

<b>SPA Procedure Name:</b> SPA Program Development Account Guidelines	<b>Effective:</b> 8/02/02 Revised: 2/10/06
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## Purpose

OHSU frequently receives sponsored projects funds based on fixed price agreements. These generally come in the form of Industry Sponsored Clinical Trial Agreements, but fixed price agreements can also be accepted for a variety of other types of sponsored projects. Fixed price agreements for Industry Sponsored Clinical Trials are generally negotiated based on estimated costs per patient. Payment for these contracts is made per the negotiated per patient amount and paid based on patient visits or patient enrollment. 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.

All efforts should be made by the department conducting the fixed price agreement to charge the applicable and budgeted costs to the appropriate account. It is possible that the total cash received might actually exceed the total cost incurred on the fixed price agreement account. In these cases it is important that proper review is conducted to ensure that all applicable costs were actually charged to the account and that all applicable policies and procedures were adhered to by the Principal Investigator and their staff in conducting the project. If it has been determined by SPA that all applicable costs have been incurred against the project and a residual balance remains in the account, a Program Development account can be created to receive the transfer of residual balances. The following procedure sets forth the various processes that should be followed in the setup, management and closeout of Program Development Accounts.

## Definitions

**Donating PI:** The PI from whom a Fixed Price Agreement residual balance or Program Development Account funds are moved to his own Defined Research Project Account or to another PI's PDA or Defined Research Project Account.

**Fixed Price Agreement:** Fixed-price agreements set a firm price for the sponsor for which OHSU bears full responsibility. A definite price is agreed upon before the award, and the price remains fixed for the life of the agreement and is subject to further adjustment only via a fully executed amendment to the original fixed price 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. They are often used when dealing with corporate sponsors. Such a proposal specifies a set or "fixed" price for a performance of work on an agreed upon set of specified deliverables, but does not generally 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, but provide no details of how the funds are to be spent on personnel, supplies, equipment, travel or facilities and administrative costs. The Sponsor pays based on work completed, not costs incurred.

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**PDA Funded Defined Research Project Account (DRA):** These accounts are also referred to as Defined Research Project Accounts (DRA). These are a PI-initiated specific research project internally funded from a Program Development Account. The project has an identifiable scope of work or the project will use animals or human subjects.

**Recipient PI:** The PI to whose Undefined (PDA) or Defined Research Project receives a residual balance from a Fixed Price Agreement or funds from an Undefined Program Development Account.

**Residual Balance:** A balance of cash remaining after all applicable costs have been assessed to a sponsored project from which the sponsor permits OHSU to retain unspent funds or from a completed Defined Research Project Account.

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

**Unit:** School/Institute/Center, Department or Division.

## Responsibilities

**Principal Investigators/Departmental Staff:** PI's and their staff are responsible for developing budgets that accurately represent the true cost of performing the work of 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.

**RDA Pre-Award Offices (PAO - - i.e. RGC, CRP & TRC):** PAO's are responsible for assisting PI's and their staff in budgeting for all the true costs of performing projects and negotiating with the Sponsor to develop an effective Fixed Price Agreement and for assisting in the pre-award processing of Defined Research Project Accounts.

**Sponsored Projects Administration (SPA):** SPA is responsible for receiving the new Fixed Price Agreement and setting up OGA Awards and Projects for each agreement. SPA is also responsible for providing the PI's and their staff with appropriate expertise and guidance in the management of these projects once the agreement is fully executed and transferred to SPA for setup. SPA will provide a mechanism for review of project expenditures for overall appropriateness as well as a mechanism to certify the termination of each project. SPA is responsible for setting up OGA Awards and Projects for Undefined Program Development Accounts (PDA) and Defined Research Project Accounts (DRA). SPA is responsible for providing PI's and their staff with appropriate expertise and guidance in the management of these projects and providing a mechanism for review of project expenditures for overall appropriateness as well as a mechanism to termination of each project.

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## Requirements

### Project Status / Balance Transfer Form

- Prior to requesting that a SPA Program Development Account be setup and a residual balance transferred, a [Project Status / Balance Transfer Form](#) must be completed, approved and submitted to SPA. It is important that proper review be performed to ensure that all sponsor requirements have been met, prior to closing out a Fixed Price Agreement account and transferring any balance. To ensure that an appropriate review has occurred, two signatures are required, the PI's plus one higher level signature. In the event that the PI is the Department Chair, the form must be signed by the Dean.

### SPA Program Development Account Request Form

- Investigators can request the setup of a Program Development Account by completing and submitting the [SPA Program Development Account Request Form](#).
- The form gathers approval signatures and essential information needed to establish an Undefined Research or PDA Funded Defined Research Project.
- Program Development Accounts require two signatures to be setup, the PI's and one higher level signature, their immediate Unit Head or the Department Chair. In the event that the PI is the Department Chair, approval must be obtained from the Dean.

