

MEMORANDUM

TO: University Deans, Faculty, and Staff
FROM: Richard B. Marchase, Ph.D., Vice President for Research and Economic Development
DATE: June 6, 2016
SUBJECT: UAB Research-Related Fee-for-Service (FFS) change effective July 1, 2016

Currently, Fee for Service (FFS) agreements are processed at UAB by University Contracts and are assessed a 5% of revenue administrative processing fee. As Facilities and Administrative (F&A) costs are not currently assessed on those FFS activities related to research, UAB academic units do not receive any F&A distributions in support of their research missions, despite the fact that these FFS activities result in true research infrastructure expenses. In addition, current FFS activities are not counted toward UAB's national metrics on research expenditures (e.g., NSF HERD, etc). As such, and consistent with practices of peer institutions, all agreements (and contract renewals) with terms beginning on or after **July 1, 2016** for research-related FFS contracts will be processed by the Office of Sponsored Programs (OSP) and be assessed F&A at a rate of 15% on cash received. Budgets for research-related FFS contracts should include recovery of full direct costs in accordance with the University's Direct Costs Policy (available on Financial Affairs website) and the appropriate F&A rate as described above.

A research-related FFS agreement should be used when UAB receives funds from an external entity to perform work in UAB facilities (owned or leased) that:

- 1) is a research-related activity that uses UAB research-related equipment (with the exception of basic office equipment including standard office computers/internet/telephone service), research laboratories, research protocols, or research personnel, AND
- 2) has no expectation of publication by UAB, AND
- 3) where the data and results will not be owned by UAB (although ownership of intellectual property may be negotiated),
OR
- 4) includes any of the following:
 - (i) Qualified as human subjects research as determined by the Institutional Review Board (IRB)
 - (ii) Qualified as animal research as determined by the Institutional Animal Care and Use Committee (IACUC)
 - (iii) Utilizes hazardous materials (i.e., radioactive, biological, chemical, etc.) requiring review by a UAB safety committee
 - (iv) Audit provisions or requirement to return unused funds
 - (v) Federal funds

Please note submission through OSP will require completion and attachment of the Extramural Checklist including the Responsible Personnel List. Any funds remaining after completion of the work will be treated in accordance with the processes related to residual funds.