



**RESEARCH DEVELOPMENT AND ADMINISTRATION**  
**Sponsored Projects Administration**

Mailcode: AD 220 • 2525 SW First Avenue • Portland, Oregon 97201-4753  
503 494-0355 • Fax 503 494-1191  
www.ohsu.edu/research/rda/spa

<b>SPA External Procedure Name:</b> Program Development Account (PDA) and Defined Research Account (DRA) Guidelines	<b>Effective:</b> Revised: 6/30/08
--	---------------------------------------

**PURPOSE**

The following procedure sets forth the various processes that should be followed in the setup, management and closeout of Program Development Accounts (PDA's) and Defined Research Accounts (DRA's).

**DEFINITIONS**

**Program Development Account (PDA):** PDA's are set up for the purpose of receiving residual balance funds from Fixed Price Agreements in order to further the research mission of the university and are to be spent according to established university guidelines. PDA's are unrestricted, do not have a definable scope of work, and do not involve human or animal subject expenses, and are unrelated to a specific or Defined Research Projects. Generally, each Unit/Department/Division has one Program Development Award setup in the Oracle Grants Accounting (OGA) system with individual OGA Projects set up under these Awards for individual PI's or a group of PI's.

**Fixed Price Agreement:** (For purposes of this document, 'fixed price agreements' is used interchangeably with fee for service agreements and/or non-cost based agreements or contracts) An agreement with a set firm price at the time of the award and the unit price remains fixed for the life of the agreement and is subject to further adjustment only via a fully executed amendment to the original agreement. Fixed price agreements are generally used when reasonably definite specifications, either functional or detailed, are available and when fair and reasonable prices can be estimated and established. Such proposals specify a set or "fixed" price for a performance of work on an agreed upon set of specified deliverables, but generally do not contain details of the budget. The detailed budget is kept internally by OHSU for cost accounting purposes only. In these type of agreements, sponsors agree to the scope of the work to be performed, with an agreed upon value, and pay based on work completed, not costs incurred.

Fixed price agreements for Clinical Trials are generally negotiated based on estimated costs per patient and paid based on patient visits, enrollment, or submission of case reports. Other fixed price agreements are negotiated with fixed payment schedules, based on milestones, deliverables, or a variety of other mechanisms. The primary characteristic of these agreements is that funds are not received based on actual costs incurred.

**Federal Fixed Price Pass-Throughs:** A fixed price subaward, where funding was originally from the Federal government to a collaborating institution, then subbed out to OHSU. If the cash disposition is not specified in the contract, OHSU may retain the unexpended balance. It is recommended that the residual balance be less than 20 percent of cash received. SPA will require a brief explanation for the balance remaining on the Balance Transfer Form. Balances may only be moved into a PDA at the end of the award.

**Residual Balance:** A balance of cash remaining after all applicable costs have been assessed to a sponsored project from where OHSU is allowed to retain unspent funds. It is possible that the total cash received may exceed the total cost incurred on the project. In order to comply with generally accepted accounting principles and insure institutional oversight for the proper stewardship of sponsored funding, it is important that proper review is conducted by the department to ensure that all applicable costs were actually charged to the project and that all applicable policies and procedures were adhered to by the Principal Investigator and their staff in conducting the project.

**Defined Research Account (DRA):** DRAs are a PI-initiated specific research project internally funded from a PDA. The project has an identifiable scope of work and/or will use animals or human subjects. DRAs are generally funded from PDAs, however, Foundation or GL funding can be moved into a PDA, then into a DRA. If non-sponsored funding is to be used for specific research, contact the PDA/DRA analyst for more information.

## RESPONSIBILITIES

**Principal Investigators/Departmental Staff:** PIs and their staff are responsible for developing budgets that accurately represent the true cost of performing the project. Once the fixed price agreement is fully executed, it is also the responsibility of the PI and their staff to charge the appropriate and applicable costs of the project to the associated OGA Project. All efforts should be made by the department conducting fixed price agreements to charge the applicable and budgeted costs to the appropriate account. At the end of the study it is the responsibility of the PI and their staff to certify the study is completed and that all appropriate expenses and income have been applied to the account.

**Sponsored Projects Administration (SPA):** SPA is responsible for setting up OGA Awards and Projects for PDA and DRA accounts and providing PIs and their staff with appropriate expertise and guidance in the management of these projects. SPA also provides a mechanism for the department to certify the completion of the agreement, appropriate application of expenses and that all funds have been received and applied to the account.