### Setup of Program Development Accounts

- Program Development Accounts are set up in the Oracle Grants Accounting System (OGA) with the following parameters:
  - Generally one Award per unit/department/division
  - Multiple projects per award - One project per PI, a group of PI's, or a group of PI's
  - Installments are created at the award level for each transfer of funds into the project
  - Award budgets will be entered to equal total installments
  - Project budgets will be entered to equal a subset of installments, generally per PI
  - Budgetary control is set at absolute at the award level. It is the responsibility of the Department Administrator or Division Manager to ensure that each PI spends within his/her particular installment limit.
  - Award end date set at indefinite
  - Project end date set at indefinite
  - F&A Base – TC. All
  - F&A Rate – 0%

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**Management of Undefined Research Program Development Account (PDA) and Defined Research Project Account (DRA)**

- Funds will be transferred into Program Development Accounts and Defined Research Account only with the approval of the SPA Director or designee. A review will be performed, prior to the transfer of a residual balance, to ensure that costs were appropriate and all sponsor requirements were adequately met.
- Funds in Program Development Accounts and Defined Research Project Accounts may only be spent if the expenditure furthers the research mission of OHSU.
- Expenditures from a PDA or a DRA may be authorized by only the PI and their designees.
- Funds in a PDA should 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 setup in separately accounted for Defined Research Project Accounts. Expenditures related to human and animal subjects should never be assessed to Undefined Research Program Development Accounts (DRA).
- Program Development Accounts and Defined Research Project Accounts will not be allowed to maintain a deficit balance status. All efforts should be undertaken by the PI and their staff as well as the Department administrative staff to ensure that Program Development Accounts or Defined Research Project Accounts do not enter into deficit status at any time. If an unresolved deficit exists in a Program Development Account or Defined Research Account, 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.

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

- Program Development Accounts will be closed once the residual balance funds that had been transferred into the account are fully expended, unless previously notified by the PI or Department staff that additional residual balances are to be transferred into the Program Development Account within the following six month period. PI's and department staff will be notified prior to Program Development Accounts being closed.
- Defined Research Project Accounts will be closed once the residual balance funds that had been transferred into the account are fully expended, unless SPA is notified by the PI or Department staff that additional residual balances are to be transferred into the DRA to continue the research project. Appropriate institution compliance approval must be maintained. DRA's will be closed and any remaining balance will be transferred back to the donating PDA, if the PI does not maintain appropriate institutional compliance approval. PI's and department staff will be notified prior to Defined Research Project Accounts being closed.

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- After the completion of a Defined Research Project, a PI may request the closure of the DRA and the transfer of any remaining balance to a PDA by using the Project Status / Balance Transfer Form. The form requires two signatures, the PI's and one higher level signature, their immediate Unit Head or the Department Chair. In the event that the PI is the Department Chair, approval must be obtained from the Dean. If a new PDA is to be established into which the residual balance is to be moved, the guideline for Establishing and Funding a PDA is to be followed.

**Transfers of Funds:**

- Transfers within OHSU: A PI has the ability to donate Fixed Price Agreement residual balances and funds from their Undefined Research PDA to another PI or to their own Defined Research Project Accounts. The Project Status / Balance Transfer Form is the appropriate tool to document the transfer request. To ensure that an appropriate review has occurred, two signatures are required, the PI's and one higher level signature. In the event that the PI is the Department Chair, the form must be signed by the Dean.
- Transfers out of OHSU: Funds in Program Development Accounts and Defined Research Project Accounts belong to OHSU and will remain with OHSU should a PI leave the University unless the Department Chair or Division Head has provided written approval to Sponsored Projects Administration to transfer funds out of OHSU.
- Transfers in to OHSU: PI's are permitted to establish Undefined Research PDA's and transfer to OHSU from other Institutions unrestricted funds to be used for Undefined Research related expenditures.

**Establishing and Funding a PDA:**

- Undefined Research Program Development Accounts (PDA's) are for general research related expenses that further the University's mission of research. Residual balances from fixed price agreements are usually moved to these accounts. 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, and a funding source for Defined Research projects and for Cost Sharing Accounts. Funds are transferred to a PDA by completing a Project Status / Balance Transfer Form identifying the completed project from which the residual balance will be moved and the disposition of the balance. Two signatures are required, the Donating PI's and one higher level signature. In the event that the Donating PI is the Department Chair, the form must be signed by their Dean. New Undefined Research PDA's are established by completing a SPA Program Development Request Form. Two signatures are required to establish a PDA, the Recipient PI's and one higher level signature. In the event that the Recipient PI is the Department Chair, the form must be signed by their Dean. Both forms are required to establish a new PDA.

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**Funding Projects from a PDA:**

- Undefined Research Program Development Accounts, (PDA's) may be used to internally fund PI initiated research projects. If the PI plans to use the funds for a cost sharing account, specific research project (identifiable scope of work) or the research will use animals or human subjects, a Defined Research Project Account (DRA) will need to be established. If this type of account is required, the Recipient PI will need to submit a PPQ to RGC with their signature. The PPQ will designate the PDA from which funding will be transferred. The Recipient PI will need to obtain and maintain appropriate institutional compliance approval. Attached to the PPQ will be a completed Project Status / Balance Transfer Form signed by the Donating PI, their Department Chair and if the Chair is the PI, their Dean. Two signatures are required, the PI's plus one higher level signature. The Recipient PI and the Donating PI may be the same PI. The account will be setup as a standard OHSU restricted account but with an F&A rate of zero.

**Related Documents**

[Project Status / Balance Transfer Form](#)  
[SPA Program Development Account Request Form](#)

**Revision History**

2/10/06: Updating of terminology; Inclusion of new definitions; Clarification of Closeouts; Inclusion of transferring balances to and between PDA's; Inclusion of and delineation between Undefined Research and Defined Research Projects; Inclusion of examples of expenditures allowed on Undefined Research PDA's.