

Part IX: Process for Allina Hospitals & Clinics Employees

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Sponsored Projects Review Process for Allina Employees

The goal of the Sponsored Projects Review Process is to allow the business unit administration to make informed decisions about a department's participation in sponsored projects. Additionally, the SPRP ensures that sponsored projects comply with company policies, laws and regulations.

Reminder: Any project meeting the criteria for a sponsored project as found in Research Compliance Policy RES 301.00, "What is a Sponsored Project?," must follow the instructions described in this section of the Guide and those found in Part IV, "Sponsored Projects Review Process," if applicable. Sponsored projects include projects that are funded by internal sources that are considered separate legal entities (e.g., Sister Kenny Foundation, United Hospital Foundation, etc.).

Note: Realizing that research and programmatic activities are important for patients and communities, departments need to consider how to effectively manage sponsored projects (i.e., meeting the requirements of the sponsor, and meeting SPA requirements) prior to developing and committing to sponsored projects. Departments and their employees need to evaluate whether they have the time and resources to adequately manage sponsored projects.

Roles and Responsibilities:

The Department Director:

- approves or rejects projects before submission to SPA for review.

Sponsored Projects Administration:

- works with the departments to develop budgets;
- evaluates projects for financial compliance; and
- makes recommendations to the departments and AE on financial and compliance matters regarding projects.

The Accountable Executive:

- evaluates projects to verify that it meets financial performance requirements and determines whether projects are appropriate for the business unit;
- has the authority to approve or deny projects; and
- discusses any project denials with the Department Director.

The "Sponsored Projects Review Process for Allina Departments & Employees Algorithm" beginning on page IX-5 delineates the process for submitting projects when Allina is recipient of funds. Projects can be awarded to Allina in many ways; this part of the Guide will focus on two: Request for Proposal Projects and Participant Accrual Projects.

Types of Projects

Request for Proposal Projects

Request for proposal projects are sponsored projects typically thought of as "grants." A Principal Investigator/Project Director designs a project, establishes outcomes, creates a budget and submits the proposal to a sponsor, who either accepts or rejects the proposal. Some examples are projects funded by the Federal Government or other funders that require a Request for Proposal (RFP).

The Pre-Award Process

Allina SPA can help research sites throughout the entire award process. In order to allow adequate time for review, Allina employees need to complete the steps outlined in the algorithm, “Sponsored Projects Review Process for Allina Departments and Employees” (starting on page IX-5).

General Steps

- The research site begins the Setup Worksheets and budget.
- The service department director evaluates and approves the DSIS.
- Upon approval, the research site completes the Setup Worksheets and obtains director approval.
- The research site sends materials to SPA according to the directions in Part IV of the Guide.
- SPA and the AE review the project. If approved, the project can be submitted to the sponsor.

Note: All projects must be reviewed and approved by the Department Manager, Department Director, and the Accountable Executive (if required by facility) before submitting the proposal and appropriate materials to SPA.

The Post-Award Process

Once the department is notified of funding by the sponsor and a final budget is established, a written agreement must be drafted and submitted to SPA for review. SPA will forward the written agreement and project materials to the AE.

Note: A “Notice of Grant Award,” not a written agreement, serves as the funding mechanism to Allina for federal projects.

If the sponsor awards the project but reduces the budget, the Allina department will need to re-evaluate the project and determine whether to move forward with the project. If the department decides to move forward with the project, SPA and the AE will need to re-evaluate the project proposal and the revised budget before beginning any work on the project.

Participant Accrual Projects

Participant Accrual Projects are sponsored projects where the sponsor reimburses the research site for each participant accrued or gives a lump sum for a certain number of participants accrued. For example, Company ABC wishes to conduct a research project and will pay the research site \$1,000 per participant to cover the costs of enrolling participants, administering the informed consent, and completing data collection forms.

Participant accrual projects are acceptable for Allina departments provided the amount reimbursed by the sponsor covers the cost incurred by the project and is not above fair market value for the services provided. Departments need to conduct a financial analysis of the project to ensure their costs are being covered, including fringe and indirect costs.

The Award Process

The Participant Accrual Process is slightly different than the RFP Process mentioned above, because the sponsor designs the project and the research site performs the tasks outlined in the project.

A department must understand the responsibilities required by the sponsor and develop a budget based on estimated participant accrual before deciding to participate. If the estimated participant accrual rate listed in the budget from the sponsor is too low, the department has two options: negotiate a higher rate with the sponsor or decline to participate in the project.

