

Lifespan
Office of Research
Administration

Subject:
**Hospital Supported
Research Funds**

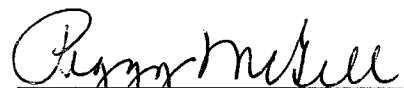
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Page 1 of


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

Background: Lifespan affiliate hospitals, through the normal budgeting process, may allocate funds to support both the infrastructure costs of research and an investigator incentive plan. The Lifespan Research Advisory Committee provides input to the Administrative Director, Office of Research Administration (ORA), and to the Senior Vice President, Research, as to the general administration of these programs. The Administrative Director is responsible for calculating the allocations, preparing the 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 the Senior Vice President for Research to allow their academic divisions to have “department” status.

The Administrative Director, ORA, the Senior Vice President of Research and Departmental Chair/Chiefs will review 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 Senior Vice President for Research. 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.

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 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. Additional information applicable to both Incentive and Infrastructure Funds:

The restricted fund does not expire and does earn interest. The funds are not transferable to any institution external to the Lifespan system. 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 Lifespan system and/or is no longer able to conduct research at the hospital, unused incentive funds will revert back to the hospital. An exception may be made, via prior approval by the Senior Vice President for Research, 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. Serious consideration will be given in allowing unused incentive funds to remain within the applicable department/academic division to be used for recruitment of a replacement faculty member or program. Such a determination will be at the discretion of the Senior Vice President for Research in consultation with the relevant academic department chair. By contrast, unused infrastructure funds will remain with the applicable department/division.

Questions or concerns about this policy may be directed to the Administrative Director, ORA (444-5113) or the Senior Vice President for Research (444-4117).