
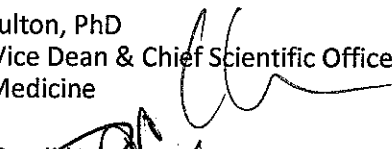





To: Deans
Senior Business Officers

From: Steven J. Fluharty, PhD 
Senior Vice Provost for Research

Glen N. Gaulton, PhD
Executive Vice Dean & Chief Scientific Officer
School of Medicine 

Pamela S. Caudill 
Associate Vice President, Finance
Associate Vice Provost

Date: March 11, 2011

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

Effective July 1, 2011, the University's Facilities and Administrative (F&A) cost recovery rate for industry-sponsored clinical trials will be increased to 28% of total direct costs of the project, from the current rate of 26%. The 28% will provide the University and the Schools with the F&A cost reimbursements that more closely approximate the University's actual costs. The decision to increase the rate was made in consultation with senior officials of the University schools that conduct clinical trials, and with members of the Human Research Advisory Committee.

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, 2011.

It is very important that faculty understand that, in developing the budgets 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 an 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.

The Human Research Advisory Committee will monitor the effects that this change may have on the ability of schools to recover more of their costs associated with the conduct of clinical trials.

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