


Lifespan
Office of Research Administration

Department Policy

Number: ORA 001



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Sr. V.P. Medical Affairs



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Subject: Research Funds – Hospital-supported infrastructure and investigator incentive accounts

Purpose: The purpose of this policy is to clarify the generation, allocation and spending of hospital-supported infrastructure and investigator incentive accounts.

Background: Each fiscal year Lifespan affiliate hospitals, through the normal budgeting process, allocate funds to support both the infrastructure costs of research and an investigator incentive plan. The Lifespan Research Advisory Committee provides input to the Director, Office of Research Administration (ORA), as to the general administration of these programs, e.g., review of departments' research plans. The Director is responsible for final budget requests to the individual affiliate hospitals and for ongoing oversight of these accounts.

1. Infrastructure Funds:

The purpose of hospital-supported research infrastructure funds is to support costs not normally covered through externally funded grants. Such costs might include, but are not limited to, staff support, maintenance contracts on shared equipment, proposal preparation work, pilot research, equipment, minor renovations, etc. All expenditures must be research related and not used for entertainment or gifts.

At the beginning of the fiscal year, the approved amounts are transferred in equal monthly payments to a restricted fund within the oversight of the Office of Research Administration. The Principal Investigator or Manager of these funds is typically the Chair or Chief of the related academic department. This individual is accountable for the use of the funds.

The restricted funds that the accounts are assigned to do not expire – this allows the programs to spend in an orderly fashion without time constraints, but also may allow the funds to accumulate. It was recognized at the inception of the program that this benefit would allow research programs (using infrastructure funds and externally funded grants) to sustain themselves during hiatus periods of external funding. However, as these funds are derived from hospital operations, it is important to ensure that they are spent to develop research programs on an ongoing basis. In order to achieve an appropriate balance in light of these factors, the hospital-supported, research infrastructure fund balances will be capped in each fiscal year to a combined total of \$1,000,000 in any one academic department. For the purposes of this policy, each academic division of the Department of Medicine is considered to be a “department” and thus, each are capped at \$1,000,000. Should other departments undergo significant growth and recruitment, they may petition the affiliate President or Sr. Vice President for Medical Affairs to allow their academic divisions to have “department” status.

At the beginning of the budgeting cycle, the Director, ORA, will meet with the Senior Vice President of Medical Affairs and the Chair or Chief to discuss the balances of the accounts and allocations expected.

2. *Incentive Funds:*

The purpose of the hospital-supported investigator incentive funds is to encourage researchers to obtain externally funded grants and to provide support of their research programs. Costs expended from these designated accounts must be research related and not for entertainment or gifts.

The amount of the entire program is determined during the hospital budget process with oversight from the Director, ORA, and the Sr. Vice President for Medical Affairs. Individuals (and their research group) who are covered by a contract(s) specifying indirect revenue sharing are excluded from this plan. The actual amounts to be distributed are determined by the ratio of indirect income by participating investigator to the total indirect income brought in by all participants in a specific fiscal year (usually the last full fiscal year). These calculations are based upon expenses as shown on our Research Annual Financial Report, not on awarded amounts, and are tracked by the name of the principal investigator only. The resulting percentage is then applied to the pool of funds available to distribute.

At the beginning of the fiscal year, the approved amounts are transferred in equal monthly payments to a restricted fund within the oversight of the Office of Research Administration. The Principal Investigator or Manager of these funds is typically the individual investigator; this individual is accountable for the use of the funds.

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would allow researchers to sustain their work during hiatus periods of external funding. However, as these funds are derived from hospital operations, it is important to ensure that they are spent to develop research programs on an ongoing basis. In order to achieve an appropriate balance in light of these factors, the hospital-supported, investigator incentive fund balances will be capped in each fiscal year to a combined total of \$1,000,000 for any one academic division and/or individual investigator. The amount is set at a level to recognize that several groups pool their allocations, e.g. academic divisions of a department.

3. *Applicable to both Incentive and Infrastructure Funds:*

The restricted fund does not expire and does earn interest. The funds are not transferable to another individual, department, or institution. In addition to (and not to supersede) the existing policies and procedures regarding expenditures of hospital funds, each academic department may establish internal practices for distribution and accountability of the funds. The Research Advisory Committee, may, from time to time, request reports of spending and program direction.

If the investigator leaves the hospital or affiliated organization and/or is no longer able to conduct research at the hospital, the funds will revert back to the hospital. An exception may be made, via prior approval by the hospital President, to extend the use of the funds to support non-cancelable obligations of the investigator, for a limited time. These obligations may include payments to graduate students, contracts, severance for employees, etc. Additionally, serious consideration will be given in allowing the funds to remain within the applicable department/academic division to be used for recruitment of a replacement faculty member or program.

At the beginning of the budgeting cycle, the Director, ORA will meet with the Senior Vice President of Medical Affairs and the Chair or Chief to discuss the balances of the accounts and allocations expected.

Questions or concerns about this policy may be directed to the Director, ORA (444-5113) or the Senior Vice President, Medical Affairs (444-5074).