The project must be submitted for the SPRP immediately after the sponsor and department agree to the project budget. No work should be performed on the project until the department receives approval from SPA and the AE. (See page IX-9.)

Submission Requirements for SPA Review

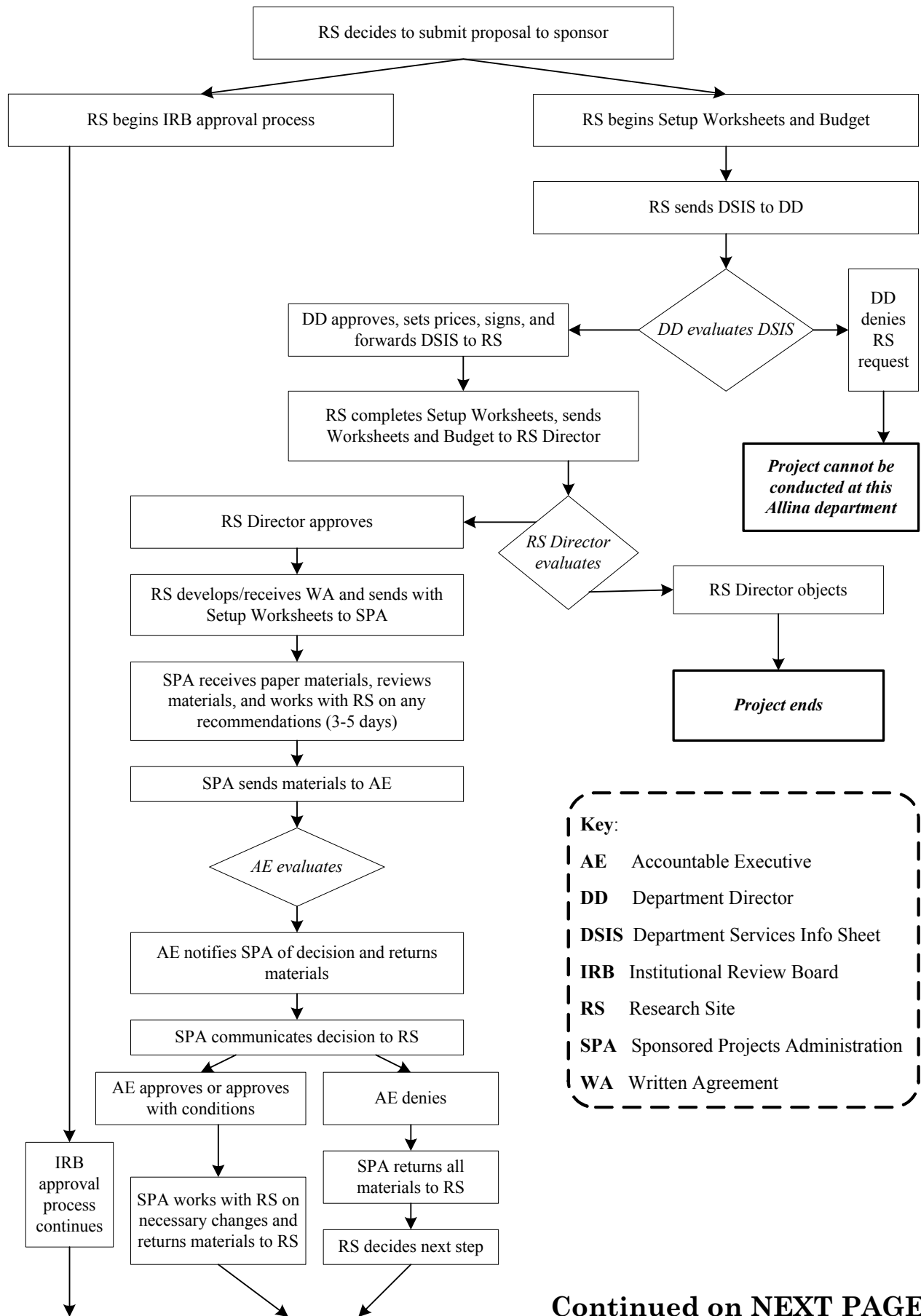
When submitting a project that involves medical services, such as a clinical trial, complete each worksheet described in Part IV, “Sponsored Projects Review Process,” of this Guide. Complete all requirements including submission to SPA.

