Research Facilities and Administrative Costs PGR

Effective: 12/23/2015
Reviewed: 12/23/2017

Name of Associated Policy: Sponsored Research Award Policy

Definitions

Responsible Positions

Equipment Needed

Procedure Steps, Guidelines, Rules, or Reference
- Obtaining a waiver of all or part of PH F&A Rate
- Disbursement of F&A
- Research Compliance’s Discretionary Fund

DEFINITIONS:

1. **Designated Institutional Official**: The individual authorized by Palmetto Health who assumes the obligations of Palmetto Health’s Federalwide Assurance (FWA) with the Office for Human Research Protections and who assumes the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to research. Also referred to as the designated Signatory Official.

2. **Facilities and Administrative (F&A) Rate**: Also known as indirect rate or overhead, is the percentage rate normally applied to the modified total direct costs in order to derive facilities and administrative cost recovery to cover operating expenses of Palmetto Health including rent, utilities, labor and materials that cannot be directly attributed to a single study. Any reference to the F&A rate within this PGR refers to the F&A collected by Palmetto Health.

3. **Investigator**: An individual having the background and training in scientific and administrative oversight necessary to conduct and manage research activities.

4. **Research Staff**: Individuals who assist in a research project overseen by an Investigator.

5. **Sponsor**: An individual, company, institution, government agency or organization responsible for the initiation, management and financing of research.

RESPONSIBLE POSITIONS (TITLE):
- Investigator
- Research Staff
**EQUIPMENT NEEDED:**

None

**PROCEDURE STEPS, GUIDELINES, OR RECOMMENDATIONS**

1. The Facilities and Administrative (F&A) rate is negotiated periodically by Palmetto Health (PH) with the Division of Cost Allocation within the Department of Health and Human Services (DHHS) and is applicable for cost reimbursement agreements.

2. Sponsored projects conducted at PH are expected to capture F&A costs. PH requires sponsored projects to be reimbursed for the full cost of research, including both direct and indirect costs.

3. **Obtaining a waiver of all or part of PH F&A Rate**

   3.1. PH will honor F&A rates from government or non-profit sponsors if they have a published, consistently applied policy precluding full reimbursement of PH F&A rate. A copy of the sponsor’s policy must be attached to the project when it is routed through the Palmetto Health Administrative Research Review process.

   3.2. For for-profit sponsors or governmental/non-profit sponsors without a published F&A rate, requests for a waiver of all or part of PH F&A rate shall be reviewed by the Designated Institutional Official or designee.

4. **Disbursement of F&A**

   4.1. PH-employed Investigator and Research Staff provided by PH Clinical Trials Department: 25% of the recovered F&A costs are transferred to the Investigator’s department, 45% of the recovered F&A costs are transferred to the Clinical Trials Department, and 30% of the recovered F&A costs are transferred to Research Compliance.

   4.2. University of South Carolina (USC)-employed Investigator and Research Staff provided by PH Clinical Trials Department: 70% of the recovered F&A costs are transferred to the Clinical Trials Department and 30% of the recovered F&A costs are transferred to Research Compliance. For sponsored research agreements with USC, USC typically receives all revenues from the agreement/grant including the F&A negotiated with the sponsor. During the budgeting process, PH Clinical Trials department includes PH’s F&A rate on the services provided to USC which USC in turn reimburses PH for per the study’s allocation budget and/or subcontract. Therefore, any recovered F&A costs are solely PH’s. For cases where PH receives all revenues from the agreement/grant for both PH and USC, the F&A distribution should follow the distribution set forth in...
Section 4.1 unless otherwise noted in the study allocation budget and/or subcontract.

4.3. Investigator not employed by PH or USC and Research Staff provided by PH Clinical Trials Department: 25% of the recovered F&A costs are transferred to the Investigator’s practice/employer, 45% of the recovered F&A costs are transferred to the Clinical Trials Department, and 30% of the recovered F&A costs are transferred to Research Compliance.

4.4. PH-employed Investigator with Research Staff within the Investigator’s practice/department: 70% of the recovered F&A costs are transferred to the Investigator’s practice/department and 30% of the recovered F&A costs are transferred to Research Compliance.

4.5. The 30% of the recovered F&A costs transferred to Research Compliance will be disbursed in such a manner that 70% is allocated to Research Compliance’s operational budget and 30% is allocated to IRB Administration’s operational budget.

4.6. Disbursement of the F&A shall be made no less than quarterly on funds received in the prior quarter.