

Applies to: (examples; Faculty, Staff, Students, etc)

Faculty , Staff

Policy Overview:

Issued: 07-01-2018

Next Review Date: 07-11-2021

Frequency of Review: Annually

It is the policy of the St. Louis College of Pharmacy to support the sponsored research activities of its faculty and staff as a way to contribute to the pursuit of knowledge, the enhancement of student learning, and the promotion of the common good. The purpose of this policy is to set expectations for reimbursement of Facilities and Administration (F&A) costs for externally sponsored projects, and to establish guidelines for the distribution of recovered F&A costs among appropriate campus units at St. Louis College of Pharmacy (STLCOP).

The policy described herein addresses several issues. The goals of the policy are to:

1. Streamline the process for requesting F&A reimbursement in grants and contracts.
2. Ensure that campus units that provide the services and products that define indirect costs are adequately reimbursed for these costs.
3. Establish a distribution mechanism that recognizes multiple PIs, co-investigators with significant project contributions, research centers, and other administrative complexities arising from long-term projects, large scale interdisciplinary projects, and multi-project programs.
4. Optimize the use of recovered F&A dollars to develop campus infrastructure supporting high quality and nationally competitive research and creative activities.

Applies to all faculty and staff involved with externally funded sponsored projects that are not covered under any other research incentive policy.

Definitions:

Term	Definition
Direct costs	Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.
Indirect (facilities & administrative (F&A)) costs	Indirect (F&A) costs means those costs incurred for the common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
Modified Total Direct Costs (MTDC)	MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.
Off-campus	A project, or part of a project, is considered to be performed off-campus if the activity is conducted at a location other than St. Louis College of Pharmacy's academic lands and the majority of F&A (indirect costs), e.g., operation and maintenance, depreciation or lease of buildings, equipment and improvements, associated with the College's facilities, both owned and leased, is not applicable. If a project is located in leased space and the lease is a direct charge to the

	project, then the project is considered off-campus; if the project is not charged directly for the lease cost and the lease is a part of the College's F&A (indirect cost) rate, then the project is considered on-campus. In other words, the classification of on- or off-campus is solely for the purpose of applying the correct F&A (indirect cost) rate.
PI	Principal Investigator is defined as the individual judged by the applicant organization to have the appropriate level of authority and responsibility to direct the project or program supported by the grant, contract, or cooperative agreement.
Multi-PI Project	Two or more Principal Investigators on a project who are jointly responsible for the scientific and technical direction of the project.

Details:

Principal investigators and project directors at the College, and their partners in the public and private sectors, are responsible for garnering grants and contracts to support their research and other activities. In addition to the direct costs of projects, there are very real and, in many cases, costly indirect expenses that external dollars must reimburse so that the College is not financially disadvantaged when engaged in sponsored activities. STLCOP's policy is to recover F&A costs from sponsors, as allowable by the federal government under the OMB's Uniform Guidance 2 CFR Part 200 based on F&A rates negotiated between the College and the federal government. Per the most recently negotiated rate, STLCOP is entitled to receive 55.11% of Modified Total Direct Costs for on-campus programs, or 15.66% MTDC for off-campus programs. MTDC is calculated as the Total Direct Costs minus equipment, tuition, and sub-award amounts over \$25K. All proposals will include the full allowable rate of indirect costs, regardless of sponsor type (Federal, Non-Federal, Industry, Foundation, etc.). That is, proposal budgets will include sponsor's published indirect cost rate.

St. Louis College of Pharmacy distributes portions of the recovered indirect costs, set-up in accounts, to the principle investigator, department, school, vice president of research's office, and general operating budget according to the model below. Funds to be distributed to multiple PIs, departments, or schools will be divided based upon the direct cost contribution to the project unless other arrangements are negotiated.

The PI will receive 25% of the indirect funds up to the first \$50,000 of direct funding. The PI will receive 10% of indirect funds for direct funding greater than \$50,000. The total indirect costs collected for the project will be distributed as follows:

Faculty who do not work in a Research Center:

Distribution of Indirect funds from the First \$50,000 of Direct Funds	Distribution of Indirect funds from All Direct Funds > \$50,000
<ul style="list-style-type: none"> · 20% to the Vice President, Research (VPR) · 25% to the College · 10% to the Department Chair · 10% to the Dean · 25% to the Principal Investigator(s) · 5% to Research Administration · 5% to the Finance Office 	<ul style="list-style-type: none"> · 35% to the Vice President, Research (VPR) · 25% to the College · 10% to the Department Chair · 10% to the Dean · 10% to the Principal Investigator(s) · 5% to Research Administration · 5% to the Finance Office

Faculty who work in a Research Center:

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<ul style="list-style-type: none"> · 20% to the Vice President, Research (VPR) · 25% to the College · 10% to the Research Center* · 5% to the Department Chair · 5% to the Dean · 25% to the Principal Investigator(s) · 5% to Research Administration · 5% to the Finance Office 	<ul style="list-style-type: none"> · 35% to the Vice President, Research (VPR) · 25% to the College · 10% to the Research Center* · 5% to the Department Chair · 5% to the Dean · 10% to the Principal Investigator(s) · 5% to Research Administration · 5% to the Finance Office

*For example, Office of International Programs, Center for Health Outcomes Research, etc.

Example: A grant paying full indirect funds (\$100,000 direct and \$55,000 indirect):

- Distribution of first \$50,000: PI at 25% = 6,875 and VPR at 20% = \$5,500
- Distribution after first \$50,000: PI at 10% = 2,750 and VPR at 35% = \$9,625

The PI's account will be set-up as a restricted account. The funds will remain in the restricted account for as long as the PI is employed at STLCOP. When the PI retires or leaves the College, the unspent funds will revert to the operating budget of the College to be used to support research and scholarly activities.

