



COLLEGE OF MEDICINE
POLICY: REBATE ACCOUNTS – EXPENDITURES
EFFECTIVE DATE: JULY 1st, 2007

Rebate (RO) accounts¹ were established to facilitate the enhancement of research and sponsored training activities in the departments, divisions, centers/institutes, and individual investigator's laboratories. However, in the past, largely due to lack of an approved spending policy, these accounts have accumulated substantial balances which discount the original intent for their establishment. The continuous presence of large residual balances in these accounts and their repeated carry forward from one fiscal year to another has also raised numerous audit concerns both at the level of the Institution and the State.

In an attempt to encourage utilization of funds in these RO accounts which will ultimately enhance our research and sponsored training capacity and productivity as well as assist in the establishment of a robust infrastructure to support these missions, the following policy is being implemented as of July 01, 2007.

A: FOR FUNDS “EXISTING” IN THE RO ACCOUNTS AS OF JULY 1st, 2007:

- Up to 50% or \$60,000 (for individual investigators) and \$100,000 (for departments/centers/institutes/programs), whichever is greater, of the funds remaining in these accounts as of June 30, 2008 will be carried forward to FY 08-09
- In subsequent fiscal years, up to 25% or \$60,000 (for individual investigators) and \$100,000 (for departments/centers/institutes/programs), whichever is greater, of the remaining balance at a close of a fiscal year will be carried forward
- Funds over and above the carry forward limit will be retained in a discrete account by the Dean's office for investment in research programs through funding of infrastructure, research activities, sponsored training activities, establishment and continued maintenance/upgrade of core research facilities, recruitment and retention of faculty, recruitment and retention of research focused graduate students, and new program development

¹At the present time, RO accounts established for new faculty start-up funds, beginning with the 06-07 academic year, are excluded from this policy

B: FOR “NEW” FUNDS DEPOSITED IN THE RO ACCOUNTS AFTER JULY 1st, 2007:

- Up to 25% or \$60,000 (for individual investigators) and \$100,000 (for departments/centers/institutes/programs), whichever is greater, of the funds remaining in these accounts as of June 30, 2008 will be carried forward
- In subsequent fiscal years, up to 25% or \$60,000 (for individual investigators) and \$100,000 (for departments/centers/institutes/programs), whichever is greater, of the remaining balance at a close of a fiscal year will be carried forward
- Funds over and above the carry forward limit will be retained in a discrete account by the Dean’s office for investment in research programs through funding of infrastructure, research activities, sponsored training activities, establishment and continued maintenance/upgrade of core research facilities, recruitment and retention of faculty, recruitment and retention of research focused graduate students and new program development

EXPENDITURES:

- Expenditure of funds in the RO accounts must meet the Generally Accepted Accounting Principles (GAAP) guidelines as adopted by the University of South Florida
- These funds can ONLY be used for allowable expenses under The 2006 Florida Statutes, with specific attention to the research mission requirement as detailed in Title XLVIII; Chapter 1004; Section 1004.22; entitled: Divisions of Sponsored Research at State Universities²
- All expenses must be approved by the Chair of the Department or the Director of the Center/Institute
- Expenses that exceed \$2000 (for a single item) must receive additional approval from the Vice Dean for Research or his/her designee

OVERSIGHT:

- The newly established Financial Oversight Committee of the COM Faculty Council will provide the required financial oversight of unencumbered funds retained in a discrete account in the Dean’s Office

²To review this statute, please visit this website:

http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch1004/Sec22.HTM

To review the Rebate Accounts Allowable Expenses Guidelines, please visit this website:

<http://health.usf.edu/medicine/research/roaccountsallowableexpenses122707.pdf>