## REQUIREMENTS

### Establishing and funding a Program Development Account (PDA):

- To request that a Program Development Account be setup use the Program Development Account (PDA) Request Form and a Balance Transfer Form, obtain signatures, and submit to SPA.
- It is important that the department staff perform a proper review to ensure that all sponsor requirements have been met prior to closing out a Fixed Price Agreement account and transferring any balance.
- Program Development Accounts are for general research related expenses that further the University's mission of research. These accounts are unrestricted funds that are not related to specific or defined research projects. Some examples of expenses for which these accounts may be used include non-animal and non-human related expenses such as; equipment, memberships, dues, conference fees/registration/travel, unallowable costs from Federal Awards, deficits from sponsored accounts.
- Once a PDA has been established, only a Balance Transfer Form needs to be submitted in order to move additional balances into the PDA.

### Establishing and funding a Defined Research Account (DRA)

- To request that a Defined Research Account (DRA) be setup, use the Defined Research Account (DRA) Request form. The form must be completed, approved and submitted to SPA.
- Ensure that the other required forms (i.e. the PPQ, scope of work) and assurances (i.e. Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC)) listed on the request are provided to SPA.
- Defined Research Accounts (DRAs) are used to fund PI initiated research projects.
- DRAs are generally funded by PDAs, however, Foundation or GL funding can be moved into a PDA, then into a DRA if nonsponsored funding should be used for specific research. Contact the PDA/DRA analyst for more info.

### Management of Program Development Account and Defined Research Account

- A review will be performed by the department, prior to the transfer of a residual balance, to ensure that costs are appropriate and all sponsor requirements have been adequately met.
- Funds will be transferred into a PDA or DRA only with the approval of the SPA Director or designee.

- Funds in PDA's and DRA's may only be spent if the expenditure furthers the research mission of OHSU.
- Expenditures to a PDA or a DRA may be authorized by only the PI and their designees.
- Funds in a PDA may not be spent on human or animal subjects. If human or animal subjects are to be utilized, the proper IRB or IACUC approval must be obtained and funds for the particular projects accounted for in a DRA.
- PDA's and DRA's are not allowed to maintain a deficit balance status. All efforts should be undertaken by the PI and their staff to ensure that PDA's and DRA's do not enter into deficit status at any time. If an unresolved deficit exists in one of these types of accounts, the deficit will be transferred to the appropriate department or division general fund. PI's and department staff will be notified prior to the deficit being transferred.

#### **Transfers of funds between accounts and PI's:**

- Transfers within OHSU: A PI has the ability to donate residual balances and funds from their PDA to another PI or to their own DRA by submitting a Balance Transfer Form.
- Transfer of a PI to another Department: With the approval of both departments, a new PDA may be established and the funds moved to it. A new Request for a PDA and a Balance Transfer Form will be needed.
- Transfers out of OHSU: Funds in PDA's and DRA's belong to OHSU and will remain with OHSU unless the Department Chair or Division Head has provided written approval to Sponsored Projects Administration to transfer funds out of OHSU when a PI leaves.
- Transfers in to OHSU: PI's are permitted to establish a PDA and transfer to OHSU from other Institutions unrestricted funds to be used for Undefined Research related expenditures.

#### **Closeout of Program Development Account and Defined Research Project Account**

- A PDA may be closed by the PI or department by using the Balance Transfer Form.
- A PDA may be closed when a PI leaves OHSU. Any remaining balance may be transferred per the guidelines for transfers between accounts.
- A PDA may be closed by SPA if deemed appropriate by the Director of SPA. The PI and department staff will be notified prior to closeout.
- After the completion of a DRA, a PI may request the transfer of any remaining balance to a PDA by using the Balance Transfer Form.
- SPA will notify the PI and department staff, move any remaining funds back to the donating PDA and close a DRA if any of the following situations exist:
  - The account is fully expended and the PI has not closed the DRA
  - The OGA end date has lapsed by 120 days
  - Appropriate institutional compliance approval has not been maintained

#### **Related Documents**

##### Balance Transfer Form

<http://www.ohsu.edu/research/rda/spa/docs/fpastatus.pdf>

Program Development Account (PDA) Request Form <http://www.ohsu.edu/research/rda/spa/docs/spapdarequest.pdf>

Defined Research Account (DRA) Request Form