

Comprehensive Cancer Center University of Puerto Rico Work-For-Other Activities Cost Recovery and Distribution Policy

A. PURPOSE

The Comprehensive Cancer Center University of Puerto Rico (CCCUPR) engages in work-for-other activities, related to its mission, to advance its research and public service endeavors. The Center strives to recover 100% of the costs incurred in these activities. These activities are charged at a fixed price. Thus, these work-for-other activities may yield proceeds achieved through savvy financial management and efficiency throughout the duration of the activity. The Work-For-Others Cost Recovery and Distribution Policy and related procedures are intended to define how the proceeds generated from work-for-others activities are distributed in order to preserve stewardship and transparency in the management and usage of funds while fostering innovation and the advancement of new projects.

B. LEGAL BASIS

The CCCUPR Enabling Act, Act No. 230 of August 26, 2004, as amended, establishes the CCCUPR as the government entity principally responsible for the implementation of public policy regarding the prevention, orientation, research, and provision of clinical services and treatment related to cancer. Pursuant to these objectives, Act 230-2004 authorizes the CCCUPR to develop and foster a research agenda focused on cancer and to establish its own administrative structure with its own operational regulations towards this end. Act 230-2004, Art. 5(b), (c), and (j). To that effect, the CCCUPR General Regulations authorize the Executive Director to adopt all policies, procedures, and regulations necessary to achieve the objectives of Act 230-2004, except the General, Human Resources, and Bid and Purchase Regulations, which shall be approved by the CCCUPR Board of Directors. General Regulations, Art. III, Sec. 3.

C. SCOPE

Proceeds from Work-for Other Activities performed by CCCUPR personnel for State, and local government entities, non-Government/non-profit entities, universities, and held privately corporations. This work is not directly funded by CCCUPR but is authorized by and administered by CCCUPR.

D. APPLICABILITY

This policy applies to work-for-other, fixed price, activities subsidized by private or public organizations when the subsidizer does not place a restriction on how the funds are expended and do not require the return of unused funds.

This Policy does not apply to federal grants and contracts, programs from sponsors abiding by the Cost Principles as stated in 2 CFR 200, or other sponsors, regardless of the type of sponsor, that place contractual restrictions on the usage and distribution of funds.

E. DEFINITIONS:

Credit Distribution: Allocation of an individual's relative contributions towards project objectives outlined in the proposal, expressed in percentage; allows the Center to recognize and record such contributions, and appropriately distribute recovered indirect costs to the Research Incentives Accounts.

Direct Costs: Direct costs are costs that can be identified specifically with work-for-other activities, and therefore are charged to that activity. The accounting system records these costs as they are incurred within the series of accounts assigned for that purpose and further distribution is not required. The Center treats all costs as direct costs except general administration and general expenses.

General Fund: This fund accounts for all the Center's activities, except for those activities related to the sponsored projects.

Indirect Cost: The costs of administrative and support functions of the Center. Costs incurred for common or joint objectives that cannot be readily assigned to a particular sponsored project or work-for-other activity. Additionally, represent overhead or administrative expenses incurred during the implementation of work-for-other activities.

Key Personnel: The Principal Investigator (PI), Project Director (PD), and other individuals who design, conduct, and report research, or who contribute to the scientific development or execution of the activity in a substantive, measurable way, regardless of compensation.

Principal Investigator (PI): A CCCUPR-appointed faculty or staff member who bears responsibility for the intellectual leadership of the activity. The PI accepts overall responsibility for directing the work, financial oversight, and compliance with relevant Center policies and sponsor's terms and conditions.

Research Incentives Accounts (RIA): An account created for CCCUPR appointed faculty and staff that serve as key personnel in a work-for-others activity and receive a credit distribution for their contribution to the project.

Work-for-Others Activity: Any externally funded activity led by CCCUPR faculty or staff that requires the Center to perform a specified task(s) or deliver specified product(s) or services, and the sponsor does not restrict the use funds. The Center usually charges a fixed price for these activities.

F. RESPONSIBILITIES

Principal Investigator(s): will determine and certify the credit distribution percentage when the work-for-others activity has more than one Principal Investigator or Key Personnel.

