

# Investigator Phase-out and Gift Options Policy

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## Purpose and Scope

This policy describes support provided to HHMI Investigators at host-based sites during a non-renewable phase-out period. In addition, it sets forth options for HHMI Investigators to receive a gift of research funding to their host institution at the end of an HHMI appointment.

## Policy

### 1. Standard Phase-out Period with End-of-Term Gift Option

Under HHMI's standard procedures, an HHMI Investigator with an unsuccessful HHMI scientific review will have a non-renewable phase-out period of two years after that review before his or her HHMI appointment ends. The standard phase-out period will begin at the end of the current term or the first day of the month following the review, whichever date is later, except in cases of an Investigator requesting an early review in their first appointment term. In such situations, the phase-out period begins on the first day of the month following the review. The phase-out period is intended to allow the Investigator to adjust laboratory operations prior to the scheduled cessation of HHMI research funding, including seeking new sources of research support. HHMI Investigators remain employed by HHMI during their phase-out period and continue to attend HHMI scientific meetings and otherwise participate in HHMI activities during the standard phase-out period.

An HHMI Investigator with an assigned review date who plans to leave HHMI and will maintain an active research program at an HHMI host institution may forego the formal review process and request the standard two-year phase-out. An Investigator in this situation should discuss this option with HHMI's Vice President and Chief Scientific Officer.

For an Investigator who maintains an active research program at his or her current host institution, HHMI support during a standard phase-out period will include:

- The Investigator's full salary and benefits from HHMI during the phase-out period. Salary will continue to be set based on HHMI's lab head salary structure.
- The Investigator's laboratory operations budget for the two years of the phase-out; the amount of the laboratory operations budget remains unchanged throughout the phase-out period;
- After notice to the Investigator of the non-renewal decision, the ability to carry forward up to \$500,000 of unspent laboratory operations budget funds;
- Occupancy payments to the host institution, consistent with the collaboration agreement between HHMI and the host institution; and

- If the Investigator has at least \$100,000 of unspent laboratory operations budget funds at the end of the phase-out period, the ability to receive these unspent funds, up to a total of \$500,000, in the form of a gift to the host institution to support the Investigator's continued research there.

With respect to the terms of any gift made to a host institution under this policy, please note that:

- In order for a gift to be made, HHMI and the host institution must agree on gift terms at least one month before the Investigator's appointment ends.
- HHMI will not pay indirect costs with respect to any such gift, nor will HHMI agree to allow the host institution to charge indirect costs against the gift.
- Gifts must be expendable by the Investigator at his or her discretion in support of his or her continued research at the host institution. At the Investigator's request, gift funds may be used to pay for the salary and benefits of the Investigator and members of his or her laboratory staff.
- Generally, HHMI will make a first gift payment within two to four weeks after the Investigator's HHMI appointment ends, followed by a final gift payment after all the obligations against the Investigator's budget have been cleared.

As explained in HHMI's [Investigator Transfers policy](#), an Investigator may request to transfer to another institution on [HHMI's list of eligible institutions](#) within a standard phase-out period provided that at least 12 months remain in the Investigator's HHMI appointment following the transfer. If an Investigator's request to transfer during his or her phase-out period is approved, HHMI's support during the phase-out period will include the items identified above. Depending on the timing of the transfer, part of the Investigator's budget may be needed for residual activities at the current host institution and the rest of the budget can be used for activities at the new host institution (including any payment of up to \$500,000 of unspent laboratory operations budget funds that remain at the end of the phase-out period). Arrangements for an end-of-term gift associated with a transfer are subject to the approval of the Investigator's new host institution, which will need to accept the research funding without charging indirect costs.

## **2. Expanded Phase-out Period**

An expanded, non-renewable phase-out period of up to five years is available to certain HHMI Investigators under the circumstances below. In all cases, the expanded phase-out option is available only in lieu of a scientific review. Investigators who meet the expanded phase-out eligibility requirements but elect to go through a scientific review and are not recommended for renewal will receive a standard two-year phase-out period.

