



Research Project Support Costs Work Group

James (Jim) Luther
Duke University
Co-Chair

Heather Snyder
Alzheimer's Association
Co-Chair



Government | University | Industry
RESEARCH ROUNDTABLE

COGR
Council On Governmental Relations



Working together to optimize investment in health research and training.

Three Workstreams

- Name - what do we call ourselves?
(Heather)
- Education of each other (Jim)
- Case Studies (Diane and Cindy)



What's In the Name?



- Education Workstream

- Open conversation between universities and funding organizations
- Work to date:
 - Webinar by university teams on F&A, federal model, considerations from the university perspective
 - <https://www.healthra.org/resources/indirect-costs-aka-fa-there-are-more-to-idcs-than-you-think-webinar-september-6-2018/>
- In the works:
 - Education module from funding organizations perspectives; list generated of questions and discussion at F2F meeting on format



SLIDE EXCERPT

INDIRECT COSTS (AKA F&A)

Everything you need to know

Thursday, **September 6, 2018** 01:30 EDT | Host: Health Research Alliance



Health
Research
Alliance

COGR
Council On Governmental Relations



AGENDA

SLIDE EXCERPT

1

Contextual Overview

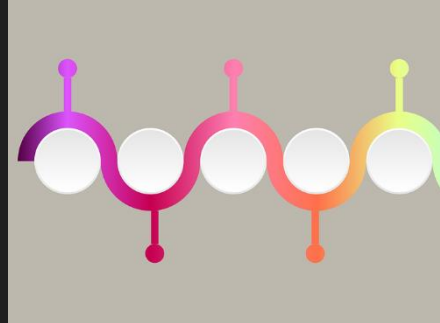
- a) National Issues
- b) University Perspective



2

F&A Costs Process & Key Terms

- a) University issues related to F&A Costs
- b) Regulations that drive a research institution's perspective on F&A Costs
- c) The process by which an institution calculates and negotiates its F&A rate



3

The Partnership: Funders, Foundations and Research Institutions



STATEMENT OF CLARIFICATION

SLIDE EXCERPT

Much of what we will discuss is the current methodology that has been developed with the federal government over the past 5+ decades

We are NOT suggesting that this is the right or wrong model for foundation-university relationship; we are using it to explain what F&A means to a university and the critical role it plays in supporting the research mission

UNDERSTANDING WHAT RESEARCH REALLY COSTS

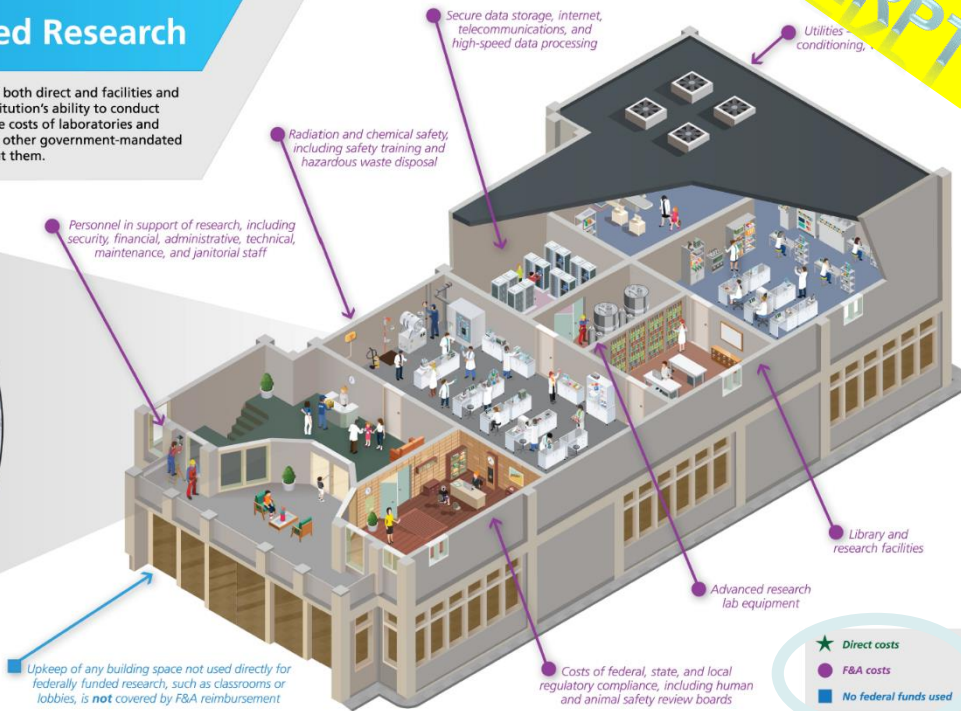
SLIDE EXCERPT

Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.



