

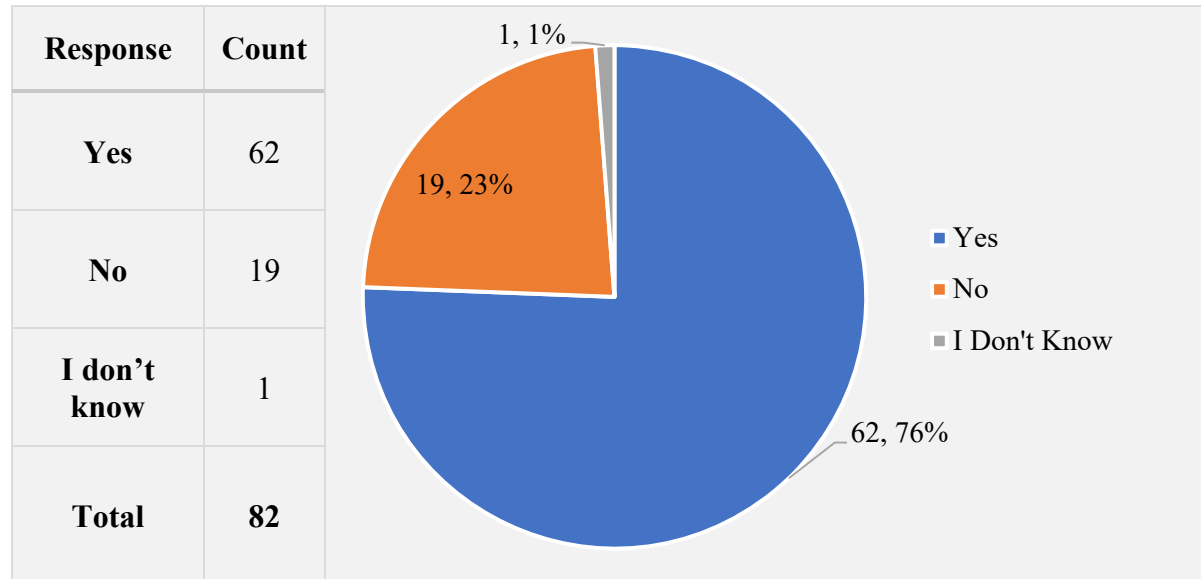
GBAnalytic #12 – F&A Distribution

The Emerging Issues Committee of the AAMC Group on Business Affairs (GBA) is working to better understand facilities and administration (F&A) distribution models and practices. GBAnalytic #12 – F&A distribution, was distributed to a subset of GBA members, including Principal Business Officers and other GBA members in the dean’s office, on September 23, 2020. The survey closed on October 30, 2020. Eighty-two schools completed the survey. Below is a general summary of the results.

Of the 82 schools that participated in the survey, based on data reported in the AAMC [Organizational Characteristics Database \(OCD\)](#)¹: 63% (n=52) were Public, 80% (n=66) were not community based², and 89% (n=73) were financially integrated with the parent university. Regarding the practice plan organizational location: 50% (n=41) were medical school based; 23% (n=19) health system based; and 27% (n=22) were other (hospital based or no practice plan). Regarding practice plan organizational structure: 48% (n=39) were a multi-specialty group practice model; 29% (n=24) were a federated practice plan; and 23% (n=19) were other (departmental model or no practice plan).

Finally, regarding research intensity, schools ranked in the top 50 for research intensity represent 38% (n=31) of participating schools. These schools are referred to as “Top 50” in this report. Private schools represent 48% of the Top 50 and public schools represent 52% of the Top 50. Below is a general summary of the survey results.

