



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:

UNTHSC Fiscal Manual	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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