2019 ANNUAL MEETING

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The Nonprofit Funder - Research Institution Partnership (NFRI)

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NFRI Goals

- Establish a framework that encourages long-term nonprofit funder and research institution collaborations
- Develop a toolkit for funders and institutions

Guiding Principles

- Foster long-term partnerships based on mutual trust.
- Support both partners' missions and recognize and appreciate the partners' differences and respective constraints.
- Foster collaborations to ensure timely conduct, dissemination, and advancement of research findings.
- Benefits should be realized by all parties.

Working Groups

- Intellectual Property/Tech transfer
- Research Project Support Costs
- Streamlining Administrative Processes

Intellectual Property/Tech transfer

- Defining IP
- Royalty Sharing
- Control of Licensing
- Patient Access Programs

Definition of Intellectual Property

To define *background intellectual property* and *foreground intellectual property* and articulate principles for the treatment of these in research contracts.

Foreground IP

- Should be limited to tangible research results.
- Needs to provide for the distinction between patentable subject matter, copyrightable research results, software, data and reports/publications.

Background IP

- IP that exists prior to or outside the scope of the research to be performed and should be generally limited to such IP that is necessary to practice the foreground intellectual property or for the parties to perform the research.
- Reasonable efforts should be made by the university to identify and disclose known background intellectual property and should be limited to the contract performers or the principle investigators laboratory.

Control of Licensing

- To articulate the principles for ensuring control of licensing intellectual property that results from research to achieve the goals of the sponsor and the research performer.

Control of Licensing

- Guiding Principles: How the License Process will be Conducted
  - ✓Background
  - ✓Control vs Communication
  - ✓Marketing and License Process
  - ✓Startups

Royalty Sharing

- To articulate the principles for sharing financial risks and benefits of licensing and commercialization of results of research.

Royalty Sharing

- Guidelines
- Points to consider
- Sample language for agreements
- Rarely happens!

Royalty Sharing

- Considerations:
  - ✓Avoid complex calculations
  - ✓Funder needs to share in “big wins”
  - ✓Institution needs to be fairly compensated for the contributions
  - ✓Incorporate sharing provisions in the executed research agreement
  - ✓Base sharing on amount of funding provided
  - ✓Sharing for funder may be reduced if there are extenuating circumstances

Royalty Sharing

- Considerations:
  - ✓Sharing kicks in only after a certain amount of royalties have been received by the institutional licensor
  - ✓Schedule for payments to funder
  - ✓Funder share is a reasonable % of net revenue
  - ✓Funder ROI resulting from successful licensing of project outcomes is a reflection of financial or other contribution provided
  - ✓No restrictions on use of royalties

Patient Access Programs

- How research institutions and nonprofit funders can leverage IP created with funders' support to prioritize patient use and access.
  - ✓How to incentive licensee to develop in rare/orphan indication
  - ✓What role can the funder play
  - ✓What role can research institution play..
  - ✓Cost-effectiveness

Patient Access

- Is it possible to incentivize licensees to develop in rare/orphan indications?
- What role can nonprofit funder have to promote patient access for orphan diseases?
- What can research institutions do to promote development of treatments for orphan diseases?
- Drug pricing for rare diseases

For more information, contact:

Amy Laster, Foundation Fighting Blindness

Jilda Garton, Georgia Tech

Fred Reinhart, University of Massachusetts

Felice Lu, University of California

Jackie Hausman, Kenneth Rainin Foundation

John Ritter, Yale University

Kevin Wozniak, Georgia Tech

Jeremy Nelson, University of Michigan

Research Project Support Costs (RPSC)

Indirect (F&A) Costs: 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.

Direct Costs: Costs directly allocable to the research, whether or not budgeted and/or reimbursed by a funder.

RPSC: It depends!

Research Project Support Costs (RPSC)

Draft Definition: Costs that may be generally considered Indirect (F&A) Costs by government, nonprofit or other funding organizations, but may be considered Direct Costs (and be listed as a budget line item) if they are directly related to a specific aim or task within a funded project.

Overlap with costs allowed by Federal sponsors when they are:

- for a different purpose or in different circumstances
- administrative salaries when integral and specifically identified with the project
- are there more opportunities?

Current and Projected Work Products

- ✓ Education (both ways)
- ✓ RPSC examples
- ✓ RPSC related definitions (indirect, direct, fundable, budget line item, etc .)
- ✓ Are all the above just elements of a toolkit/website?
- ✓ Other approaches?

Education for Funders: F&A Webinar

- ✓ INDIRECT COSTS - (AKA F&A): Everything you need to know
  - ✓ September 6, 2018 // Heather Snyder (Alzheimer's Assoc.), Dave Kennedy (COGR) and Jim Luther (Duke Univ)
- ✓ 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.

Education for Universities: Learning More About Funders

Questions posed by Universities & Answered by Funders

- ✓ What questions do research institutions have that would help explain what drives policy?
- ✓ What points of clarification could increase understanding of how decisions and policy are made, and when there is (or isn't) flexibility?
- ✓ Can this increased understanding of "why" decrease resources and emotional energy expended?
- ✓ How best to disseminate this information?