1. Does your institution have official F&A recovery distribution policies, procedures, or processes?



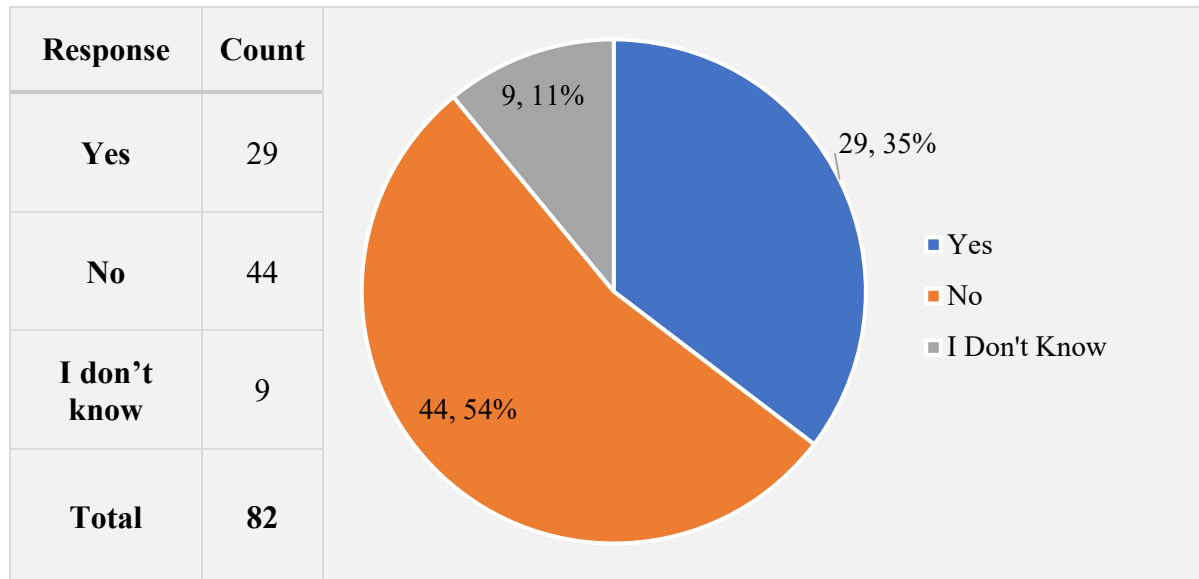
¹ Data current as of June 20, 2020.

² There are three components of the AAMC's analytic definition of a "community-based" medical school: A community-based medical school (1) does not have an integrated teaching hospital, (2) received full accreditation in 1972 or later, and (3) is non-federal.

Of the 62 schools that have official F&A recovery distribution policies, procedures, or processes, 73% (n=45) were public institutions and 65% (n=40) were ranked outside the top 50 in research intensity.

Of the schools that do not have such policies, procedures, or processes, 68% (n=13) were private institutions and 52% (n=10) were ranked outside the top 50 in research intensity.