If the project does not involve a medical service, complete only the Sponsored Project/Research Information Worksheet and follow the submission instructions in Part IV, “Sponsored Projects Review Process.”

In addition to the submission requirements outlined, Allina departments and employees need to submit any budgets and budget narratives.

Call SPA at 612-262-4926 or 612-262-4927 with any questions about this process for Allina employees.

Sponsored Projects Review Process for Allina Departments & Employees

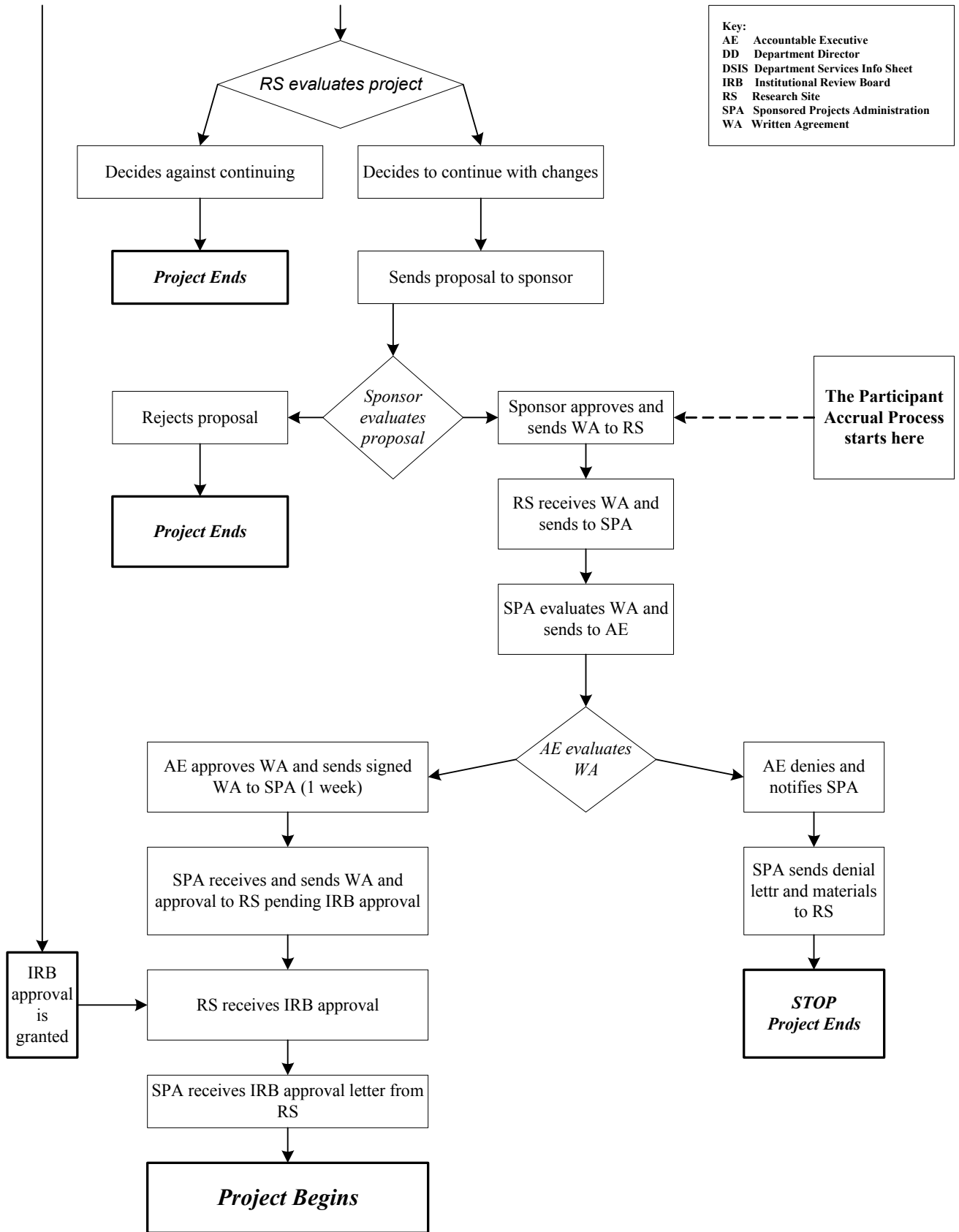


Key:

- AE** Accountable Executive
- DD** Department Director
- DSIS** Department Services Info Sheet
- IRB** Institutional Review Board
- RS** Research Site
- SPA** Sponsored Projects Administration
- WA** Written Agreement

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SPRProcess for Allina Department & Employees
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Common Budget Items

The following areas are commonly encountered when developing sponsored project budgets or expenses. The items discussed are specific to Allina sponsored projects and should be used when Allina submits the project to the sponsor.

