

NFRI RPSC (aka F&A) Working Group

February 2019 COGR Meeting
Washington Marriott, Washington DC

February 28, 2019

COGR

Council On Governmental Relations

An association of research universities

NFRI RPSC (aka F&A) ???

NFRI:

Nonprofit Funders – Research Institutions
Partnership

Note: Nonprofit Funders, or Foundations

RPSC:

Research Project Support Costs

Our first “win-win” ??? – to use terminology that
all could use for their constituencies

Work Group Leaders

Jim Luther, Duke

Cindy Hope, Alabama

David Kennedy, COGR

(plus a bunch of you!)

Maryrose Franko, Health Research Alliance

Heather Snyder, Alzheimer's Association

Diane Bovenkamp, Bright Focus

Penny Dacks, American Epilepsy Society

The Nonprofit Funder Perspective

- ✓ Some are very small and niche-oriented
- ✓ Some new players are large and may look more like a federal agency!
- ✓ They fund diverse projects (start-ups, fellowships, career development, training, R01-like projects, centers, international, etc.)
- ✓ Some “get it” – but can’t afford F&A
- ✓ Donors, generally, don’t “get it”
- ✓ Board policies, normally, will reflect donors

The University-Research Institution Perspective

- ✓ Nonprofit funders are “one-size-fits-all”?
- ✓ They don’t pay F&A
- ✓ Sometimes they work “behind our back” and directly with our faculty
- ✓ We significantly subsidize research via cost-sharing and F&A restrictions
- ✓ We need internal policies that are clear on how to handle F&A waivers

Why Now?

- ✓ Winter 2017: Trump Administration proposed policy to restrict NIH awards to 10%
- ✓ Call-out of the Gates Foundation and others as paying 10%
- ✓ Nonprofit funders and Research Institutions realize we are in this together!
- ✓ COGR perfectly positioned to parlay long-simmering issues of F&A and IP into a broader discussion ... in effect, an FDP / GUIRR / UIDP model!

Current and Projected Work Products

- ✓ Education (both ways)
- ✓ Defining Research Project Support Costs
- ✓ Funding Models and the RPSC Cafeteria Plan / Budget Template?

Education: F&A Webinar

- ✓ **INDIRECT COSTS - (AKA F&A): Everything you need to know**
 - ✓ September 6, 2018 // Heather Snyder (Alzheimer's Assoc.), Dave Kennedy and Jim Luther
- ✓ **Objective**
 - ✓ To explore research costs, including how F&A costs and “direct” costs are defined and calculated, and how these costs are used to support research.
 - ✓ To help funders understand what research infrastructure and operating expenses (including project-specific expenses) are supported by F&A costs, and what contributions research institutions make in support of sponsored research.
- ✓ **Agenda**
 - ✓ Contextual Overview
 - ✓ F&A Costs Process & Key Terms
 - ✓ The Partnership: Funders, Foundations and Research Institutions
- ✓ **Statement of Clarification**

Education: Foundation Q&A

- ✓ Difference between a Private Foundation, a Public Charity, and other types of philanthropic organizations?
 - ✓ Public: at least 33% of donors are small (those who give less than 2% of income)
 - ✓ The IRS category of the organization will affect who has the power to make decisions, what the decision-making process is, and the reasons behind those decisions.
 - ✓ Some have flexibility to make and change policy quickly, or to negotiate on an individual basis. Many do not.

Education: Foundation Q&A

Under
Development

- ✓ Does your specific mission have implications to research funding and F&A?
 - ✓ More often it is the size of the organization, available funding, mission, funding base, mission of the organization, etc.
- ✓ Remember - decisions are driven by each organization's mission and must be justifiable to the organization's specific stakeholders (board of directors, patients, trustees, etc.).
 - ✓ Universities and Research Institutions working with the various types of philanthropic funders would be well-served to study the organizations website to determine the mission, the governance structure, and the stakeholders the organization serves.

