



University of Connecticut Health Center

POLICY NUMBER 2006-15

August 11, 2006

POLICY: APPLICABLE CREDITS/ORGANIZED RESEARCH

PURPOSE:

To ensure that all agreements with external providers of products or services that support organized research activities are managed in accordance with all federal and state regulations concerning the handling of applicable credits.

SCOPE:

This policy applies to any employee of the institution that negotiates with external providers of products or services for organized research activities.

DEFINITIONS:

Applicable Credits

“The term ‘applicable credits’ refers to those receipts or negative expenditures that operate to offset or reduce direct or F&A cost items. Typical examples of such transactions are: “purchase discounts, rebates, or allowances; recoveries or indemnities on losses; and adjustment of overpayments or erroneous charges. This term also includes ‘educational discounts’ on products or services provided specifically to educational institutions, such as discounts on computer equipment, except where the arrangement is clearly and explicitly identified as a gift by the vendor.”¹

Accrued Applicable Credits

The accumulating of applicable credits as defined above for use on subsequent product or service acquisitions.

POLICY STATEMENT:

An agreement with an external provider of products or services that reduces the quoted price of the product or service must be disclosed to the Associate Vice President, Research Finance, if the credit is not used on the matching invoice. The accrued applicable credit must be accounted for in accordance with University of Connecticut Health Center (UHC) procedures. Such accrued reductions in price are considered applicable credits as

¹ U.S. Office of Management and Budget, Circular A-21, Section C5. [Circular A-21, Revised](#)

defined above. All accrued applicable credits must be exercised or applied in accordance with University procedures.

Failure to disclose an agreement that contains accrued applicable credits as defined above is a conflict of interest and the responsible person may be subject to sanctions as defined in the University Policy and Procedures on Conflicts of Interest in Research ([hyperlink](#)).

[PROCEDURES \(hyperlink\)](#)

Marc Lalande, M.D. (signed)	10/23/06
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Associate Dean for Research Planning & Coordination	Date
Bruce M. Koeppen, M.D. (signed)	10/26/06
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Dean, Academic Affairs	Date
Peter J. Deckers, M.D. (signed)	10/26/06
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Executive Vice President for Health Affairs	Date

Replaces: NEW POLICY