- 1) Distinguished Long-Term Investigators. To be eligible for the expanded phase-out an Investigator must have at least two successful reviews, having completed at least two seven-year terms. During the transition period in which the Institute is moving from five- to seven-year terms, Investigators with two successful reviews and a combination of five- and seven-year terms summing to at least 15 years may also request an expanded phase-out period. In all cases, the Investigator also must be an inducted member of the

National Academy of Sciences or the Royal Society of London by the beginning of the phase-out period.

- 2) Personal Health Considerations. Any Investigator who has had at least one successful review and has completed at least two full terms (two five-year terms, one five-year term and one seven-year term, or two seven-year terms) and who plans to significantly reduce the size of his or her research program due to a serious personal health condition may choose to request a final term of up to five years. These requests must provide sufficient information to show the existence of a serious personal health condition (e.g., a letter from a health care provider), and must describe the Investigator's plans for his or her research program during the expanded phase-out period.

HHMI Investigators remain employed by HHMI during their expanded phase-out period and continue to attend HHMI scientific meetings and otherwise participate in HHMI activities during the phase-out period. For an Investigator who receives approval for an expanded phase-out period and maintains an active research program at his or her current host institution, HHMI support during the phase-out period will include:

- The Investigator's full salary and benefits from HHMI during the expanded phase-out period. Salary will continue to be set based on HHMI's lab head salary structure.
- For the first two years of the expanded phase-out period, the Investigator's laboratory operations budget is unchanged. Thereafter, for the final three years of the phase-out period, the laboratory operations budget is reduced to 65%, 50%, and 50%, respectively, of the Investigator's operations budget in the second year of the phase-out period;
- After notice to the Investigator of HHMI's approval of the expanded phase-out period, the ability to carry forward up to \$500,000 of unspent laboratory operations budget;
- Occupancy payments to the host institution for two years covering the existing HHMI space assignment prior to the final term, and then for up to three additional years at occupancy levels reduced in proportion to budget reductions; and
- If the Investigator has at least \$100,000 of unspent laboratory operations budget funds at the end of the expanded phase-out period, the ability to receive these unspent funds, up to a total of \$500,000, in the form of a gift to the host institution to support the Investigator's continued research there. (Please see general notes on gift terms in Section 1 above.)

An expanded phase-out period must be requested in writing no later than the due date for submission of materials for a scheduled scientific review. The written request must be accompanied by the documents required for the review (see Investigator Review Guidelines). HHMI's approval of a request for an expanded phase-out period will be based on the review of the submitted materials. If a request for an expanded phase-out period is approved, the final phase-out period will begin at the end of the current term or the first day of the month following the scheduled review, whichever date is later. If the request is denied, the Investigator may submit revised materials for the scheduled scientific review by the submission deadline or within one week of receiving notice of the denial.

An Investigator who has already completed the minimum requirement for an expanded phase-out period may request to make the transition from a renewable term to a final non-renewable term at any time. To request an expanded phase-out period without a scheduled review date, an eligible Investigator must provide the equivalent of standard review documents summarizing research

accomplishments to date and research plans for the phase-out period. An Investigator in this situation should discuss this option with HHMI's Vice President and Chief Scientific Officer. The beginning of the expanded phase-out period under these circumstances is negotiated at the time the final nonrenewable phase-out period is approved.

As explained in the [Investigator Transfers policy](#), an Investigator may request to transfer to another institution on [HHMI's list of eligible institutions](#) within a phase-out period provided that at least 12 months remain in the Investigator's HHMI appointment following the transfer. If an Investigator's request to transfer during his or her phase-out period is approved, HHMI's support during the phase-out period will include the items identified above. Depending on the timing of the transfer, part of the Investigator's budget may be needed for residual activities at the current host institution and the rest of the budget can be used for activities at the new host institution (including any payment of up to \$500,000 of unspent laboratory operations budget funds that remain at the end of the phase-out period). (Please see general notes on gift terms in Section 1 above.)

