



Nonprofit Funder - Research Institution Partnership Workshop Pre-Meeting Survey Results



Government | University | Industry
RESEARCH ROUNDTABLE

COGR
Council On Governmental Relations

 Health
Research
Alliance
Working together to optimize investment in health research and training.



FasterCures
A CENTER OF THE MILKEN INSTITUTE

Cindy Hope, Assistant Vice President for Research and Director, Office for Sponsored Programs, The University of Alabama

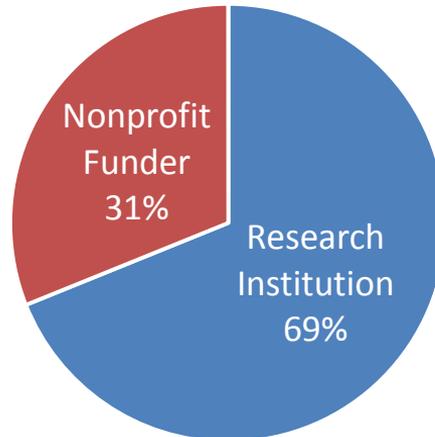
Betsy Myers, Program Director for Medical Research, Doris Duke Charitable Foundation

Jennifer Ponting, Director, Pre-Award Services, Harvard University



Summary of Responses

- We will address each survey item, from both the Nonprofit Funder and the Research Institution Perspective.
 - Providing breakout by type of respondent, when relevant
- 45 total respondents, 14 Nonprofit Funder and 31 Research Institution
- It should come as no surprise that the Yes/No Questions garnered a higher response than the open ended questions



Meeting and Partnership Objectives

- Gaining a better understanding of the perspectives (challenges and goals) of nonprofit funders and identifying a process for constructive dialogue
- Understanding positions on IP, licensing and operating costs
- The perspective of nonprofit funders on a long-term partnership.
 - What are the mutual goals and benefits?
 - What are the key issues and challenges?
- Some nonprofit funders expressed uncertainty about a partnership
- Better management of agreements and relationships; streamlining processes and operations



Thoughts on an Ongoing Partnership

Understanding and meeting each party's objectives and overcoming limitations

- *“A partnership that focuses more on the research and less on the disagreements about terms and funding.”*
- *“A commitment to continue engaging and respectful conversation to keep the communication lines open, collegial, and all about finding solutions.”*
- Deliverables
 - Standardized terms and documents
 - Implementing more efficient processes
- Speaking with a unified voice and sharing best practices



Might your Organization Participate in an Ongoing Partnership?

Research Institutions: 82% Yes; 18% Unsure

Nonprofit Funders: 38% Yes; 62% Unsure

Several wondered what an ongoing partnership would entail.



Are you Involved in Efforts that Address Similar Issues?

Research Institutions: 37% Yes; 48% No; 15% Unsure

- COGR, AUTM, FasterCures, Science Philanthropy

Nonprofit Funders: 36% Yes; 43%: No; 21% Unsure

- Health Research Alliance Funder-Institution Relations Task (FIRST) group; Center for Open Science; ASAP Bio



Nonprofit Funders: Major Challenges Regarding IP Policy

Objectives:

- Maximizing the impact of the work, making sure treatments reach people
- Strengthen rights to royalties and participate in future equity rounds.

Uncertainty in negotiations:

- What is reasonable to ask for?
- How can we recoup our investment if it's licensed for commercial development?
- Negotiate case-by-case or set a firm policy?
- Shortage of internal expertise and funding for legal counsel.
- What are other funders doing?

Restrictions:

- Our Board has mandated the terms of our IP contract, and there are parts that are non-negotiable



Research Institutions: Major Challenges Regarding IP Policy

Management of patenting and licensing/agreements:

- Seeming lack of recognition that IP may come from mixed funding sources
- “March-in” provisions make licensing negotiations difficult; undermine efforts
- State laws create challenges in accepting IP policies of nonprofits
- Challenges when non-profit funders are representing for-profit companies, where the for-profit terms are restrictive on IP policy and provide lower IDC.
- Unwillingness to negotiate alternative IP arrangements, find “middle ground”
- Requests for non-exclusive royalty free licenses and resulting impact on marketability of university inventions
- Demands for return on investment in excess of contribution
- Can we comply with the obligations being imposed on the institution?
- Whether the funder's requirements compromise the university's mission



Nonprofit Funders: Major Challenges Regarding IDC Policy

Rate Policies:

- 25% rate; 10% and allow line items as direct; Low rate – has not been an issue.
- Allow some indirects as direct
- Uncertainty over what the rate should be. Want the policy to be in line with other similar funders.
- We don't pay IDC, period, non-negotiable. No intent to revise policy.

Concerns:

- That funds will be diverted from actual research and thus not carry out our mission.
- That leadership in academia will encourage their faculty to focus their efforts on agencies that have higher indirect costs.
- Should philanthropy pay for these costs or is it a role of government to pay for this public good?
- Difficulty communicating value of indirect costs to donors



Research Institutions: Major Challenges Regarding IDC Policy

- Funders can drive a wedge between institutions and investigators
- The ever increasing amount of research subsidized by the university/financial strain; ways to recover administrative and IDC as direct costs if possible
- IDC rates that are much lower than negotiated rates; lack of clarity/wide variability in what costs that would normally be indirect may be direct charged
- Practicality of, and ability to manage, complex and overlapping sponsor commitments, and the cost of that administration versus the benefit of individual grants to the total program costs.
- Reduced IDC rates are not sustainable. Accepting them forces the institution to recover these costs from other sources such as tuition and endowments, which has a negative impact on the institution.
- Many schools within our institution have a minimum IDC threshold



Nonprofit Funders: Other Challenges?

- Identifying who in the grants office is assigned to a particular grant.
- Grantees often don't understand their institution's internal processes and cause confusion by telling us incorrect information, trying to execute documents themselves, or not knowing who in their institution they should contact.
- Data sharing and data sets.
 - Who owns data?
 - Who gets rights to data?
- Grantees not reporting IP to us, or not reporting publications.
- Researchers' interest in protecting IP and attracting venture capital may be at odds with our goals for continuing the research or collaborating with other partners
- Blended funding: difficult to tell whether our funds are having desired impact.
- Variation among staff within an institution as to how/whether they accept funding agreement terms.
- Unclear notice regarding the intent to use grant funds for IDC and frequent misinterpretation of terms and conditions restricting funds allowed for IDC



Research Institutions: Other Challenges?

- Some funders require involvement of our fundraising arm, even though resulting funding will be handled as a sponsored project.
- Complete refusal to negotiate terms and conditions.
 - Take-it or leave it agreements.
- Almost every funder uses different templates, forms, terms & conditions, and reporting requirements.
- The small size of funder grants with accompanying substantial time commitment required to get a deal in place and manage it later.
- Clauses that, by law, state institutions cannot accept.
- Difficulty in negotiating routine contractual terms such as indemnification and applicable law.
- It's very difficult to get to the decision-makers at many foundations.
- Foundations often don't know much about how universities license inventions.
- Funders may deal directly with the PI, complicating communication and administration.



Next Steps?

- Survey Results have provided us with a valuable starting point
- Breakout Session Topics map to many of the issues raised
 - Research operating costs – Keck 103
 - Intellectual Property and Technology Transfer – E Street
 - Streamlining administrative processes and requirements – Keck 101



*“We have an agreement in principle.
The question is, do we all have the same principles?”*

