



**UNIVERSITY OF THE PHILIPPINES MANILA**  
**The Health Sciences Center**  
**OFFICE OF THE CHANCELLOR**



RGAO10006710



Memorandum No: CCDP 2018-116

TO : All concerned

FROM : *MP M. D.*  
**CARMENCITA M. DAVID-PADILLA, MD, MAHPS**  
 Chancellor *MP*

SUBJECT : **Guidelines on the Research Administrative Overhead Cost**

In pursuant to the creation and approval of the UP Manila Research Administrative Overhead Fund (**BOR 1245<sup>th</sup> Meeting of 25 June 2009**), the Research Grants Administration Office observes the following guidelines in the computation for the Administrative Overhead Cost:

**A. Definition of Administrative Overhead Cost (AOC)**

According to the **1147<sup>th</sup> Meeting of the Board of Regents**, the AOC can be defined as follows:

*University Administrative Overhead Cost refers to expenses incurred by the University for accounting and bookkeeping, personnel support services, maintenance of facilities, utilities, etc. which are not provided for in the itemized budget of a research/project/program. These are the indirect costs of a research/project/program borne by external funding agencies.*

**B. Computation of the AOC**

The Administrative Overhead Cost is computed as a percentage of the total of the budget for Personnel Services (salary, honoraria) and Maintenance and Other Operating Expenses (MOOE). Pursuant to the **Memorandum RLA-10-083**, the following guidelines shall apply to all UP Manila researches:

**Extramural or Industry-funded Grants**

Total Approved Budget	Administrative Overhead Cost
P 100,000 and below	Minimum of 5%
P100,001- P 200,000	Minimum of 7%
P 200,001 and above	Minimum of 15%



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**Government Grants**

<b>Total Approved Budget</b>	<b>Administrative Overhead Cost</b>
P 100,000 and below	Minimum of 5%
P100,001- P 200,000	Minimum of 7%
P 200,001 and above	Minimum of 7.5%

The terms of payment of the AOC will be negotiated between UPManila and the funding agency.

**Intramural Grants and Self-Funded Research**

Intramural grants such as, but not limited to the NIH Student Research Grant, Faculty Grant etc, and investigator-funded grants will not be charged any Administrative Overhead Cost. However, these researches are still subject to the UPMREB and IACUC fees, as applicable. A separate memo has been issued regarding this matter. (CCDP-2016-081)

**C. Non-Recruitment**

For clinical trials that did not pursue due to non-recruitment, the administrative overhead cost will be computed based on 1 patient computation of the total budget. The Statement of Account will be re-computed by the Research Grant Administration Office (RGAO). The computed amount will also be distributed as stipulated in the 1245<sup>th</sup> Meeting of the UP Board of Regents.

**D. Sharing of Administrative Overhead Cost**

**UP Manila Researches**

As stipulated in the 1245<sup>th</sup> Meeting of the UP Board of Regents, the AOC shall be deposited in the UP Manila Administrative Overhead Trust Fund. Fifty percent (50%) shall go to the **RGAO Fund** which covers the UPMREB review fee, accounting/bookkeeping and personnel support services. The other 50% will go to the subfolder/sub ledger of the research-generating unit, called the **Research Unit Fund (RUF)**.



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Sharing of the 50% RUF is guided by Memorandum RLA 10-083:

**Research Studies/Projects Implemented at UP-PGH**

UP Manila Unit	AOC Share
UP-PGH	10%
College	10%
Implementing Department	80%

**Research Studies/Projects Not Involving UP-PGH**

UP Manila Unit	AOC Share
College/UPM-NIH	20%
Implementing Department or Institute	80%

**Philippine Genome Center Researches**

Researches of the Philippine Genome Center (PGC) which is administratively under the UP System shall be guided by the following sharing scheme as stipulated in the 1298<sup>th</sup> and 1147<sup>th</sup> Meeting of the UP Board of Regents.

University Unit	AOC Share
Philippine Genome Center	60%
UP Manila	40%

**E. Payment of the Administrative Overhead Cost**

Check payments should be made payable to “UP Manila” and will be received by the Research Grants Administration Office (RGAO). An official receipt will be issued by the UP Manila Cashier and shall be given to the Sponsor or Principal Investigator (PI) through RGAO.

Wire transfers can be sent directly to UP Manila. RGAO should be furnished with a copy of the official receipt which will be issued directly to the Sponsor/PI.

*Attachments:*

1. Memorandum RLA 10-083
2. 1147<sup>th</sup> Meeting of the Board of Regents
3. 1245<sup>th</sup> Meeting of the Board of Regents
4. 1298<sup>th</sup> Meeting of the Board of Regents
5. Memorandum CCDP-2016-081