner**

Specialist in Food Science  
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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

Teach short courses, get grants, do small “grant-in-aid” type research

**✚ Approximately how much revenue have you generated?**

I honestly have no idea, but I’d say conservatively, I could generate between \$10 to \$20K per year.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Food Science Research Fund.

**✚ How did you get started? Who are your key contacts and cooperators?**

I got started when Ned Lipman [Director of the Office of Continuing and Professional Education or OCPE] took me to lunch in 1989. Key contacts include OCPE and my food industry clientele.

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

My advice to faculty and staff:

- a. Get out there and hustle
- b. Be creative

**Peter W. Shearer**

Specialist in Tree Fruit Entomology

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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

I’ll be using some of my industry gifts (grants-in-kind/aid) for my contribution [for 10% recovery].

In addition, I assist with getting donations from the agro-chemical companies to support farm maintenance. This allows RAREC to use its funds for other purposes.

**✚ Approximately how much revenue have you generated?**

I anticipate a record year, about \$100K. Usually my yearly gifts are in the range of \$40,000 to \$60,000.

**✚ Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

RAREC Centerton sundry account

**✚ How did you get started? Who are your key contacts and cooperators?**

I’ve been bringing in this money every year since I’ve been here. Some contacts were provided to me by Steve Johnston, Gerry Ghidu, and Brad Majek. Other contacts have heard about my program from others and have approached me.

**✚ What revenue enhancement advice would you give to other RCE faculty/staff?**

Just what you (Karyn) said a couple years ago, “Write some grants!”

**Linda Strieter**

County 4-H Agent, Gloucester County

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**✚ Briefly describe the” intrapreneurial” practices that you use to enhance RCE revenue.**

The *Seeds to Success Youth Farmstand Project*, funded in large part by the state CYFAR grant, has leveraged additional support through Valero (Annual Children’s Golf Classic), as well as through the Glassboro Board of Education and the City of Glassboro. Annually, we write for and receive small grants through Jersey Fresh to support areas of the project not covered through CYFAR. Through Gloucester County 4-H Youth Development, recently, some long time volunteers and friends of 4-H have named Gloucester County 4-H in their wills. In addition, the three advisory groups in Gloucester County: the 4-H Fairboard Association, Inc., the 4-H Association and the 4-H Horse Advisory Committee all plan and provide fund raising activities to support the program and facilities for 4-H Youth Development.

**✚ Approximately how much revenue have you generated?**

Through *Seeds to Success*, in addition to the CYFAR support (approx. \$50,000 annually) in 2005, we acquired more than \$20,000 additionally, which afforded us the opportunity to expand the program into a new community. In 2006, we acquired more than \$18,000 through local and state support to help grow and sustain the project. In addition, the farmstands this year are generating profits which will be used as seed money to help sustain the project past CYFAR funding (2007).

Through 4-H, we've recently received \$2,000 from donors and an additional \$1,000 in a local grant. The advisory groups collectively raise more than \$100,000 annually to support programming, the fairgrounds and facilities.

**🚧 Where is the money deposited (e.g., RCE sundry account, Board of Ag account)?**

Farmstand funds are deposited in a single working account used to pay farmers for their produce and other expenses not covered through the CYFAR budget. Our additional support for *Seeds to Success* is deposited through our County Budget office and in a "53" Account through the State 4-H office.

4-H Funds are handled through the respective advisory group: Funds related to the Fairgrounds and the Fair are held by the Fair board, funds related to the 4-H program are handled by the 4-H Association and funds supporting the local, regional and state horse program are managed by the 4-H Horse Advisory Committee. All advisory treasurers have at least 2 signers with their mail either coming directly to the county Extension office or to a mailbox that we control through RCRE.

**🚧 How did you get started? Who are your key contacts and cooperators?**

CYFAR funds began when I started in Gloucester. We opened a bank account so as to operate the farm stands as individual businesses. We established a *Seeds to Success* Advisory Group who brainstormed and helped us find additional funding and support.

The 4-H Program was well established prior to my tenure here. I have continued positive practices and made some minor changes where needed.

**🚧 What revenue enhancement advice would you give to other RCE faculty/staff?**

I would suggest that interacting with the business community is a wise approach. There are many funding opportunities just waiting to be discovered. We've only scratched the surface here and are now working to recruit business people and influential community members onto our Advisory Groups.