

**Florida Department of Health
James and Esther King Biomedical Research Program
Special Calls for Grant Applications Fiscal Year 2009-2010
Technology Transfer/Commercialization Partnership**

**Questions and Answers
Last Updated December 23, 2009**

Questions are presented as received, with the exception that all identifying information has been removed.

The James and Esther King Biomedical Research Program “Open Call for Grant Applications: Technology Transfer/Commercialization Partnership for Tobacco-Related Diseases August 10, 2009 – January 29, 2010” is herein referred to as the “TTCP Call.”

Reminder: The James and Esther King Program Special Calls are posted on the Program website: www.floridabiomed.com.

1. *Are consortiums restricted to charging 10% in indirect costs? (posted 8/19/09)*

If Program funds will be used to pay the consortium, the consortium’s indirect costs are limited to 10% of the direct costs requested.

2. *Should tuitions for graduate students be excluded from the calculation of IDC? (posted 9/11/09)*

No, there are no Program requirements that tuition must be excluded from the calculation of Indirect Costs (IDC). Tuition remission is an allowable direct cost under “other expenses,” for students supported through an award (**TTCP Instructions, p. 20**). The Program uses a formula of up to 10% of your direct costs to calculate an Indirect Costs (IDC) allocation. Therefore in your application, if you budget tuition under direct costs, you will be able to recapture other indirect costs; however, you may prefer to include tuition in your IDC calculations to free more money for other direct research costs. You may want to check with your institution’s accounting contacts to see if there are institution rules regarding tuition and IDC.

3. *Do character limits include spaces? (posted 9/11/09)*

Yes, character limits include spaces. The system will enforce online field character limits.

4. *I am asking for some guidance, please. Over the past 4 years, Dr. [researcher's name] has been working with a California based firm to explore the use of a [technique for treatment of a disease]. We are considering having [Institution name] apply for a Special Call TTCP grant with the company as a collaborator. If successful, the company would seek a SBIR. My question is: Is a California based company eligible as a collaborator? (posted 9/9/09)*

Applications must involve a partnership between at least one eligible institution and at least one eligible small business. **(TTCP Call, Ch. 5, p. 8)** In order for the California company to be eligible as a small business partner, the company must meet the following requirements set forth in the Call.

“An **eligible small business** for the purposes of this program must have a place of business in Florida and meet all of the following criteria at the time of application:

- Is a "business entity" as defined in s. 606.03(1), F.S. to include any form of corporation, partnership, association, cooperative, joint venture, business trust, or sole proprietorship that conducts business in Florida;
- Is organized for profit; is at least 51 percent owned, or in the case of a publicly owned business, at least 51 percent of its voting stock is owned, by U.S. citizens or lawfully admitted permanent resident aliens; and
- Is a “small business” as defined by s. 288.703, F.S. with less than 200 employees and a net worth of not more than \$5 million.” **(TTCP Call, Ch. 5, p. 7)**

The California company can be a collaborating subcontractor if another Florida small business is the eligible small business. If that is the case, refer to TTCP Call, Ch. 6, A, p. 10. “Eighty percent of work (effort) and funds must occur in Florida at the eligible institution and any partnering entities. Funding for any out-of-state personnel or consulting expenses cannot exceed 20% of the total requested direct costs. This does not include lab services, supplies, or equipment.” **(TTCP Call, Ch. 6, A, p. 10)**

5. *In reference to page 8 of the TTCP Call, how is the minimum 30% effort required of the applicant and partner calculated? (posted 9/9/09)*

To calculate the respective percentages of each partner, first determine the number of hours for each person who will work on the project (including consultants). To do this, first determine the total number of hours to be worked by each person listed in the Budget form by multiplying the *% Effort on Project* by the number of months s/he will work on the project at the rate of 160 hours a month. Calculate: (a) the total effort hours of all personnel working on the project from the institution, (b) the total effort hours of all personnel working on the project from the small business, and (c) the total hours of all personnel working on the project, including personnel from both partners and any other consulting personnel.

To calculate the percentage effort for the institution, divide the institution's total hours by the total project hours ($a / c = \text{institution \% effort}$). This percentage must be at least 30%.

To calculate the percentage effort for the small business, divide the small business' total hours by the total project hours ($b / c = \text{small business \% effort}$). This percentage must also be at least 30%.

6. Usually NIH grants allow \$25,000 costs for the primary institution to administer the grant and coordinate with the other institution. Is this allowed as cost here as well? (originally posted 9/9/09 as a RC1 question, reposted 12/23/09)

The Program does not have a specific allowance for administration of subcontracts. "Indirect costs (also referred to as IDC, F&A, or administrative costs) are limited to 10% of the direct costs requested" (TTCP Call, Ch. 6, B, p. 11) including subcontract indirect costs. "Administrative costs may be included in direct cost categories, but only under two conditions: the services, functions, or activities are directly necessary for this grant, AND these administrative costs have not been included in the calculation of the indirect costs." (TTCP Call, Ch. 6, A, p. 10)

7. When calculating indirect costs in a grant that contains a consortium contract (where the consortium charges also indirect costs included in the total cost of the contract that then shows up as an expenditure as direct costs for the primary institution): are the indirect costs for the primary institution calculated on the total of the consortium contract (direct plus indirect), or only on a portion of the consortium contract. If it is the latter, what amount? (originally posted 9/11/09 as a RC1 question, reposted 12/23/09)

"Indirect costs are limited to 10% of the direct costs requested" (TTCP Call, Ch. 6 B, p. 11). Subcontracts including consortium contracts are also limited to 10% indirect costs. If your consortium contract includes the maximum permissible indirect cost, you must deduct the full value of the consortium contract from the primary institution's direct costs in calculating its indirect costs in order to avoid double billing.