Note: It is the policy (Research Compliance Policy RES 303.00) of Allina that any sponsored project awarded to Allina, or any project for which Allina employees directly participate, contain a provision for both fringe benefits and indirect costs.

Allowable Expenses

Cellular Telephones and Pagers

Cellular telephones and pagers are allowable as a direct expense in sponsored project budgets, subject to Allina and sponsor policies. However, acquiring a cellular telephone specifically for a project is discouraged.

Consultants or Contractors

Consultants or contractors are persons or entities engaged by Allina for a specific portion of a sponsored project and are not Allina employees. Consultants or contractors should submit either hourly wage or detailed budgets and should be included in the overall project budget as a specific dollar amount. Although consultants or contractors in the project are entitled to fringe benefits, an agreed-upon rate will be charged to the sponsored project. Do not calculate a fringe benefit rate for any consultants or contractors listed in the budget. However, any rate being charged to a sponsored project should be reasonable in relation to the services rendered.

Equipment

Equipment (assets) are items purchased that cost in excess of \$2,000 (refer to Allina Finance Policies for the current amount) and have a life greater than one year (e.g., computers). Equipment may be purchased with sponsored project funds providing it is approved by the sponsor prior to purchasing, outlined in the initial budget, and is approved in accordance with Allina policy and procedures. Contact either Allina SPA at 612-262-4926 or the Accounting Department at 952-992-3866 with any questions.

Memberships, Dues, Subscriptions, and Professional Activity Costs

- Costs of membership in business, technical, and professional organizations are allowable.
- Costs of subscriptions to business, technical, and professional periodicals are allowable.
- Costs of meeting and conferences, when the primary purpose is the dissemination of technical information are allowable. This includes costs of meals, transportation, rental of facilities, and other items related to such meetings.
- Costs of memberships in any civic or community organization are allowable with prior approval from the cognizant agency.

(Also see Memberships,...under the Non-allowable Category.)

Patient Care

Patient care is the cost of routine and ancillary care or special services to research participants. It is allowable as a direct cost. However, the amount **CANNOT** be included in calculating indirect costs.

Per Procedure Costs

Per procedure costs are the expenses associated with doing a service, a test, or a procedure that is too difficult to separate into components. It also includes expenses where a cost already established (e.g., x-ray or lab tests), or where a set amount is given for accruing a participant. Per procedure costs are allowed as a direct item provided the amount estimates actual costs or time spent.

Personnel (Salary) Expenses

Personnel expenses are direct payments to **Allina employees** for work performed on projects. Any work supporting a sponsored project must be documented appropriately on a time card or other time tracking system (e.g., a time study). In general, the specific naming of employees should be avoided, except for the Principal Investigator/Project Director, who should be named.

Printing

Printing is the cost to have an item printed outside of Allina (e.g., Relizon). The cost of printing is allowed as a direct cost to a sponsored project. It should include outside design costs.

Space Rental

Space rental is the cost of leasing real-estate property from outside Allina or from Allina facilities where actual cash changes hands. For example, a department within a hospital may not charge rent to a sponsored project because the cost of operating the building is included in indirect expenses; however, if the department pays rent for space in a medical office building, it is an allowed expense. However, the department may only charge a sponsored project for space that is allotted to the project and some administration space.

Training and Education Expenses

Training and education expenses are those associated with the preparation and maintenance of a program of instruction including but not limited to on-the-job, classroom, and apprenticeship training, which are designed to increase the vocational effectiveness of employees. Training materials, textbooks, salaries or wages of trainees (excluding overtime compensation), salaries of the trainer when the training is conducted by the organization, and tuition and fees when the training is not conducted by the organization are allowable costs. The training or courses must relate to the field in which the employee is now working or may be expected to work.

Non-allowable Expenses

Entertainment

Costs of amusement, diversion, social activities, ceremonials, and related costs (i.e., meals, lodging, rentals, transportation, and gratuities) are unallowable expenses.

