



Financial Practices Survey Highlights

**IECRN National Leadership
Forum – May 31, 2006**

Financial Practices Survey Topics

- ▶ Network funding sources
- ▶ Duration of funding
- ▶ Budgeting & allocation of funds
- ▶ Financial development activities
- ▶ Financial management & monitoring procedures



Major Survey Variables

- ▶ Age of network
 - ≥ 5 yrs. vs. < 5 yrs.
- ▶ Primary study type
 - Clinical trials vs. Non-clinical trials
- ▶ Primary funding source
 - NIH vs. non-NIH



Survey Results

- ▶ 59 responses from sample of 100
- ▶ 63% (37) in existence > 5 yrs.
- ▶ 56% (33) primarily clinical trials
- ▶ 58% (34) primarily NIH-funded



Primary Funding Source

- ▶ Overall, the US Federal Gov't is the primary funding source for 46 networks (78%)
 - Of these, 70% receive their funding from NIH
- ▶ Other primary funding sources:
 - Academic institutions (4)
 - Foundations/nonprofit organizations (4)
 - For-profit/commercial entities (3)
 - Foreign government; other (1 each)



Secondary Funding Sources

- ▶ 43 networks (73%) have ≥ 1 secondary funding sources
- ▶ Most frequent secondary sources:
 - Foundations (24)
 - For-profit/commercial entities (23)
 - US Government (19)
 - Other nonprofits (13)
 - Academic institutions (11)
- ▶ Non-NIH-funded networks have broader diversity of funding sources than NIH-funded networks
- ▶ Older networks have a greater proportion of secondary funding sources than new networks
- ▶ More clinical trial networks receive secondary funding from for-profit or private companies than non-clinical trial networks



Duration of Funding

- ▶ Mean duration of funding from networks' primary funding source was 5.2 years
- ▶ NIH-funded research networks have longer periods of funding than non-NIH-funded networks
 - NIH funded – 5.9 years
 - Non-NIH-funded – 4.4 years
- ▶ Wide range of funding duration for all response categories
 - 1.8 yrs. is smallest standard deviation



Budgeting and Allocation of Network Funds

- ▶ 45% of networks are funded on a study-by-study basis
 - 56% reported that funding was sufficient to cover study costs
 - Of the remainder, 70% combine funding sources for a specific study
- ▶ All categories of networks reported that they were able to fund > 70% of approved study concepts



Financial Development Activities

- ▶ Types of development activities:
 - 86% of all networks respond to funding announcements
 - 63% engage in targeted contacts with specific potential funding sources
- ▶ A mean number of 3.1 funding applications was submitted per year by respondent networks, with 64% of applications funded
- ▶ Funding success rates varied by type of network:
 - 72% of clinical trial network applications were funded compared with 52% for non-clinical trial networks
- ▶ Older networks appear to direct more effort to fundraising activity than newer networks



Financial Management

▶ Cost Overruns

- 40% of networks experience cost overruns either all or almost all of the time
- Only 7% of networks never experience cost overruns
- The primary reasons were increased scope of the study (30%) and original budget underestimation (24%)

▶ Financial Decision-making

- NIH-funded networks reported that their funders provide more input than non-NIH-funded networks



Questions for Discussion

- ▶ What findings (whether or not mentioned in the presentation) are most surprising?
- ▶ What findings are most relevant for you?
- ▶ Do the findings reflect your experience?
 - If not, which ones don't?



Questions for Discussion (2)

- ▶ Of all the findings (whether or not mentioned in the presentation) which are most likely to be relevant to your category of networks in the next 5 years?
- ▶ Why?
- ▶ What other information about financial practices will help in the future?



Financial Best Practices Discussion

#1 - What best practices would you identify in preventing and managing cost overruns?

- Strategies related to managing the scope of work?
- Strategies related to estimating budgets?
- Strategies related to financial monitoring?
- Other?



Financial Best Practices Discussion

#2 - What best practices would you identify in securing funding for clinical research networks?

- Pursuing secondary funding sources?
- Combining funding sources for a specific study?
- Strategies for approaching potential funding sources?
- Other?



Financial Best Practices Discussion

#3 - What tools, information or approaches would be helpful to networks in managing their finances?

- Standard costing models for estimating site-specific costs?
- Tracking the actual costs of individual studies separately from network infrastructure costs?
- Other?

