

Strategies for Program Cost Recovery and Revenue Enhancement: Specific Ways to Recover 10% of Your Salary Value

Recovering program costs and procuring new sources of revenue should be viewed as an INVESTMENT in one's own Extension program and in the organization in general. As the Extension system faces increased programmatic and budgetary challenges, it becomes imperative to take a fresh look at how the organization functions. This helps, not only in the daily management of the organization, but relates to strategic planning, programmatic prioritization, and budgetary decision-making processes as well.

Following are potential strategies for RCRE faculty and staff (Grade 4 and above) to recover 10% of their annual salary value. It is not meant to be an all-inclusive list, however. Implementing your own creative strategies, in consultation with your department chair, is strongly encouraged. In order to sustain RCRE over the long-term, "intrapreneurism" is expected. Below are strategies to consider for generating funds equal to a minimum of 10% of your salary value.

Salary-Related Strategies for Cost Recovery and Revenue Enhancement Where the Full Amount Recovered is Retained By RCRE

1. Teach a classroom for-credit graduate or undergraduate course on the School of Environmental and Biological Sciences (SEBS) campus and receive a 10% IDR line, which will offset your RCRE Extension line by 10% and effectively recover 10% of your salary. Consult your department chair first, before taking any action, as well as the appropriate academic department chair.
2. Teach an online for-credit graduate or undergraduate course (e.g., Summer session or Winter session), which will also offset your RCRE Extension line by 10%. To learn more about Rutgers online courses, take an eCourse (online class) or eCompanion (supplement to a classroom-based course) training session through the Office of Continuing Education and Outreach and/or visit <http://ce1766.rutgers.edu/online>. You may also request permission to view an existing course to see how it is organized. Developing an online course initially is better than adapting existing classroom courses. Consult your department chair first, before taking any action, and then Rich Novak at Continuing Education and Outreach.
3. Apply to be a "Special Problems Advisor" to SEBS undergraduate students, through a SEBS academic department, for an approved educational experience (e.g., field research, independent study). This appointment will offset a small portion of your salary while also providing assistance with program delivery. Consult your department chair first, before taking any action, as well as the appropriate academic department chair.
4. Apply for grants and budget at least 10% percent of your salary (and time), plus fringe, in the budget to work on the project at least 10% of your time. For example, if you earn \$50,000, budget at least \$5,000, plus fringe (32% rate in 2006 or \$1,600), for a total of \$6,600. Consult your department chair first, before taking any action and be sure to complete all required forms including the RCRE grant cover sheet, budget template, and the ORSP Endorsement Form.

Caution: Do not spend more of your time on a project than the amount budgeted for in the grant. Base your calculations on a 45-week work year to allow for annual leave, holidays, conferences, etc.

5. Contract with an organization that needs your expertise (non-profit organization, corporation, government agency) to purchase at least 10% of your salary, plus fringe benefits, to work on a project of mutual interest. Examples of projects are writing a book, youth training, and habitat restoration. The project should be related to your area of expertise and within RCRE program priority areas. Consult your department chair first, before taking any action, and be sure to complete all required forms including the RCRE grant cover sheet, budget template, and the ORSP endorsement form.

Caution: Do NOT develop or sign any contracts, memorandums of understanding, or “letters of agreement” with outside organizations. Only ORSP staff is authorized to sign contractual documents! Improperly executed contracts with external parties will be considered null and void.

6. Share or provide services for another state’s land grant university or Cooperative Extension Service or CSREES-USDA (i.e., have them purchase a portion of your time). The project should be related to your discipline expertise and RCRE program priority areas. Consult your department chair first, before taking any action, and then the potential cooperating institution.
7. Provide services to eXtension as a Program Team Leader for a Community of Practice (CoP) and have the CoP purchase a portion of your time for eXtension-related work (e.g., online content development).
8. Trade money for time. This strategy would *always* be *completely voluntary* and must be implemented within University and AAUP guidelines and with full knowledge of possible health insurance and pension plan implications. Some faculty/staff might choose to forgo 5% or 10% of their annual salary value in exchange for 13 or 26 additional (unpaid) leave days. This might be done, for example, to balance work and family responsibilities or in preparation for retirement. Consult your department chair, the director of RCRE, and Rutgers University Human Resources to fully explore this option.

