

SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE  
Seattle, Washington

OPERATING POLICIES / PROCEDURES

DEPARTMENT: Research Institute Administration

POLICY NUMBER: RIA-460

REPLACES: \_\_\_\_\_

EFFECTIVE DATE: October 1, 2007

REVISION DATE: \_\_\_\_\_

POLICY TITLE: Discretionary Fund Allocation

POLICY:

The Research Institute supports the programmatic development of research by allocating certain discretionary funds to Research Centers. These discretionary funds are managed under the discretion of the Center Director advancing the development of the specific Research Center. The yearly discretionary fund allocation is distributed among Centers based on previous fiscal year's Facilities and Administration cost contribution from grants and contracts awarded to Principal Investigators associated with their respective centers. The proportion of Facilities and Administration Costs return will drive the relative proportion of discretionary fund allocation to a specific center. To maintain overall consistency with the multi-year strategic plan budget, discretionary fund allocation is adjusted from plan based on target deviations.

PROCEDURE:

460.1. Establishing Center Allocations of Discretionary Funds

460.1.1. After fiscal year closes (generally, late October), Office of Research Finance will prepare a Summary Expenditure Report by Business Line and Center (CGM131c, or equivalent) and will prepare the distribution calculation.

460.1.2. The calculation will assess whether the preceding year Facility and Administration Costs Recovery met the budget and strategic plan budget objectives. If the recovery performance exceeded target by a certain percentage, the discretionary fund allocation for the current fiscal year will be

adjusted by the same percentage. Conversely, if recovery underperformed compared to target, total current year discretionary fund allocation will be reduced by a corresponding percentage.

#### 460.1.3. Basis for Calculation

460.1.3.1. The calculation relies on actual costs as reflected in institutional financial records.

460.1.3.2. The report and calculation relies on principal investigator and project identification with a Research Center. It is the responsibility of the Center Business Manager to ensure that all projects are appropriately identified with the correct Research Center.

460.1.3.3. Under certain exceptional circumstances, when it is known that the institutional financial records do not appropriately capture current fiscal year plans, Research Executive Committee can instruct certain changes to the data base and may allow for the including of certain estimates to arrive at a more equitable allocation.

#### 460.1.4. Unassigned Projects

460.1.4.1. Certain projects may not be identified with a specific Research Center. These projects and the associated Facilities and Administration Cost Recovery will be classified as Unassigned.

460.1.4.2. The Unassigned category will be allocated discretionary funds in the same manner as Research Centers are allocated those funds.

460.1.4.3. These funds will be administered by the Research Executive Committee. The primary focus of these funds will be to support Center Business Manager functions as well as other faculty issues for those principal investigators who are not affiliated with Research Centers.

460.1.4.4. It is recognized that this is a transitional issue and the long-term expectation is that individual projects and all individual investigators actively conducting research will be associated with a primary center and that their Facilities and Administration Cost Contributions will benefit that affiliated Research Center.

#### 460.2. Approving Allocation

460.2.1. Research Finance will prepare a summary of the distribution for presentation at the Center Director Advisory Committee.

460.2.2. The Research Executive Committee will approve the allocation.

#### 460.3. Implementing Budget

460.3.1. After Center Director Advisory Committee review and Research Executive Committee approval, Research Finance will adjust existing budgets of discretionary funds by incrementally adding the current year's budget amounts. Within the confines of the five-year strategic financial plan, previous year's unexpended budget carries forward into current and future fiscal years.

460.4. Questions regarding this policy should be directed to the Director, Research Finance.


Submitting Office: Research Institute Administration

Approved by:

  
\_\_\_\_\_  
President

1/3/08

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Date

  
\_\_\_\_\_  
Chief Academic Officer

1/9/08

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Date