

June 8, 2021

MEMORANDUM

To: Sarah E. Peyre, EdD, Dean, Warner School
Donald Hall, PhD, Dean of the Faculty of Arts, Sciences and Engineering
Eli Eliav, D.M.D., Ph.D., Director, Eastman Institute for Oral Health
Kathy Rideout, EdD, PPCNP-BC, FNAPP, Dean, School of Nursing
Medical Center Department Chairs, Center Directors, and Division Chiefs

From: Robert L. Clark, PhD, Provost and Senior Vice President for Research
Mark B. Taubman, MD, Dean, School of Medicine and Dentistry and University Vice
President for Health Sciences

**Re: Increase in Indirect Cost Rate Applicable to Industry Sponsored
Clinical Trials**

The overhead rate for industry sponsored clinical trials will increase from 30.0% to 33% for new agreements effective July 1, 2021. Effective July 1, 2022 the rate will increase to 35%.

The prior rate was established a decade ago and requires an update to address increased overhead costs and to support enhanced compliance to clinical trials administration. Many of our peer institutions have increased their rates in recent years.

The new 33% rate is applicable only to industry sponsored clinical trials.

Implementation of the industry sponsored clinical trials rate of 33% will be phased in as follows:

- As of July 1, 2021, the rate will be 33% for new industry sponsored clinical trials where the budget negotiation with the sponsor has not yet been finalized.
- All new industry sponsored clinical trial proposals begun after July 1, 2021.

Implementation of the industry sponsored clinical trials rate of 35% will be phased in as follows:

- As of July 1, 2022 the rate will be 35% for new industry sponsored clinical trials where the budget negotiation with the sponsor has not yet been finalized.
- All new industry sponsored clinical trial proposals begun after July 1, 2022.

Industry sponsored clinical trials negotiated and/or active as of July 1, 2021 are grandfathered with the indirect rate originally negotiated with the sponsor.

If an industry sponsor offers a rate higher than the governing rate established by this change, it should be accepted as long as the rate does not exceed the most recently negotiated Other Sponsored Program (OSP) rate between the University and our federal cognizant agency. The current OSP rate is 35%.

Please communicate this policy update to all personnel in your organization who need to be aware of this information, including your department administrators, study coordinators and all other members of your clinical trials team(s).

If you have any questions about the application of the new industry sponsored clinical trial rate, please contact Michael Ritz (ext. 64069), your assigned Research Administrator from the Office of Research and Project Administration, or Lauren Allen, Associate Director of the Office of Clinical Research (lauren_allen@urmc.rochester.edu).