



**HEALTH RESEARCH ASSOCIATION**

1640 Marengo Street – 7<sup>th</sup> Floor  
Los Angeles, CA 90033

**POLICY & PROCEDURE**

Subject: <b>TITHE ACCOUNTS</b>		Issued By: FINANCE DEPARTMENT	
		Approved By: Kathleen R. Hurtado President & CEO	
Policy #: 1040	Issue Date: October 3, 2003	Revised Date: September 26, 2006	Effective Date: October 1, 2006

**PURPOSE**

To clarify HRA’s policy regarding project tithing, as well as policies regarding Departmental or Division Tithe Accounts.

**BACKGROUND**

A Tithe is assessed by HRA on a particular research project under the direction of Department Chair or Division Chief so that USC Departments/Divisions may share in the proceeds from industry-sponsored research. At the request of the Department Chair or Division Chief, HRA creates a Tithe Account for tithes assessed from PI projects of the respective Department or Division. These funds are generally used by Department Chairs or Division Chiefs for research and/or educational purposes.

**POLICY**

1. **TITHE RATE:** The Department Chair or Division Chief assigns a “Tithe Rate” to all projects being conducted within their Department/Division. The Tithe Rate remains in effect until changed by either the Department Chair or Division Chief. In general, the Tithe Rate varies between 5% and 10%. The Tithe is added into a project’s Overhead/Indirect Cost Rate, so care must be taken to ensure that HRA and USC retain a competitive total indirect cost rate when compared with other organizations that administer industry-sponsored clinical trials;
2. **TITHE ACCOUNT:** The Tithe is assessed at the same time that HRA charges its overhead, whenever a project pays an expense. The Tithe is transferred to the Tithe Account of the PI’s Department or Division. HRA does not charge overhead on Tithe Accounts;

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3. **TITHE ACCOUNTS – ALLOWABLE EXPENSES:** Tithe Account funds may be used at the discretion of the Department Chair, or the Division Chief, so long as expenses are for research and/or educational purposes. Expenses are processed by HRA’s Project AP individual, in order to ensure proper approvals and business purpose. Checks are issued through the standard accounts payable process at HRA;

Allowable Expenses include, but are not limited to, the following:

- Society Meetings – registration and travel
- Postage
- Business Telephone
- Cell Phone and Pagers
- Office supplies
- Business Travel
- Professional License renewals
- Outside services such as laboratories
- Project Employee Salaries
- Employee Bonus (where appropriate)
- Mileage reimbursement for business travel
- Computer equipment
- Storage fees
- Clinical Conference Sponsorship
- Educational luncheons/dinners
- Staff Meetings and Retreats
- Parking
- Rent
- Shipping
- Start-up costs for new sponsored projects
- Continuing Medical Education
- Repairs for research related equipment



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Page 3 of 4

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Non-allowable expenses include, but are not limited to, personal expenses – e.g. spousal expenses, home expenses, non-business travel, gifts, personal loans, alcoholic beverages, personal phone expenses, and individual malpractice insurance.

All requests for payment from Tithe Accounts must be approved and signed by the Department Chair, or the Division Chief, or their Designee.

**GUIDELINES & PROCEDURES**

- 1. NO PAYMENTS FROM TITHE ACCOUNT TO DEPARTMENT CHAIR OR DIVISION CHIEF:** Under no circumstances will Tithe funds be paid directly to a Department Chair or a Division Chief;
- 2. CFO RESPONSIBLE:** HRA’s CFO is responsible for maintaining accurate Tithe Rate information by project within the IRIS Accounting Database by *reviewing all Tithe Rates with Departments/Divisions on an annual fiscal-year basis*
- 3. TITHE RATES ARE DETERMINED BY THE DEPARTMENT CHAIR OR DIVISION CHIEF:** If a Department Chair or Division Chief wishes to change the Tithe Rate associated with their projects, such a request must be e-mailed to HRA at the following e-mail address: [Tithe@health-research.org](mailto:Tithe@health-research.org);
- 4. DEPARTMENT CHAIRS AND/OR DIVISION CHIEFS ARE RESPONSIBLE FOR COMMUNICATING WHICH PIS WITHIN THEIR DEPARTMENT/DIVISION ARE SUBJECT TO THE TITHE:** If a Department/Division Tithe will only be assessed on research conducted by certain PIs, it is the responsibility of the Department Chair or Division Chief to communicate this information to HRA in writing.
- 5. DEVIATIONS TO THE TITHE MUST BE APPROVED BY THE CHAIR/CHIEF AS WELL AS HRA’S PRESIDENT & CEO:** Any deviation from a Department/Division Tithe (i.e., when only certain PIs within a Department/Division are subject to the Tithe) must be approved by the Department Chair/Division;

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6. **TITHES ARE TREATED IN THE SAME MANNER AS OVERHEAD, AND ARE ASSESSED ONLY WHEN THE PROJECT PAYS AN EXPENSE;** Whenever a project pays an expense, both Overhead and Tithe are charged to the project.
7. **CTM IS RESPONSIBLE FOR THE INITIAL TITHE RATE INPUT INTO IRIS;** The CTM Contract Associate is responsible for inputting any initial Tithe Rate into the IRIS financial database. This should be done after contract negotiations are complete but before the project is turned over to the Project Accounting Department;
8. **TITHE REPORTS WILL BE PROVIDED TO ALL CHAIRS/CHIEFS THROUGH ONLINE ACCESS USING CITRX**
9. **PROJECT-CLOSE-OUT-TITHE-RELATED ACCOUNTING ENTRY WHEN THERE ARE RESIDUAL FUNDS;** If there are residual funds left over in a project that is subject to Tithes, a Tithe will be assessed on the residual funds prior to their transfer to a zero-percent Residual Account.

**RESPONSIBILITY**

CFO  
Project Accounts Payable  
PI's and their staff  
Department Chairs and/or Division Chiefs