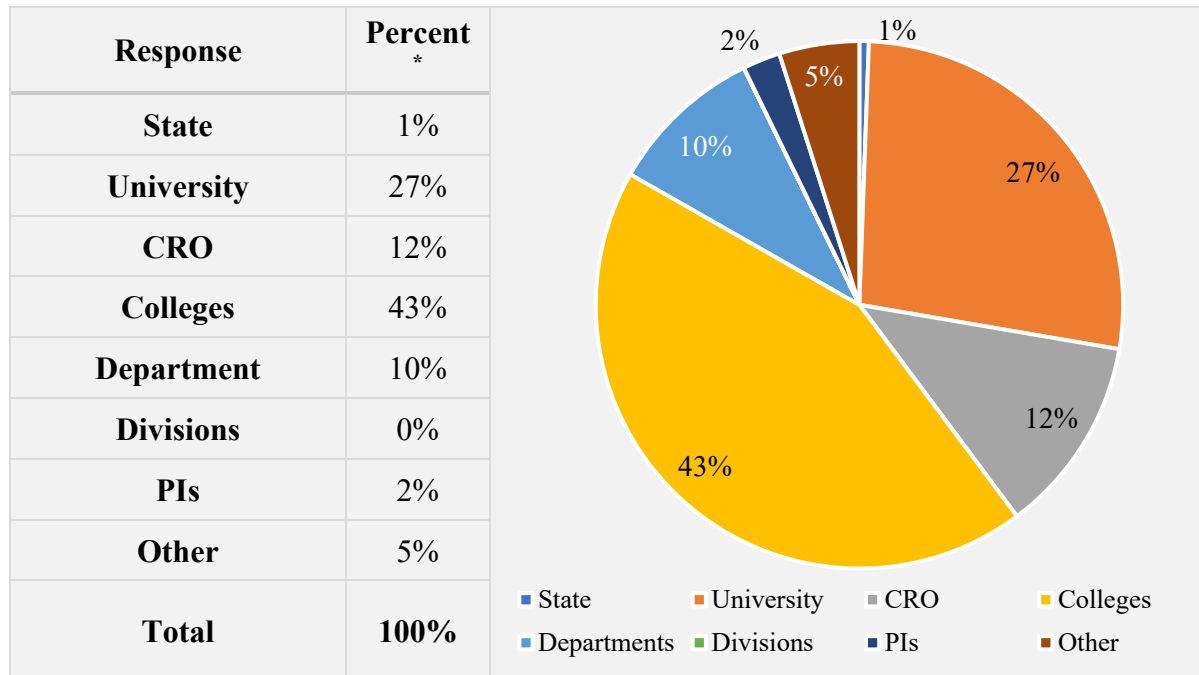
2. Do you have a Responsibility Center Management (RCM) or similar F&A distribution model?



Of the 29 schools that have an RCM or similar F&A distribution model, 62% (n=18) were public and 52% (n=15) were ranked among the top 50 in research intensity. All 29 schools were financially integrated with the university.

Of the 44 schools that do not have an RCM or similar F&A distribution model, 59% (n=26) were public and 68% (n=30) were ranked outside the top 50 in research intensity. Of this group, 80% (n=35) were financially integrated with the university and 9% (n=4) were freestanding institutions.

3. How are F&A recoveries split in terms of percentage? Participating institutions provided a percentage total for each category that added up to 100%.



* This is a cumulative distribution of the total percent per category and includes reported zeros; 95% of schools (78/82) provided at least one answer to this question. One school assigned 45% to “State”. CRO = Central Research Office

The following table provides a breakdown of responses by percentage range. Per the above question, schools were asked to provide the percent of F&A recoveries by entity. Effectively, **12** responding schools reported that the University recovers 1-25% of their F&A; **12** responding schools reported their CRO recovers 1-25% of their F&A; **31** responding schools reported their college recovers 1-25% of their F&A; **38** responding schools reported their departments recover 1-25% of their F&A; **17** responding schools reported their PIs recover 1-25% of their F&A; and **7** responding schools reported that ‘other’ recovers 1-25% of their F&A.

Counts per range	State	University	CRO	Colleges	Departments	Divisions	PIs	Other
1-25%	0	12	12	31	38	0	17	7
26-50%	1	13	5	8	6	0	0	2
51-75%	0	8	5	7	0	0	0	2
76-100%	0	10	4	23	1	0	0	1