Strategies for Cost Recovery and Revenue Enhancement With a 75% (Faculty Member), 10% (Department), and 15% (RCRE) Split

9. Teach a course at another Rutgers campus (e.g., Camden and Newark) or at a local four-year or community college *during regular workday business hours*. Have the payment for instruction made payable to Rutgers University.

Note: Payment for classes taught during weekday business hours, evenings, or on weekends may be kept by a RCRE faculty member *or* used toward the 10% salary recovery requirement as long as it does not conflict with RCRE job responsibilities.

10. Teach non-credit classes for the Office of Continuing and Professional Education (OCPE) and receive honorariums to recover a portion of your salary. Classes are held statewide. For further information about OCPE and current OCPE programs, visit www.cookce.rutgers.edu. Consult your department chair first, before taking any action, and then Jim Morris at OCPE.
11. When invited to speak or provide services by non-profit organizations (especially those with grants or conference budgets) or corporations, request that all travel expenses be reimbursed, plus an honorarium payable to Rutgers University (tax ID #22-600-1086). When providing services to other state Cooperative Extension organizations, request that all travel expenses be reimbursed.

Note: Suggested *minimum* amounts to charge for honorariums (excluding preparation time) are: \$250 for one hour, \$500 for a half day (including travel time), \$1,000 for a full day (including travel time), and \$1,500 for services requiring an overnight stay and/or extensive travel via car, train, or plane.

12. Develop a product (e.g., publication, software, CD-ROM, curriculum, DVD, etc.) in demand by professional peers and sell it in cooperation with the Natural Resource, Agriculture, and Engineering Service (NRAES), *or* another appropriate distribution outlet, with a mutually agreed-upon cost-sharing arrangement. For more information about NRAES products and services, see www.nraes.org.
13. Develop a product (e.g., publication, software, CD-ROM, curriculum, DVD, etc.) in demand by professional peers and sell an end user license agreement for a specified period of time (e.g., 2 to 3 years) for an appropriate user fee (e.g., \$250 to \$500). A sample license agreement from Iowa State University can be used as a template to spell out the terms of the licensing agreement.
14. Follow the recommendations of the User Fees committee and charge appropriate fees for time-intensive, specialized services provided to individuals, schools, businesses, government agencies, and organizations. Use the *RCRE Technical Consultation Worksheet* developed by the committee to determine appropriate service fees. For example, market a service entitled “Three Good Choices” that provides customers with a customized analysis of their personal situation and three viable options to answer a question or make a decision. Consult your department chair first before taking any action.
15. Seek out regulatory compliance programs or other required services and market yourself as a trainer/education provider. Some examples of educational training programs where RCRE faculty/staff could obtain clientele include: school and corporate wellness policies, waste management, nutrient management plans, water permits, bankruptcy financial education, lead testing, school physical activity, Character Counts™, school IPM, and menu formulation.
16. Develop and cultivate personal relationships resulting in cash gifts for program support that can be applied toward the 10% of salary recovery goal. Prepare cash transmittals for appropriate accounts. Also desirable are gifts of equipment, supplies, use of facilities, and services in kind (e.g., Web design, graphic design, clerical support, etc.). Send an acknowledgement letter to donors for all gifts received.
17. Obtain corporate financial sponsorships to underwrite costs of an RCRE faculty/staff member’s “signature” program and use all or part of the funding to recover the cost of salary/fringe for time spent to implement the program. Consult your department chair first before taking any action.
18. Apply patent royalties (e.g., for releasing new crop varieties and turf grass) toward recovery of 10% of a faculty/staff member’s salary value.
19. Develop and implement improved office administration or program delivery processes (e.g., bulk ordering of supplies, postage savings, regional programs, and electronic/distance meeting methods) that result in major cost reductions where the savings can be applied to salaries.
20. Conduct a profit-making conference for professionals on topics requiring mandatory continuing education credits or of interest to them because they will profit from the information provided. Charge \$50 to \$100 above break-even costs, including salary and fringe for time of the sponsoring faculty/staff member(s). One way is to form a mini “speaker’s bureau” with colleagues with similar academic backgrounds (e.g., animal science, nutrition) and develop marketing materials to “pitch” services to corporations, government, non-profit agencies, professional associations, and other potential audiences. Follow strategy #14 to price your services. Consult your department chair first before taking any action.
21. Other ideas? If you have an idea for program cost recovery and revenue enhancement that is not listed above, please contact a member of the Revenue Enhancement Committee and share it so that we can add it to the list. All ideas are welcome!