Office of Sponsored Programs: will analyze the work-for-other activity's contract to determine restrictions on usage of funds. OSP will collect and keep a record of the Credit Distribution

Percentage Form. The Office of Sponsored Programs will keep track of the Research Incentives Accounts and available funding.

Finance Department: will create Research Incentives Accounts for each faculty and key personnel that receives credit distribution from work-for-other activities proceeds. Upon activity closeout, the designated accounting officer will certify the dollar amount of proceeds recovered and forward the distribution forms for Research Incentives Accounts to be created and/or credited when payments are received.

G. POLICY:

The Center will distribute the proceeds generated from work-for-others activities when: 1) work-for other's activity has closed; 2) the Center ensures that products and/or services were delivered as outlined in the activities' contract; 3) the Center has received payment in full for the agreed-upon activities, and 4) the Center has performed the financial and cost analysis necessary to ensure that 100% of the incurred costs, direct and indirect, were recovered.

This policy serves only those work-for-other activities where the subsidizer does not place restrictions on how the funds are expended, and the Center does not need to return unused funds to the subsidizer when the activity ends.

Proceeds recovered from Work-for-Other activities will be distributed as follows:

Item Fund	% distribution
Research Incentive Account	90
Research and Education Support Fund	10

H. PROCEDURES:

1. Distribution of Funds

The funds will be distributed as indicated above. When the activity closes, an analysis will be done to determine the amount of remaining proceeds to be distributed according to the following accounts:

- i. **Research Incentives Accounts (RIA):** RIA accounts will hold funds for CCCUPR appointed faculty and staff to pay for expenses related to research support and professional development activities, such as: the cost of publishing, books, and journals; professional travel; research supplies and equipment; research project development expenses (i.e. pilot projects, consultant fees, and grant writing), and post-doctoral researchers and student assistants expenses (i.e. stipends, salaries, professional development or travel). Food, beverage, and gift card purchases are not allowable. Supplemental compensation is not allowable.
- ii. **Research and Education Support Fund:** The Research and Education Support Division will utilize the funds recovered through indirect costs for training, professional development activities, professional travel, research support and education project development, equipment and supplies, books and journals, and any other allowable cost

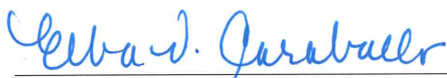
necessary to advance the objectives of the Research and Education Support Division. Food, beverage, and gift card purchases are not allowable.

Note: these percentages will be applied to a prorated value of the proceeds earned from the activity. All distributions of proceeds remain the property of CCCUPR and are to be managed by the staff associated with the CCCUPR to facilitate additional research opportunities in cancer fields.

2. Research Incentives Account (RIA) Management

- i. RIA is created by the Finance Department for each PI or key personnel participating in a work-for-others activity. Accounts will be credited according to the Credit Distribution prepared at the time of contract signing.
- ii. Accounts will be credited when Work-for-Others activity proceeds are recovered by the CCCUPR. Accounts cannot receive or use funds based on estimated or future cost recovery.
- iii. RIA funds will be available and not expire as the account is utilized at least once per fiscal year.
- iv. RIA funds can only cover research-related or professional development expenses.
- v. The Office of Sponsored Programs will monitor, but not approve, funds in individual accounts.
- vi. Personnel with RIAs must initiate and track expenses and balances of the accounts.
- vii. RIA funds remain in the individual's RIA as the faculty or staff has an appointment with the Center.
- viii. PIs, that retire or leave the UPRCCC: If the PI plans to continue to perform research/projects as an emeritus faculty member, the account remains open and available for use. If not, the account will be closed and the remaining funds in the account will be transferred to the Research and Education Support Fund.

This policy is recommended by the Division of Research and Education Support on:

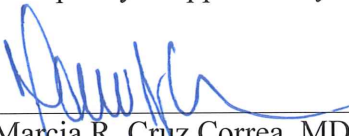


Elba V. Caraballo Rivera PhD, MS
Division of Research & Education Support
Director

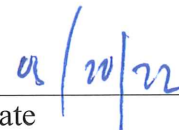


Date

This policy is approved by the Institution's Executive Director on:



Marcia R. Cruz Correa, MD PhD
Comprehensive Cancer Center
Executive Director



Date