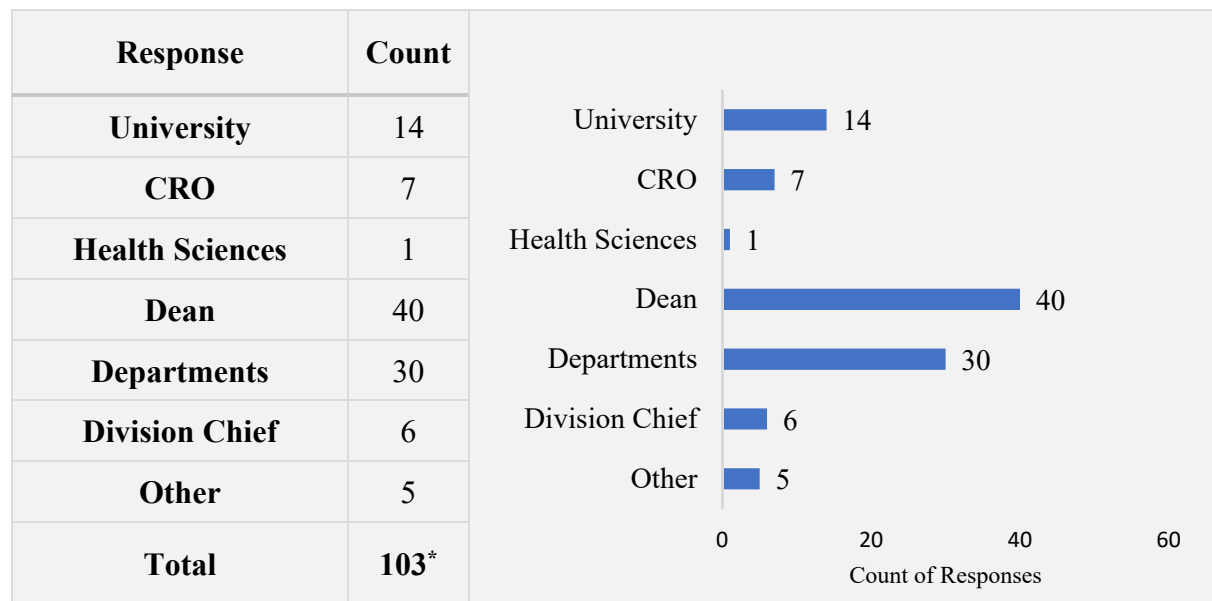
The following tables are stratified based on community-based medical schools and not community-based medical schools. The table that represents not community-based medical schools is further

broken down by Top 50 research intensive schools and all other schools that are not community based. They display cumulative distributions of total percentages per category and include reported zeros.

Not Community-Based (n=62)	State	University	CRO	Colleges	Departments	Divisions	PIs	Other
All Other Rankings (n=33)	1.4%	28.5%	18.1%	32.2%	11.7%	0.0%	3.4%	4.9%
Top 50 (n=29)	0.0%	28.1%	4.8%	54.0%	8.8%	0.0%	0.6%	3.7%

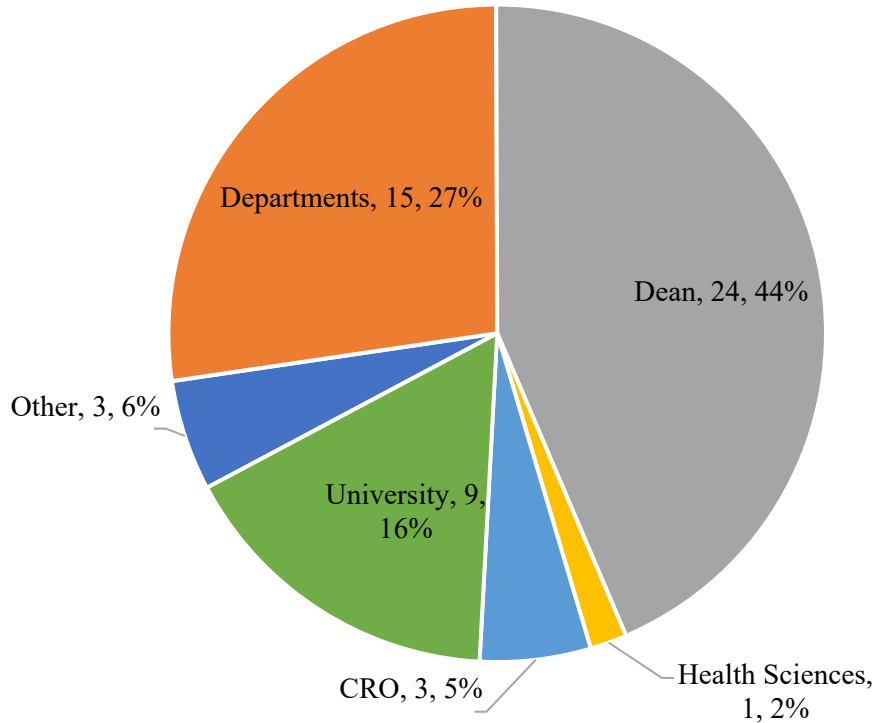
Community-Based (n=16)	State	University	CRO	Colleges	Departments	Divisions	PIs	Other
All Other Rankings (n=16)	0.0%	22.6%	13.1%	47.5%	6.5%	0.0%	3.3%	7.1%

