

Coleman Fung Risk Management Research Center UC Berkeley

Request for Proposals

Deadline: January 15, 2008

The Coleman Fung Risk Management Research Center at the University of California, Berkeley invites Berkeley faculty to submit proposals for funding research projects on the broad topic of risk management.

The Fung Center was created in 2006 by a very generous donation by Coleman Fung, founder and Executive Chairman of Open Link Financial, Inc. It is housed administratively within the Institute of Business and Economic Research (IBER), and physically within the Department of Economics. The Director is Robert M. Anderson, Coleman Fung Professor of Risk Management, and Professor of Economics and of Mathematics.

The Center has two sources of funds to support research on the Berkeley campus:

- Open Link Financial has committed \$250,000 per year in annual funding for four years (the “OpenLink Fund”). The annual funding is intended to be used for more applied research projects. \$375,000 is available to support research in the period January 2008 through June 2009.
- The income from the Center’s endowment will be used primarily to support pure research in Risk Management. Approximately \$150,000 is available to support research in the period January 2008 through June 2009.

Risk Management:

The term “risk management” means different things to scholars in different disciplines. Within economics, finance and operations research, the essential element of risk is uncertainty. In these disciplines, risk management focuses on quantitative analysis of the set of possible outcomes, the probability distribution over the set of outcomes, and the impact of various risk mitigation strategies on that probability distribution.

The Center takes a broad view of risk management, not limited to financial risk. Environmental and energy risks are a particular interest. However, proposals to the Center should emphasize the *quantitative analytical* methods to be used in measuring and mitigating risk.

Request for Proposals:

- It is likely that individual proposals will be funded in the range \$10,000 to \$90,000. Requests for multi-year projects will be considered, but funding will only be committed through June 30, 2009 at this time. The next competition will be in the spring of 2009, for support in 2009-10.
- The OpenLink Fund is intended for more applied research projects with concrete, achievable goals. The income from the Center’s endowment is

intended for purer research. Any proposals submitted will automatically be considered for funding from both sources; it is not necessary to specify a source of funding.

- Proposals should clearly describe the use of quantitative analytical methods to measure and mitigate risk.
- Proposals in which the Center's funding is used to leverage other sources of support are particularly encouraged.
- Eligibility for funding will be determined by the quality of the proposal and its fit to the Center's mission. Within projects determined eligible for funding, as a general rule, highest priority is given to graduate student support and expenses (such as data acquisition) that are essential to the research. Second priority is summer salary for junior faculty. Third priority is summer salary for more established faculty; proposals requesting this support should indicate whether other resources are available to provide summer salary. The Center does not generally support faculty release time from teaching during the academic year.

Proposal Instructions: Each proposal must contain the following elements:

1. A nontechnical summary of the proposed research, approximately one page in length. If the proposal is funded by the Center, this summary will be posted on the Center's website.
2. A detailed description of the proposed research.
3. Curriculum vitae of the faculty participants, and the graduate student participants (if known).
4. A progress report on project(s) currently funded by the Center, where applicable.
5. A detailed budget for the period January 2008 through June 30, 2009, broken down into the following categories.
 - a. Salaries for faculty, plus estimated benefits. Please specify the dates and percentages of appointments.
 - b. Salaries for graduate students, plus estimated benefits. Please specify the dates and percentages of appointments. Please obtain a detailed estimate of salaries and benefits, including fee remission, from the staff member who handles GSR appointments in your department. 2007-08 GSR Pay rates may be found at:
<http://www.ucop.edu/acadadv/acadpers/tab0708/table23.pdf>. 2007-08 registration fees may be found at:
<http://registrar.berkeley.edu/Registration/feesched.html>.
 - c. Equipment, supplies and expenses
 - d. Travel
 - e. We do not charge overhead or indirect cost recovery, so please do not include these items.

Please submit a single PDF file containing Items 1-5, plus a Word file containing Item 1 and an Excel file containing Item 5.

Eligibility: Only UC Berkeley faculty with Principal Investigator status may apply.

Terms and Conditions: The proposer agrees to the following terms and conditions, in the event that the Center provides support for the project:

1. The Center may publish the nontechnical summary of the proposed research (item 1 of the proposal) on its website.
2. All publications resulting from research supported by the OpenLink Fund must acknowledge support from the “OpenLink Fund in the Coleman Fung Risk Management Research Center at UC Berkeley.” All publications resulting from research supported by the Center’s endowment must acknowledge support from the “Coleman Fung Risk Management Research Center at UC Berkeley.”
3. All working papers resulting from research supported by the Center must be included in the Center’s Working Paper series. This does not preclude their inclusion in other working paper series.
4. Funds must be expended by June 30, 2009. Principal investigators who wish to carry funds forward past June 30, 2009 must submit a written request to the Center, including a report on expenditures incurred/anticipated by June 30, 2009 and a progress report on the research. Such requests should be submitted not later than May 31, 2009; decisions on these requests will be made within two weeks of submission.
5. A final report on the results of the project must be submitted no later than September 30, 2009.

Deadline: In order to receive full consideration in this competition, proposals should be submitted by January 15. Proposals submitted after that date will be considered to the extent possible, but will have a lower probability of funding. The proposal should be submitted electronically to the Center Administrator, Hong Nguyen (hnguyen@econ.berkeley.edu), or 510-642-7393.

Further Information: The Center’s website is <http://fungcenter.berkeley.edu/index.php>. The Director will be happy to meet with anyone considering submitting a proposal, or anyone interested in the Center’s agenda. Contact Prof. Robert Anderson (anderson@econ.berkeley.edu), or 510-642-5248.