MEMORANDUM

To: Deans

From: Dawn Bonnell, PhD
Vice Provost for Research
Jon Epstein, MD
Executive Vice Dean and Chief Scientific Officer
School of Medicine

Date: May 3, 2016

Subject: Industry Sponsored Clinical Trials-Change in Facilities and Administrative (F&A) Cost Recover Rate

Effective July 1, 2016, the University’s Facilities and Administrative (F&A) cost recovery rate for industry-sponsored clinical trials will be increased to 35% of total direct costs of the projector, from the current rate of 28%. This will provide the University and the Schools with the F&A cost reimbursements that more closely approximate the University’s actual costs which has increased with time. The decision to increase the rate was made in consultation with senior officials of the University schools that conduct clinical trials and in consideration of an analysis of peer institutions.

We ask that you communicate this F&A cost rate change to all faculty and business administrators in departments that conduct industry-sponsored clinical trials. The new rate will apply to industry-sponsored clinical trials for which proposals are submitted on or after July 1, 2016.

It is important that faculty understand that, in developing the budget for clinical trials, all appropriate costs, including minimal expected faculty effort and corresponding salary, and F&A costs, must be included in the total costs proposed to sponsors. We recognize that the sponsors of clinical trials frequently approach and investigator with a pre-determined budget amount. Faculty should be cautioned that an internal budget that accounts for all institutional costs must be developed in order to determine if it is financially feasible to participate in the clinical trial.

Thank you for your cooperation in communicating this information to faculty and staff for whom it is relevant.