4. Based on the above question, who decides how much PIs will receive? Please select all that apply.

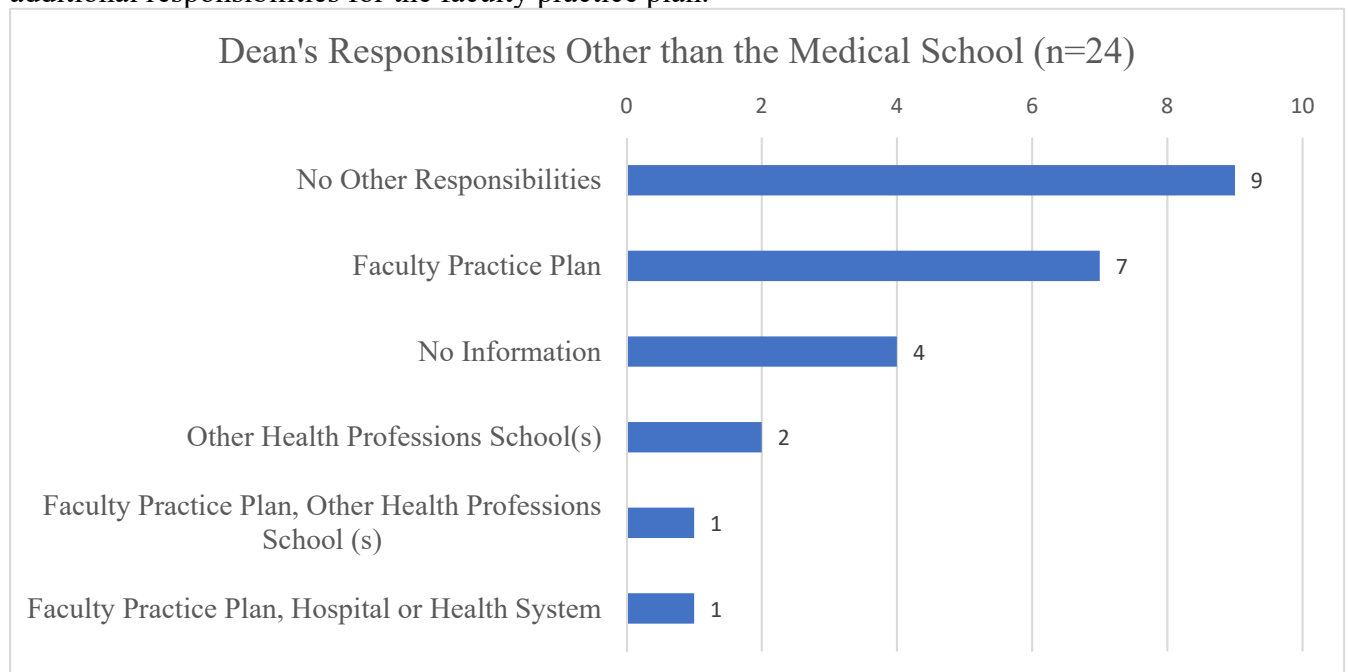


*Five schools did not select a response, 22 schools selected multiple responses and 55 schools selected one response category only (see below).

