



**Harvard Pilgrim Health Care, Inc.
Harvard Pilgrim Health Care Institute
Office of Sponsored Programs
Policy and Procedure**

TITLE: Use of Residual Research and General Purpose Funds

PURPOSE:

This policy provides guidance to the HPHC/I research community on the disposition and oversight for discretionary and general purpose accounts.

PERSONS AFFECTED:

This policy & procedure (P/P) applies to all Harvard Pilgrim Health Care, Inc. (HPHC) and Harvard Pilgrim Care Institute, LLC (HPHCI) (collectively, HPHC/I) personnel engaged in research, teaching or research administration activities in support of the charitable and educational mission of HPHC, Inc.

POLICY:

It is the policy of HPHC/I to allow investigators to keep the balance of funds left unspent from an award for work completed under a fixed price contract for industry or another sponsor, provided that it is allowed by the sponsor. The indirect dollars associated with the rate on the original award will be swept to the indirect costs (IDC) pool and the balance will be deposited into the investigator's general purpose account. The PI may use these direct dollar funds as well as the funds described as general purpose below for any allowable future expense, as defined below. No F&A is charged on any expenditure from General Purpose Accounts.

Allowable Expenditures of Discretionary and General Purpose Funds

Expenditures incurred on general purpose accounts may be made by the investigator for any research, educational, or service purpose consistent with any stated restrictions on the use of the funds, as applicable. Examples of allowable expenses include: salaries, office and medical supplies, laboratory tests, pharmacy costs, patient recruitment costs, parking and travel costs, business travel, and general research and educational expenses. Documentation and compliance with personnel, travel reimbursement, purchasing, and other standard business procedures is required. These funds may not be used for salary increases for investigators or other staff, except as consistent with standard HPHC/I Human Resources policies. The purchase of computers and software require the approval of HPHC IT.

Funds may also be used as collateral to back-up an Advance Account. Any funds expended from the Advance Account that is not covered by the grant or any grant over-expenditure will be covered by the investigator's general purpose account.

Administration of Discretionary and General Purpose Funds

Office of Sponsored Programs (OSP) has the responsibility for determining the disposition of discretionary funds, and the Department of Population Medicine (DPM) has responsibility for general purpose funds. Infrequent research Departments at HPHC may petition OSP to act on their behalf. DPM will establish a cost center for the funds for the investigator's general purpose account as well as specify any spending restrictions. A single general purpose account may be established per investigator. Residual research funds from more than one project will be swept into the general purpose account. General purpose funds from multiple sources will be contained in one account. Contact DPM Financial Manager for monthly accounting reports.

PROCEDURE:

Request to move residual research funds

PI must submit a "Request for Transfer of Residual Balance to General Purpose Fund" form to their OSP Grants Manager requesting the unexpended project balance be transferred to a general purpose account. OSP will verify that the amount is appropriate and that all terms and conditions of the sponsor have been met. A justification is required for the transfer of all unspent funds.

Approvals

All requests for the transfer of residual research funds must be approved by OSP Grants Manager, Director, OSP, Institute Administrator and HPHC SVP of Finance and Assistant Treasurer

If any of the above personnel have a concern about the request, it can be brought to the HPHCI Board of Managers or, if the PI is an HPHC employee, the HPHC CFO.

Check deposit funds into General Purpose Account

Funds paid to faculty as honoraria, course fees, etc maybe deposited into a General Purpose Account. Faculty must deposit check in their own account and write a personal check made payable to Harvard Pilgrim Health Care Institute. Documentation from the payor is required to establish the source of the revenue. Faculty will be given a receipt acknowledging their gift to the Institute.

Disposition of Residual Research and General Purpose Funds on Departure

In the event that faculty leaves the employ of HPHC/HPHCI, residual discretionary and general purpose funds will remain at HPHC for such purposes as may be deemed appropriate by HPHC Finance and consistent with any stated restrictions on the funds deposited at HPHC/I.

DEFINITIONS (see GLOSSARY for meaning of the terms listed below):

Discretionary (residual research) funds that are remaining from an award that do not have to be returned to the sponsor at the formal close of the sponsored activity; and

General purpose funds miscellaneous faculty/PI and departmental income, which may include book royalties, honoraria for speaking engagements, course fees, and other miscellaneous revenues.

REVISION HISTORY:

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| Department: OSP/DPM | Title: Use of Residual Research and General Purpose Funds |
| Effective Date: 2/1/2019 | Owner: Director, Office of Sponsored Programs |
| Reviewed By/On: | |
| Replaces P/P Dated: 9/2016; 10/16/2017 | |
| Related Documents: Policy & Procedure Advance Account Requests; Policy & Procedure External Activities | |
| References: | |
| Approved By: Charlotte Johnson | |