Department of Anesthesiology & Pain Medicine

Policy on Gift/Miscellaneous Income Overhead Tax

Purpose: In order to support the cost of departmental centralized administrative, information management, IT, faculty allowance, travel and overhead costs, all clinical departments within the School of Medicine devise a tax structure. The purpose of this policy is to standardize clinical trial (non federal) requests and taxes on miscellaneous nonclinical income.

Background: The clinical departments in the School of Medicine have received consecutive budget cuts from the State two years running. In FY 10 the department had to absorb a 12% budget cut and we are preparing for a 6.3% budget cut for the FY11-12 biennium as well as a $174,000 IT rate assessment hike annually.

Clinical Trials requests:
Clinical trials (nonfederal) are negotiated individually. We propose that each trial should include the following in the request:

- IRB Fee $1,000
- Start up* $2,500-$4,000
- Admin fee 10%
- Indirects 25%

*Companies may not pay admin fee and start up but please request.

Miscellaneous Income/Gift tax structure: Effective July 1, 2010 Department’s overhead tax on miscellaneous income and gift income The gross tax rate on miscellaneous and gift income is set at 5% for award amounts less than $250,001 and 2.5% tax on awards, miscellaneous income or deposits of $250,000 to $2,000,000 and 1% on awards and gifts greater than $2M. Please remember to add this amount to your “ask” when communicating with the prospective foundation or entity.

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(Date)