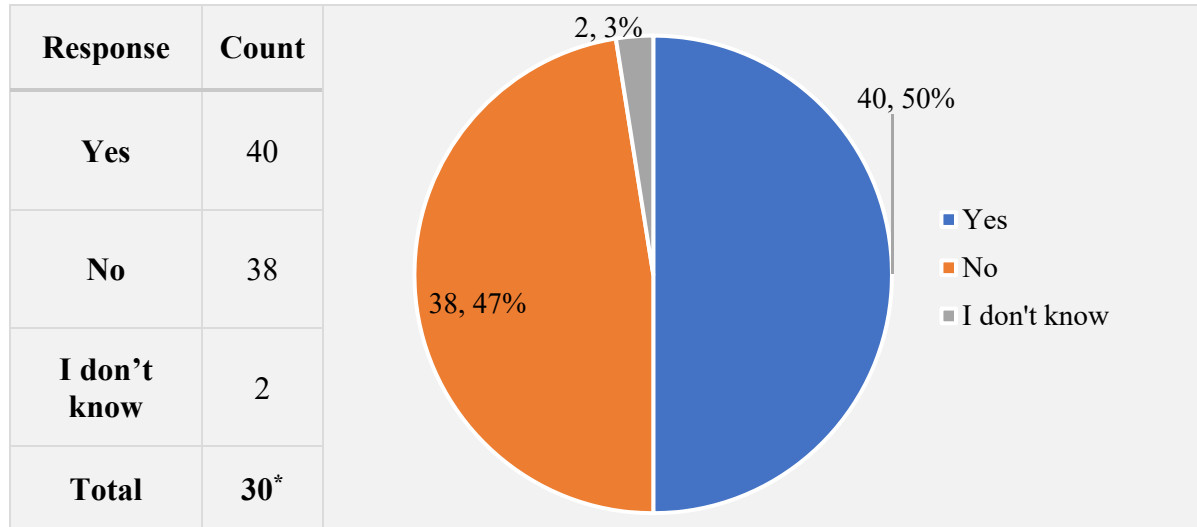
Of the 55 schools that only selected one response category, 24 of these schools selected only 'dean'.



Of the 24 schools that only selected dean, based on data from the OCD, the majority (9) schools reported their dean had no other responsibilities and 7 of these schools reported their dean had additional responsibilities for the faculty practice plan.



5. Are there restrictions on how the funds are used?



*Two schools left this question blank

A total of 33 unique open-ended responses were provided for this question: 26 to “Yes” responses; 6 to “No” responses; and 1 to “I don’t know”. The following represent both thematic characterizations and unique responses:

Yes (frequency):

- Research-related support (15):
 - “research building debt service, maintenance and operations, plus central administrative units supporting research (i.e. Office of Grants and Contracts, Central Research Office, EH&S, Regulatory Compliance, etc.).”
 - “F&A is used to support and enhance essential research administration and infrastructure including: grant support administration, research education, radiation and lab safety, facilities, human subjects, animal research compliance.”
 - “Though officially classified as unrestricted funds, F&A revenues are expected to be used in support of the research mission. That can take many forms: graduate student stipends, lab renovation, faculty start-up costs, etc.”
- Utilize funds in accordance with university/institutional guidelines (5):
 - “Spending must comply with University Policies e.g. Paying for moving expenses for a grad student assistant is not allowed.”
- Other (6):
 - “Medical school has organized around programs of incentive support during startup and post startup programs. Distributions of FAC are embedded into these 'incentive' programs.”
 - “Used to fund operating budgets and administrative support, facilities, and space.”

- “all restricted funds are held to specific budget categories and spend types as applicable.”

No:

- “Held centrally to cover F&A expense.”
- “IER distributed by schools to departments as part of annual operational budget based on market share after school level costs are deducted off the top.”
- “Only restrictions are those that apply to any funds based on state procurement policies.”
- “PI's receive their % of indirect funding based on the stated policy and computation derived from funding in the prior year. General professional use restrictions are maintained to use funds to support reinvestment.”
- “The Dean's budget gets 100% of the F&A. The Dean distributes 15% to Departments. (There are variations to this model for PIs in our research institutes.)”
- “There is indirect assessment of our F&A by our university system.”