Education for Universities: Learning More About Funders

What are the differences between:

- ✓ Private foundations
- ✓ Public charities
- ✓ Other types of philanthropic organizations

Do these differences matter in:

- ✓ How decisions are made?
- ✓ What policy is set? (on IDC, reporting requirements, etc.)

Education for Universities: Learning More About Funders

Policy issues

- ✓ What are examples of why IDC (F&A) are not included in the terms of the grant?
- ✓ How are the details of support (level of funding, type of funding, support for IDC, reporting requirements) decided?

Communication issues

- ✓ How do funders communicate with researchers and other university representatives on programmatic or administrative issues?
- ✓ Who do funders follow-up with for late financial or progress reports?

NOTE: FOR RPSC DISCUSSION ONLY: This is a draft template. The information included in the chart is for our discussion only and not an indication of how anyone thinks a particular cost should be classified.

Examples of Potential RPSC Options For Funders/Institutions by General Categories of Awards

Type of (Normally Indirect Cost)	Researcher Salaries Only	Small, Pilot	Traditional Project Grant	Center Grant	Researcher Career Support/ Society Member	Travel Fellowships	Symposium/ Conference Support
Office/General Purpose Supplies or Services	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:	x	x	x	x	x	x	x
General administrative or clerical	N/A	3, 4	3	3	N/A	N/A	3, 4
Tech Transfer	N/A	3a, 4	3a	3a	N/A	N/A	3a,4
Research Compliance (e.g. protocol management)	N/A	3b, 4	3b	3b	N/A	N/A	3b,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

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.
Allowable	Costs are allowable when allocable and not prohibited by the funder's policies. Not all allowable costs are fundable.
Capital Equipment	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. - Special purpose equipment is used only for research, medical, scientific, or other technical activies 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.
Fundable	Costs that are both allowable and allocable are fundable when within the budget constraints of the funder and the particular funding mechanisim.
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
Research Project Support Cost (RPSC)	Costs that may be otherwise considered Indirect (F&A) Costs by government, nonprofit or other funding organization, but may be considered Direct Costs (and be listed as a budget line item) if they are directly related to a specific aim or task within a funded proje

Moving Forward

- ✓ Finalize examples and definitions
- ✓ Revisit/augment education materials
- ✓ Coordinate efforts with other workgroups - toolkit
- ✓ Are there other opportunities to explore?

For more information, contact:

Diane Bovenkamp, BrightFocus Foundation

Patrick Clark, University of Cincinnati

Maryrose Franko, Health Research Alliance

Cindy Hope, University of Alabama

Nancy Lewis, University of California, Irvine

Heather Moore, Alzheimer's Drug Discovery Foundation

Streamlining Administrative Processes

- Contract Language
  - Responsibility/Indemnification
  - Compliance
  - Research Misconduct
  - Animal/Human Subjects
  - Conflict of Interest
  - Public Access
  - Publicity/Use of Name
- Group Leads
  - Missy Peloso (University of Pennsylvania)
  - Whitney Steen (Lymphoma Research Foundation)

Streamlining Administrative Processes

- Application Processes Subgroup
  - Drilling down to specifics on institutional difficulties with applications
  - Identify how funders develop and revise their proposal calls and application portal text over time
  - Generate specific guidelines
    - Funders: How to clearly communicate what information you want
    - Research Institutions: How to get the information you need from funders

Streamlining Administrative Processes

- Application Processes Subgroup
  - Identified funder and research institution challenges
  - Developing best practices for funders and research institutions. For example:
    - Funders should make application portal easily accessible by research administration staff.
    - Institutions should maintain good relationships with funders and clearly communicate information about funder preferences/challenges to PIs.

Group Leads:

Stephanie Endy (Case Western Reserve University)

Sara Strickland (PEW)

Streamlining Administrative Processes

- Financial Reporting Goals
  - Develop standardized and customizable templates for budgets, invoicing, and financial reporting
  - Develop recommendations for financial reporting timelines
  - Evaluate current financial reporting practices and procedures and provide further streamlining recommendations to both funders and research institutions

Group Leads:
Charles E. Greer, Jr. (University of California, Riverside)
Mehvish Khan (Conquer Cancer Foundation of ASCO)

Draft Invoice Template

Sample Invoice Template				
Date:		Award No.:		
Invioce Number:		Project Title:		
Billing period:		Period of Performance:		
PI Name:		Institution Name		
Budget Category	**Approved Budget**	**Current Period Expenses**	**Cumulative Expensed to Date**	**Available Funds Remaining**
1. Personnel Costs				
2. Consultant Costs				
3. Supplies				
4. Travel				
5. Other Costs				
6. Equipment				
7. Consortium/Contractual Costs				
Total Direct Costs				
8. Indirect Costs				
Grand Total				
Comment/Justification:				

Questions

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