★ Direct costs - These expenses solely cover research and include lab supplies and equipment; salaries and stipends for researchers and graduate students; and travel costs for conducting and sharing research



- ★ Direct costs
- F&A costs
- No federal funds used

How Each Federal Dollar is Spent At Duke!

SLIDE EXCERPT

26

OF EACH DOLLAR IS FOR OVERHEAD

74

OF EACH DOLLAR IS FOR DIRECT RESEARCH COSTS

- Operations & Maintenance 7¢
- Buildings 5¢
- Equipment 2¢
- Libraries 1¢
- General 1¢
- Sponsored Admin/Compliance 1¢
- Research Operations Support 7¢
- Faculty Support 2¢



- Research Salaries & Employee Benefits 36¢
- Materials, Services & Travel 13¢
- Student Support 4¢
- Equipment 2¢
- Subcontracts 18¢
- All Other 1¢

BUT THERE'S MORE...

SLIDE EXCERPT

Duke University contributes \$125 million annually to research

OR 26 cents of every research dollar

Government

Duke



55¢ direct costs

19¢
F&A

26¢ University

Approx. \$125 million annually



MYTH

RATE

Mc

Being Proactive

- We need to anticipate the Administration will go after F&A, again.
- Working together around Education and Funding Models will serve us well, especially if the Administration reengages.
- How we address Funding Models is up to us (i.e., it's up to the Partnership to decide next steps!)

Prep
Year

Base
Year

FY15
(Ended 6/30/15)

FY16
(Ended 6/30/16)



SLIDE EXCERPT

Jim Luther

- Assoc. VP Finance & Research Compliance Officer
- Past Chair of Board, Council on Governmental Relations (COGR)
- James.luther@duke.edu



Thanks for Your Support & Partnership



Research Project Support Costs Case Studies

Diane Bovenkamp, PhD, BrightFocus Foundation

Co-Chair with Cindy Hope, University of Alabama

Special Shout Out to Penny Dacks, PhD, American Epilepsy Society

Purpose and Plans

- Charged with developing tools/resources for identifying RPSC
- Many Funders can't provide F and A percent “haircut”
- Draft examples of how Funders provide value that institutions can't get from NIH
- Will continue to solicit and compile examples
(send to dbovenkamp@brightfocus.org)

Cost Continuum

- Indirect Cost (not directly attributable)
= Utilities, Administration, Personnel, etc.

Gray Area In Between

= Research Projects Support Costs

- Direct Cost (completely attributable)
= Consumable Supplies, Materials, etc.

Example#1: “Capital Equipment”

- Dollar capitalization threshold
- Useful shelf life > 1 year
- Required for successful completion project
- Specific:
 - -80 Freezer
 - Patient samples/Clinical Trial



#2:IT Computing/Data Storage

- Data sharing may be required by funder
- Purchase of server for storage
- Salary for IT data cleanup/maintenance



#3: Computer network charges

- Online program for clinicians/healthcare professionals to enter patients' responses
- Creation of intra-site online connector



#4: Trial Participant Support Costs

- Parking
- Lyft/Uber
- Lunch expenses
- Fee reimbursement



#5: Facilities

- Project-specific rental of a surgical room
- Depend on type of rental arrangement in place at institution



#6: Administrative Salaries

- Depends on the type of award and project, requirements by the funder
- Tech transfer specialist
- Data entry
- Administrative assistant

#7: International

- Travel Costs/Travel Fellowships to International Scientific Conferences
- Non-US Citizens in US
- Non-US Citizens outside US
- NIH restrictions/unallowable



The Collection Continues...

- More Examples = Better
- Build a solid case study
- Please email dbovenkamp@brightfocus.org