Memberships, Dues, Subscriptions, and Professional Activity Costs

Costs of memberships in any country club or social or dining club or organization are NOT allowable. (Also see Memberships,...under the Allowable Category above)

Photocopying

Photocopying, within Allina, is meant to include the convenience copiers located in departments. At this time, these costs **CANNOT** be included within a budget as the amounts are covered in the indirect costs.

Telephones

Telephones are not an allowable direct expense; the costs are included within the facility's indirect costs. **DO NOT** place telephones in the budget as a line item.

Uncertain Allowable and Non-allowable Expenses

Travel

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are on official business of the organization. Travel costs are allowable when they are directly attributable to specific work under an award. The difference in cost between first-class travel other travel is not allowable. All travel expenses are subject to Allina's Travel and Other Business Expense Reimbursement Policy.

Local travel – is business travel between Allina facilities. These costs are allowable and will be reimbursed at the current reimbursement rate issued by the Internal Revenue Service.

Other travel – that is not local travel (e.g., out-of-state, foreign travel).

Other

Cost-of-Living Adjustments

Cost-of-living adjustments are increases to account for inflation and are required by Allina to be included unless prohibited by the sponsor. The rate should run from three to four percent, unless other internal documentation suggests a different rate should be used.

Cost Sharing or Matching

These terms refer to the portion of the total project costs not incurred by the sponsor. Matching or cost sharing should only be reflected in a budget if required by the sponsor, necessary to make the proposal competitive, or needed to accurately reflect the level of effort required to conduct the project. Cost sharing or matching must follow the same guidelines as allowable and unallowable expenses.

Fringe Benefits

Fringe benefits are costs associated with compensation to employees in addition to wages. Fringe benefits include such things as medical, dental, life, PTO, unemployment, etc.

Note: At the time of distribution of this Guide, the current fringe-benefit rate charged to sponsored projects is twenty-one (21) percent. Any changes to the fringe-benefit rate will be posted on the Allina Research Administration web site.

In-Kind Expenses

In-kind expenses are a portion of the project expenses that are not requested from the sponsor or what Allina contributes to a project.

Indirect Costs

Indirect Costs (IDC) are costs that cannot be specifically linked to a particular project, department, etc., but are the costs of operating the facility. Examples of such costs include depreciation on buildings and equipment, costs of operating and maintaining facilities, and general administration and general expenses, such as accounting and personnel administration. The indirect cost rate should be multiplied by total budget, excluding only those items classified as patient care.

Allina develops indirect cost rates through its operating units and follows the guidance of the Federal Government as codified in 45 CFR Part 74 Appendix E and other related documents. It is SPA's responsibility to develop the IDC rates. Allina departments may contact SPA (612-262-4926) or refer to the Allina Research Administration web site for the current IDC rate.

Sample Budget Format

The following format is an example for proposals when the sponsor does not provide a specific form. Proposals should include a spreadsheet for all periods requested.

Another budget template is located on the disk SPA provided.

	Year 1	Year 2*	Total
Personnel			
Project Director 5% (In-Kind)	\$50,000	\$2,500	\$2,600
Data Entry 50%	\$30,000	\$15,000	\$15,600
Data Analyst 50%	\$40,000	<u>\$20,000</u>	<u>\$20,800</u>
Total Salaries		<u>\$37,500</u>	<u>\$39,000</u>
Fringe @ 20%		<u>\$ 7,500</u>	<u>\$ 7,800</u>
Total Salaries and Fringe		\$45,000	\$46,800
			\$91,800
Contractual			
Data Collection Services will be collecting raw data	\$20,000	\$20,800	\$40,800
Supplies			
Office and computer supplies	\$1,000	\$1,040	\$2,040
Equipment			
Computer, Monitor and Software	\$2,500		\$2,500
Subtotal	<u>\$68,500</u>	<u>\$68,640</u>	<u>\$137,140</u>
Indirect @ 20%	<u>\$13,700</u>	<u>\$13,728</u>	<u>\$27,428</u>
Project Total	\$82,200	\$82,368	\$164,568
In Kind	<u>(\$3,000)</u>	<u>(\$3,120)</u>	<u>(\$6,120)</u>
Amount Requested	<u>\$79,200</u>	<u>\$79,248</u>	<u>\$158,448</u>

Year 2 includes a 4% increase