### **3. Early Departure During Phase-Out Period with an Early Departure Gift Option**

To provide an HHMI Investigator in either a standard or expanded phase-out period some additional flexibility, the Investigator may request to end his or her HHMI appointment early provided that there would be at least 9 months remaining in the scheduled phase-out period as of the proposed early departure date. In the event of an early departure from HHMI, the Investigator is eligible to request an early departure gift to his or her host institution for their research. (The same general terms on gifts in section 1 above apply).

If the departure is made with at least 12 months remaining in the scheduled phase-out period, the early departure gift would include funds in the amount of what HHMI would have paid as laboratory operations budget (including any carry-forward funds) and base salary (excluding benefits) for the Investigator for 12 months of a phase-out period. If the departure is made with less than 12 but at least 9 months remaining, the gift would include funds in the amount of what HHMI would have paid as the laboratory operations funds (including any carry-forward funds) and base salary (excluding benefits) for the Investigator for the number of months remaining in the scheduled term. In both cases, the gift amount is limited to \$1.5 million.

If an Investigator's request for an early departure gift is approved, HHMI will also make a separate unrestricted gift to the host institution in the amount of the occupancy payments that HHMI would have expected to pay for the Investigator's space for 12 months or the number of months remaining in the Investigator's phase-out period at the time of the early departure, whichever is less. This portion of the gift may be expended by the university in its sole discretion.

Provided that HHMI's gift agreement is signed by HHMI and the host institution at least one month before the proposed early departure, a first early departure gift payment will be made within two to four weeks after the Investigator's HHMI appointment ends, followed by a final gift payment after all the obligations against the Investigator's budget have been cleared. If the host institution does not agree to the early departure gift terms, or if there are unusual circumstances that make the proposed arrangements impractical, HHMI will follow the standard phase-out procedures that apply to the Investigator, including procedures and requirements relating to a standard end-of-term gift.

Importantly, the early departure expanded gift option is only available if an Investigator is leaving HHMI during a standard or expanded phase-out period and plans to continue research at an HHMI host institution, and not if an Investigator otherwise wishes to terminate an on-going appointment, such as to take a high-level administrative position that would not be approved for an HHMI Investigator or to move to a company or another institution to which the HHMI appointment cannot be transferred under HHMI policies.

If an Investigator is contemplating a transfer as described in the [Investigator Transfers policy](#) followed by an early departure from HHMI, the Investigator may request to end his or her HHMI appointment after the transfer has been executed. Approval of an early departure gift following a transfer requires that there be at least 9 months remaining in the standard or expanded phase-out period. Once a transfer has been executed no mechanism will remain for the previous host institution to receive a gift payment from the Investigator's unspent budget or to receive occupancy fees. For an early departure following a transfer, HHMI will make a gift to the new host institution following the Investigator's early departure date as outlined above, up to a maximum of \$1.5 million.

An Investigator who wishes both to transfer in accordance with the [Investigator Transfers policy](#) and elect the early departure gift option must request this option through the Investigator Portal at least three months before the proposed transfer date. In this situation, the transfer must be completed not less than 12 months before the end of the phase-out period. If a transfer will not be completed at least 12 months before the end of the phase-out period, the Investigator is not eligible for an early departure gift but can request a standard end-of-term gift as described in Section 1 of this policy.

## Related Procedures, Forms and Policies

- [Investigator Transfers Policy](#)
- [HHMI Eligible Institution List](#)
- Investigator Review Guidelines on HHMI Investigator Portal
- Request for Gift to Host Institution in Connection with Phase-Out of HHMI Appointment on HHMI Investigator Portal

## Contact

Any questions about HHMI's Investigator Phase-out and Gift Options Policy may be raised with the [Scientific Officer](#) or [HHMI attorney responsible for the site](#).

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