I don't know:

- “Each department has their own policy. Some are more restrictive than others.”

6. Who pays for the following costs from their F&A portion?

Physical Infrastructure	University	CRO	Health Sciences	Colleges	Departments	Divisions	PIs
Research Space	34	8	4	47	7	2	2
Core Services	27	16	6	50	11	3	11
Animal Care	21	13	4	34	5	1	16
Vivarium	24	14	3	35	4	2	10
Physical Plant/Facilities	38	7	2	40	3	0	1

Physical Infrastructure & Research Ranking	University	CRO	Health Sciences	Colleges	Departments	Divisions	PIs	Counts per Group*
Research Space								
All Other Rankings	23	6	2	24	3	1	1	45/51
Top 50	11	2	2	23	4	1	1	31/31
Core Services								
All Other Rankings	19	11	4	25	3	0	5	44/51
Top 50	8	5	2	25	8	3	6	30/31
Animal Care								
All Other Rankings	15	10	3	18	4	1	10	41/51
Top 50	6	3	1	16	1	0	6	28/31
Vivarium								
All Other Rankings	17	11	3	16	3	2	7	40/51
Top 50	7	3	0	19	1	0	3	29/31

Physical Plant/Facilities								
All Other Rankings	24	5	1	22	2	0	1	40/51
Top 50	14	2	1	18	1	0	0	30/31

*The numerator represents schools that selected at least one option/ the denominator represents the total number of schools per cohort

In the table directly above, schools ranked outside the top 50 were more evenly divided between choosing University and Colleges as the payer of physical infrastructure costs than schools ranked in the top 50. As an example, within the research space infrastructure category, 51% (n=23/45) of schools ranked outside the top 50 selected University as the payer for research space costs and 53% (n=24/45) selected Colleges, whereas 35% (n=11/31) of schools ranked in the top 50 selected University and 74% (n=23/31) selected Colleges.

This pattern was similarly reflected within public and private schools, where public schools were more evenly split between selecting University and Colleges as payers for physical infrastructure costs, and private schools selected Colleges at least 80% of the time.

7. Who pays for the following costs from their F&A portion?

Administrative Infrastructure	University	CRO	Health Sciences	Colleges	Departments	Divisions	PIs
Finance and Accounting	40	11	2	44	13	5	3
Procurement	36	5	0	34	9	3	2
Human Resources	36	4	3	40	9	3	1
IT	40	6	3	42	8	2	2
Library	36	3	0	38	1	0	1
Research Integrity	33	20	0	38	1	0	0
Research Compliance	34	21	1	38	5	1	0

Administrative Infrastructure	University	CRO	Health Sciences	Colleges	Departments	Divisions	PIs	Counts per Group*
Finance and Accounting								
All Other Rankings	25	9	2	20	3	2	2	39/51
Top 50	15	2	0	24	10	3	1	30/31
Procurement								
All Other Rankings	23	4	0	14	3	2	2	34/51
Top 50	13	1	0	20	6	1	0	29/31
Human Resources								
All Other Rankings	23	4	2	18	2	1	1	35/51
Top 50	13	0	1	22	7	2	0	29/31
IT								
All Other Rankings	24	4	2	20	3	1	2	37/51
Top 50	16	2	1	22	5	1	0	31/31

Library									
All Other Rankings	23	1	0	20	1	0	1	36/51	
Top 50	13	2	0	18	0	0	0	28/31	
Research Integrity									
All Other Rankings	23	14	0	14	0	0	0	41/51	
Top 50	10	6	0	24	1	0	0	31/31	
Research Compliance									
All Other Rankings	23	15	0	14	0	0	0	41/51	
Top 50	11	6	1	24	5	1	0	31/31	

*Schools making at least one selection / total schools per group

Unlike in question 6, across all administrative infrastructure categories, schools ranked outside the top 50 selected University more than Colleges. There was also a shift from Colleges to CROs as payers for Research Integrity and Research Compliance costs in this group.