For example:

Case 1 – Consortium contract includes indirect costs:

Budget items:

| | |
|---------------------|---|
| Personnel | \$50,000 |
| Supplies | \$20,000 |
| Consortium Contract | \$11,000 (\$10,000 direct + \$1,000 indirect) |
| Direct Costs | \$80,000 |

Then the applicant institution's indirect cost is limited to 10% of \$70,000 (\$50,000 + \$20,000) or \$7,000.

Total Direct and Indirect Costs for Applicant Institution - \$88,000

Case 2 – Consortium contract excludes indirect costs:

Budget items:

| | |
|---------------------|---|
| Personnel | \$50,000 |
| Supplies | \$20,000 |
| Consortium Contract | \$10,000 (all direct costs to the consortium) |
| Direct Costs | \$80,000 |

Then the applicant institution's indirect cost is limited to 10% of \$80,000 (\$50,000 + \$20,000 + \$10,000) or \$8,000.

Total Direct and Indirect Costs for Applicant Institution - \$88,000

8. *If our lab has developed a product ourselves and are partnering with a company which resides outside of Florida with a delivery system for our [product], could I apply for a TTCP grant as the Principal Investigator and collaborate with the company?*
(posted 12/23/09)

“Applications must involve a partnership between at least one eligible institution and at least one eligible small business.” **(TTCP Call, Ch. 5, p. 8)** In order for the out-of-state company to be eligible as a small business partner, the company must meet the following requirements set forth in the Call.

“An **eligible small business** for the purposes of this program must have a place of business in Florida and meet all of the following criteria at the time of application:

- Is a "business entity" as defined in s. 606.03(1), F.S. to include any form of corporation, partnership, association, cooperative, joint venture, business trust, or sole proprietorship that conducts business in Florida;
- Is organized for profit; is at least 51 percent owned, or in the case of a publicly owned business, at least 51 percent of its voting stock is owned, by U.S. citizens or lawfully admitted permanent resident aliens; and
- Is a “small business” as defined by s. 288.703, F.S. with less than 200 employees and a net worth of not more than \$5 million.” **(TTCP Call, Ch. 5, p. 7)**

The out-of-state company can be a collaborating subcontractor if another Florida small business is the eligible small business. If that is the case, refer to the TTCP Call, Ch. 6, A, p. 10. “Eighty percent of work (effort) and funds must occur in Florida at the eligible institution and any partnering entities. Funding for any out-of-state personnel or consulting expenses cannot exceed 20% of the total requested direct costs. This does not include lab services, supplies, or equipment.” **(TTCP Call, Ch. 6, A, p. 10) Also see question 4.**

9. *We are in the process of preparing an application for the James & Esther King Biomedical Research Program under the Open Call for TTCP grants. After reviewing the guidelines as well as the Q&A's (updated 9/15/09), I am a little confused regarding the topic of indirect costs associated with subcontracts. In the Q&A document provided online, this topic is covered a few different ways on questions 1, 6, and 7. The last item, specifically, is where the confusion began.*

#7 states the following response

Indirect costs are limited to 10% of the direct costs requested. Subcontracts including consortium contracts are also limited to 10% indirect costs. If your consortium contract includes the maximum permissible indirect cost, you must deduct the full value of the consortium contract from the primary institution's direct costs in calculating its indirect costs in order to avoid double billing.

As a subcontractor on the submission, they must recover overhead for administering their costs for successful completion of the project. In addition, the lead institute would need to recover overhead for the administration of the sub. Is the statement above reasonable, especially, when factoring in that IDC is limited to 10%? When our institute prepares projects to federal agencies, our full IDC rate is applied to the first \$25K of each sub. Should we not be allowed to recover 10% IDC for administration of the subs on this program? Your feedback is much appreciated!
(posted 12/23/09)

While understanding your concern regarding the above, and that federal agencies have different guidelines, the current policy is as stated in the TTCP Call. "Indirect costs are limited to 10% of the direct costs requested." **(TTCP Call, Ch. 6, B, p. 11)** Subcontracts including consortium contracts are also limited to 10% indirect costs. If your consortium contract includes the maximum permissible indirect cost, you must deduct the full value of the consortium contract from the primary institution's direct costs in calculating its indirect costs in order to avoid double billing. The Program will consider your concerns when developing future calls for applications.

10. *Is there a limit to the number of submissions a PI can submit a grant and then resubmit it again? (posted 12/23/09)*

There is a limit of two submissions for the same proposal; one initial submission and one resubmission if the proposal is unfunded. "Previously submitted but unfunded James and Esther King or Bankhead-Coley SBTT or TTCP applications can be resubmitted only one time." (TTCP Call, Ch. 5, C, p. 9)