Procedures:

Determining F&A costs to be charged

Official F&A Rates. F&A costs charged to grants and contracts are determined by rates negotiated by the College with the Division of Cost Allocation, U.S. Department of Health and Human Services. Separate rates are negotiated for activities conducted off and on campus.

Capped F&A Rates. The applicable full F&A rate is charged to all grants and contracts unless the sponsor has a published policy, accessible to the public, which is uniformly applied to all awards. Examples of published, public and uniform F&A caps are those described in Requests for Proposals/Applications (RFP/RFA), Program Announcements (PA) and Broad Agency Announcements (BAA), organization websites, or published organization documents such as annual reports, brochures, tax documents, bylaws, or governance documents. Oral or written official announcements of capped F&A policy given by an official of the organization at formal public meetings, public webinars, or open workshops for applicants are also acceptable to establish F&A caps. Evidence that is insufficient to document capped F&A costs includes, but not limited to: email messages, telephone conversations, and similar personal correspondence with individuals from the organization; historical F&A rates applied to prior grants; and proposals submitted by other institutions.

It is the responsibility of the PI to provide credible evidence of sponsor policy on capped F&A costs. In the absence of this evidence, the applicable full F&A rate will apply. PI(s) are encouraged to contact the Research Administrator early in the grant writing process to support planning. Investigators will collaborate with the Research Administrator to establish a deadline(s) for completion and submission of a grant application to the grant sponsor. If an investigator does not submit a finalized proposal to the Research Administrator by the established deadline, then the grant proposal may not be successfully submitted to the sponsor.

The following guidelines provide the parameters for use of these allocated funds:

- Funds may be used for research/training/faculty development-related expenses and the faculty incentive program including: student stipends, professional travel for principal investigator(s) or project director(s) and students, and teaching and student-learning enhancement initiatives. Acceptable uses include the following:
 - # Research or teaching equipment and/or laboratory-based materials and supplies
 - # Student stipends or research assistants plus related benefits (e.g., FICA, Worker's Compensation) to conduct research
 - # Fees for laboratory analysis (e.g., soil chemistry, water chemistry, DNA sequencing, X-ray crystallography)
 - # Travel expenses to conduct research (e.g., research library or collection, field site, conferring/working with collaborators)
 - # Travel expenses for PI or student presentations at professional meetings
 - # Expenses for a PI to attend a professional conference (e.g., pedagogy, assessment)
 - # Equipment purchase and/or maintenance (procurement of new equipment should be coordinated with Facilities Management)
 - # Student/employee labor costs during the academic year
 - # Computer hard- and software (procurement must be coordinated with Information Technology Services and if applicable Facilities Management)
 - # Miscellaneous expenses, including: library acquisitions, journal subscriptions, society membership fees, publication costs, postage, copying, and so forth
- Funds will be held in a designated, discretionary account line in the name of the department or center of the PI.
- If a proposal or award has multiple PI's, departments, centers, or academic divisions, the indirect cost distribution will be based on direct cost proportions defined during the proposal development stage and will be held in a designated, discretionary account line in the name of the department or center of each PI.
- A one-page proposal of how the funds will be used will be submitted to the appropriate director and/or Dean for approval. A request to use the funds in a different manner than suggested above may be made at that time.
- A one-page expenditure report will be submitted to the appropriate director and/or Dean by June 1, reporting on the use and allowability of funds during the preceding fiscal year.
- Unspent funds to the PI will remain in the restricted account for as long as the PI is employed at STLCOP. When the PI retires or leaves the College, the unspent funds will revert to the College to be used to support research and scholarly activities.
- Since indirect cost recovery is the yardstick by which funds are determined, funds available each fiscal year will be based upon the amount of indirect cost recovery received during that year and any balance carried forward from a previous year.
- At the end of the fiscal year, the Business Office will create a report on the indirect cost recovery funds recognized during the fiscal year. Distribution of these recovered indirect cost funds will occur after the close of each fiscal year (generally late October). These funds can be utilized in future fiscal years for the purposes as outlined in this policy.
- In the event that funds are used for inappropriate purposes, the Vice President of Research and Dean of the faculty member or division VP may revoke the PI(s)'s access to them. In such cases, the allocation will revert to the operating budget of the College.
- The policy would begin July 1, 2018, implemented for only new grants awarded to STLCOP after July 1, 2018. This policy does not include any existing grants that have already been funded.

Statement of Understanding:

College resources are designed to support all college research and scholarly activity. All faculty are invited to discuss research needs, ideas, and proposals with the Research Administrator and Vice President of Research.

Responsibilities:

Position/Office/Department	Responsibility
Business Office	Reporting on year-end indirect cost recovery funds recognized. Creation of holding accounts for indirect cost distributions. Distribution of funds as well as tracking of expenditures and account close out at end of PI employment.
Research Office	Support for grant proposal budget creation to ensure appropriate F&A rate charged. Maintain records related to negotiated indirect cost split between multiple PIs on single project. Project indirect cost recovery for budget and planning purposes. Facilitate PI plan submissions for utilization of indirect cost recovery spending and manage approval notification. Review PI utilization of indirect cost recovery spending to ensure alignment with approved plan. The Vice President of Research will provide an annual report on the indirect funds received and the venues of expenditures to the whole faculty or as part of the college annual report, with the understanding that these funds should be equitably used to encourage and support all research disciplines at the College.

Policy Contacts:

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