



**Procedure Name:** F&A Capture Procedures  
**Effective Date:** March 25, 2010  
**Revision:** 01  
**Initiating Department:** Office of Clinical Trials  
**Procedure Number:** OCT-003  
**Application:** Fiscal Management  
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**OBJECTIVE:**

The objective of this procedure is to ensure that the Office of Clinical Trials (OCT) captures Facilities and Administrative Costs (F&A) in a manner consistent with Generally Accepted Accounting Principles (GAAP) and with the terms and conditions stated in the sponsor’s contract. F&A will be captured as each check from the sponsor is received and processed.

**REFERENCES:**

<b>UNTHSC Fiscal Manual</b>	Division of Finance Fiscal Manual
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**SCOPE:**

This procedure applies to all clinical trial protocols.

**RESPONSIBILITY:**

The Office of Clinical Trials Financial Manager is responsible for the execution of this procedure.

**DEFINITIONS:**

**F&A:** Facilities and Administrative costs (i.e. over head).

**PROCEDURE:**

**Calculation of Facilities and Administrative Costs (F&A)**

If the sponsor’s payment includes a contractually stated overhead rate, calculate the dollar amount of F&A included in the check. If the contract is silent as to an overhead rate, use a rate of 25%. A sample calculation follows:

$$\begin{aligned} \text{Check Amount} &= \$38,250.00 \\ \text{Overhead Rate} &= 25\% \\ \text{F\&A} &= \text{Dollar Amount of Overhead} = x \\ x &= (\text{Check Amount}) - (\text{Check Amount} \div 1.25) \end{aligned}$$

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$$\begin{aligned}x &= (38,250.00) - (38,250.00 \div 1.25) \\x &= 38,250.00 - 30,600.00 \\x &= 7,650.00\end{aligned}$$

assuming no *non*-overhead items are included in the payment.

**Post Calculation Procedures**

1. Deposit the entire amount of the check in the Health Science Center (HSC) Cashier's Office within four business days of receipt.
2. Prepare and submit a journal entry transferring the amount of calculated F&A from the protocol project account to the Office of Clinical Trials (OCT) F&A account (67627) no later than one business day after the deposit to the Cashier's Office.
3. Once the transfer is made to the OCT F&A account, the funds are deemed discretionary for the general operating use of Research.

**REVISION HISTORY**

Rev	DCO	Description of Change	Approved by
1	10-103	Replacement of "policy" with "procedure"; addition of references and change history	Michael V.W. Bergamini

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