This pattern was similarly reflected within public and private schools.

8. Schools willing to share their policies, procedures, or processes?

Institution	Policy, Procedure or Process
Brody School of Medicine at East Carolina University	https://rede.ecu.edu/oraintra/home/560-distribution-of-recovered-fanda/
Central Michigan University College of Medicine	https://www.cmich.edu/office_president/general_counsel/Documents/p05001.pdf
Drexel University College of Medicine	https://drexel.edu/comptroller/research-accounting/policies-procedures/facilities-and-administrative-ids-recovery-reimb-guidelines/
Eastern Virginia Medical School	hubandde@evms.edu
Louisiana State University School of Medicine in New Orleans	https://www.lsuhsu.edu/administration/accounting/docs/F&A Breakdown FY2018-2021.pdf
Medical University of South Carolina College of Medicine	Lauren Magaldi, at magaldil@muscu.edu
Perelman School of Medicine at the University of Pennsylvania	https://www.finance.upenn.edu/sites/default/files/2100.pdf

Saint Louis University School of Medicine	Central budget receives first 7.5 million and the dollars exceeding this threshold are distributed as follows: 45 percent: PIs, 25 percent Department, 15% Dean and 15% OVPR (example of adjusted %'s based on total \$'s are noted below)
University of Alabama School of Medicine	Currently in RCM transition glide path - central costs and full return IER are transitioning to a full RCM model over several years.
University of Arizona College of Medicine	https://medicine.arizona.edu/sites/default/files/idc_distribution_policy_030520_10_v2.pdf
University of California, San Diego School of Medicine	In general, central campus retains 50% and the remaining 50% is returned to the Health Sciences/School of Medicine. Of this return, 20% is distributed back to the generating professional school of SOM department.
University of Connecticut School of Medicine	https://ovpr.uhc.edu/contacts/research-finance/
University of Illinois College of Medicine	https://uofi.app.box.com/s/xryyg7il6yffbux0ewiyuih97emue1xt
University of Iowa Roy J. and Lucille A. Carver College of Medicine	jason-haddy@uiowa.edu
University of Kentucky College of Medicine	https://www.research.uky.edu/office-sponsored-projects-administration/facilities-and-administrative-fa-costs
University of Nebraska College of Medicine	chancellor keeps 81%, Dean gets 19%, Dean keeps a 1/3 of that 19%, Dept gets rest - some depts give to PI's
University of Nevada, Reno School of Medicine	https://www.unr.edu/sponsored-projects/resources/policies-procedures-guidelines/facilities-administrative-rates
University of North Carolina at Chapel Hill School of Medicine	15.6% to departments, 3.9% Dean's office, Reminder campus however, there are a couple of taxes before the distribution is calculated (6% Animal Tax, Clinical Trials 8% or 6%) (SOM has a slightly different distribution 15.6%, 24.4% and then campus retains)
University of South Carolina School of Medicine Columbia	https://www.sc.edu/about/offices_and_divisions/controller/grants_and_funds_management/index.php
University of Texas at Austin Dell Medical School	https://research.utexas.edu/osp/resources/fa-memo/
University of Utah School of Medicine	https://research.utah.edu/resources/documents/FA_Principles_Guidance_Document.pdf

University of Virginia School of Medicine	The School keeps all the F&A. None goes to the University. The School distributes 8.605% to the basic science departments and 29.405% to the clinical departments.
Washington State University Elson S. Floyd College of Medicine	https://policies.wsu.edu/prf/index/manuals/executive-policy-manual-contents/ep2-policy-allocating-facilities-administrativecost-recovery-revenue/

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