Research Project Support Costs



DIRECT

specifically identifiable to the project

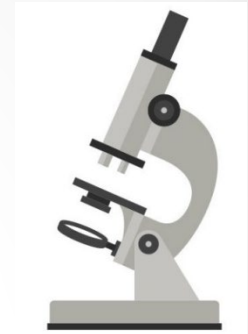
- ✓ Faculty Salaries
- ✓ Lab supplies



INDIRECT

difficult to assign to the project

- ✓ Library
- ✓ Depreciation
- ✓ Payroll Office
- ✓ Procurement
- ✓ OIT



RESEARCH PROJECT SUPPORT COSTS

Costs that are not normally direct but can be attributed to the project

- ✓ microscope costs, scans, hazardous waste disposal, high-speed data, rent, etc.

Research Project Support Costs

Examples of Potential RPSC Options For Funders/Institutions by General Categories of Awards							
	Researcher Salaries Only	Small, Early Stage	Traditional Project Grant	Center Grant	Researcher Career Support/ Society Member	Travel Fellowships	Symposium/ Conference Support
Office/General Purpose Supplies	N/A	1	1	1	N/A	N/A	1
Office/General Purpose Equipment	N/A	2, 4	2	2	N/A	N/A	2, 4
Administrative salaries and related fringe benefits	N/A	3, 4	3	3	N/A	N/A	3, 4
IT Computing/Data Storage	N/A	5	5	5	N/A	N/A	5, 4
Computer Network Charges	N/A	5	5	5	N/A	N/A	5, 4
Special Purpose Equipment	N/A	6	6	6	N/A	N/A	N/A
Trial Participant Support Costs	N/A	7	7	7	N/A	N/A	N/A
Facilities	N/A	8	8	8	8	N/A	8, 4
International	9	9	9	9	9	9	9

Type Indicator (Normality)

Research Project Support Costs

Definitions	
Allocable	Costs are allocated to projects directly, when specifically identifiable and integral to them, or indirectly, when beneficial but not specifically identifiable to them.
Capital Equipment	<p>An article of tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.</p> <ul style="list-style-type: none"> - Special purpose equipment is used only for research, medical, scientific, or other technical activities and is generally directly allocable to projects - General purpose equipment is not limited to research, medical, scientific, or other technical activities and is generally not directly allocable to projects
Cost	What the institution pays to do the research, whether or not reimbursed by a funder.
Direct Cost	Costs directly allocable to the research, whether or not budgeted and/or reimbursed by a funder.
Direct Cost Budget	Budget line items representing the estimated direct costs that the institution will be asking the funder to reimburse.
Indirect (F&A) Cost	Costs that are beneficial and allowable but not directly allocable to specific projects as they are not readily, specifically identifiable to them. Research Institutions generally receive reimbursement for the portion of these costs allocable to sponsored projects through application of Indirect (F&A) Cost Rates.
Indirect (F&A) Cost Budget	The amount resulting from the application of the indirect cost rate used for the proposed budget and subsequently for invoicing for reimbursement.
Negotiated F&A Cost Rate	Or Federally Negotiated F&A Cost Rate, is the rate (or rates) in the Research Institution's agreement with the federal government at which federal sponsors are to reimburse indirect costs. These rates result from the federally dictated process for determining the institution's allowable facilities and administrative costs allocable to research.

Funding Models

- ✓ Traditional Federal Model: Direct + Full F&A Cost Rate
- ✓ Traditional Foundation Model: Direct + 10% F&A
- ✓ Rethinking the Foundation Model: Direct + 10% F&A ... plus Research Project Support Costs
- ✓ And a Budget Template with RPSC categories?

Synergy to Continue the Partnership!

- ✓ If the Administration goes after F&A, again, we need to be established allies.
- ✓ All may be served well to document an “F&A equivalent” – i.e., F&A + RPSCs. This will help to debunk the 10% Administration proposal.
- ✓ If RPSCs are agreeable, potential for more fair cost reimbursement increases.
- ✓ Better collaboration by all parties around F&A waiver policies.

Next Steps

- ✓ Continue Education activities
- ✓ Keep refining what we mean by Research Project Support Costs and make sure all stakeholders are on board
- ✓ Pilot funding models?
- ✓ More recruiting ... 200+ research institutions on board! However, 1000s of foundations?
- ✓ Not a sprint, rather, a marathon

Next Steps

QUESTIONS?

CONCERNS?