June 2013 COGR Meeting Thursday Morning Presentation - Lynn McGinley

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- 6 Professional Schools
  - Almost entirely graduate programs in health and human services
  - Medicine, Pharmacy, Dental, Nursing, Social Work, Law

- $1B annual operating expenses
- $422M sponsored expenditures
  - $262M federal award expenditures
Service Centers at UMB

- 12–15 known service centers (internal billings >$100,000)
  - Recover cost of equipment through depreciation, rates reviewed centrally

- 3 specialized service facilities (internal billings >$1M)
  - Same as service centers, but space costs are also included in rate schedules

- Those with billings <$100,000 are not reviewed centrally, but should follow good charging practices
Service Center Manual

- [http://www.cost.umd.edu/servicecenter.cfm](http://www.cost.umd.edu/servicecenter.cfm)
- Requires a significant proposal with approval from the Department Chair and Dean’s Office
  - 13 data elements to make the business case and compliance case
- Quarterly review of activity
- Annual review of rate schedules
- Appendices with proposal examples and several rate schedule examples
Equipment Accounting

- Purchased and initially funded in a related equipment reserve chartstring
  - Depreciation recorded quarterly into operating chartstring
  - Provides reserve for equipment replacement
- Can also purchase using the USM’s Revolving Equipment Loan Program
  - Commercial Paper Loan program
  - Debt service charged directly to operating chartstring
External Sales

- Allowed with approval from the Dean’s Office and Central Administration
- Surcharges are allowed and encouraged
  - Amount is determined by the service center administrators
  - Retained by the service center
Challenges – Business Model

- Cultural change
- Funding start-up costs
- Replacement equipment funding
  - Initially purchased on grants
  - Initially purchased using loan funds
- External service center sales versus sponsored agreement
  - Data ownership, intellectual property issues
  - Inclusion in research base numbers
Challenges – Compliance

- Pressure to set up centers to allocate administrative costs
- External sales
  - UBIT
  - “Related” parties
    - VA, other system schools, entities in our BioPark
- Wanting to fund “seed” programs with service center funds
Challenge – Clinical and Translational Science Awards

- CTSA is proposed to include start-up costs and operating costs of various cores
  - Significant cost sharing promised
- Proposal included a description of how we would develop a “Program Income System”
- Service centers operating within our sponsored chartstrings