

**The Patrick and Catherine Weldon Donaghue Foundation for Medical Research
POLICIES FOR GRANTEES**

A. Change in Grant Award

It is the obligation of the investigator and host institution to notify the Donaghue Foundation of any change that will substantially alter circumstances and commitments described in the original grant application. Notification should occur as soon as practicable and, under normal circumstances, at least thirty days prior to such change.

B. Use of Grant Funds

Specific guidelines for use of grant funds may be referenced in individual funding agreements. In general, the Donaghue Foundation wishes to fund only the costs essential to carrying out the proposed research or program and not to contribute to facilities, equipment, or salaries already provided or otherwise available in a properly equipped facility. Grant funds must not be intentionally applied for or used by any department or principal investigator when there are funds currently available for the proposed project (or which appear to be reasonably assured) from other sources. Therefore, duplicate or overlapping awards are not permitted.

Budget Statements must be presented on an annualized basis. All aspects of project support including the allocation of all sources of funds available to support the various components of the project must be shown in the budget justification. The project's budget must be presented as a whole with the Donaghue Foundation's share in the program clearly described in the budget tables. A budget justification section is required to identify and itemize, by budget category, all other sources and amounts of funding which will contribute to the completion of the project.

C. Grants – Direct Costs

Specific guidelines for direct costs may be referenced in program announcements and individual funding agreements. Generally, grant funds may be used to support the investigator's salary (consistent with the applicant institution's policy), project staff salaries, employee benefits, laboratory and data processing supplies, and other direct expenses including equipment essential to achieving the goals of the proposed project.

Requested salaries should be for full- or part-time professionals or technical assistants who are normally paid from the research projects to which they are assigned. Equipment purchases must remain proportionate to the overall project budget, although the extraordinary purchase of specialized equipment may be considered. Title to equipment purchased with these grant funds shall be vested in the institution at which the principal investigator is conducting research. However, if the Donaghue Foundation approves the transfer of a grant to another institution during the term of the award, equipment purchased with these funds shall be transferred to and title vested in the new institution.

Permanent vesting of title is in the institution at which the project is completed, and vesting is subject to divestiture by the Foundation in the event that a grant is terminated prior to project completion. Requests for items of equipment will be evaluated on their merits in relation to the project. Statements are required concerning justification of proposed major items included in a proposed budget.

Use of funds for travel to scientific meeting or other meetings and for publications costs related to the research conducted with the grant are specified in the application guidelines published for the award program.

Exclusions: Requests for funds for the following budget items will be disallowed except as itemized in individual funding agreements:

- All or part of the salary and fringe benefits for secretarial or clerical assistance
- Any administrative costs including professional memberships and subscriptions
- New construction
- Renovation of existing facilities
- Support of ongoing research projects

D. Grants – Indirect Costs

Overhead or indirect costs may be requested by the principal investigator's institution. The rates to use in calculating indirect costs are described in the application procedures for each program. Indirect rates in subcontracts cannot exceed the rate for the program.

E. Concurrent Funding

The Donaghue Foundation will not normally accept an application from a currently funded principal investigator applying in a different category or different program for substantially the same research program or for two proposals which share the same research objective.

F. Nepotism

No person will work as an employee of an applicant institution or under any contractual relationship with the applicant institution in a position supported by a Donaghue grant over which a member of his or her family exercises direct or indirect supervisory authority. As it applies to nepotism, "family member" includes spouse, child, parent, brother, sister, grandparent, aunt, uncle, niece, nephew, cousin, grandchild, mother/father-in-law, daughter/son-in-law, grandmother/grandfather-in-law.

G. Rebudgeting Within a Budget Year

Prior approval must be requested in writing for more than 10% (cumulative of all requests) of an original budget category to be moved from one existing budget category to another existing category. Prior approval must also be requested in writing to create a new budget category.

H. Carryover of Funds and No-Cost Extensions

Specific guidelines on carryover of funds and extensions may be referenced in individual funding agreements. Generally the Donaghue Foundation policies are as follows:

- 1. Extensions:** When requested in writing, with sufficient justification, and if approved by the Donaghue Foundation, the grant ending date may be postponed with no increase in the aggregate amount of the grant. Extensions must be requested not less than 30 days prior to the original grant end date. No-cost extensions will only be granted upon a Donaghue finding that there is a legitimate explanation of why the objectives of the grant could not be completed during the grant period. There will be no second extensions. Reporting requirements on extended grants will be determined by the Donaghue Foundation.
- 2. Carryover of Funds:** When requested in writing, with sufficient justification, and if approved by the Donaghue Foundation, surplus funds from one budget year may be carried over to the following budget year. Carryover requests including no-cost extensions of the grant term, must be made not less than 30 days prior to the end of the grant year in question.

A request for carryover of funds will only be approved upon a Donaghue finding that there is a legitimate explanation of 1) why the funds were not spent during the grant period, and 2) how the carryover funds will be budgeted and spent in the following year.

3. Interest Earned

Interest earned prior to expiration or sooner termination of the grant period on grant funds paid to the recipient institution shall be used only for the purpose(s) stated in the research agreement, i.e., to support the research effort of the principal investigator as described in the application. Interest may be expended in any existing budget category at the discretion of the principal investigator. Interest shall be reflected on the annual financial reports as a lump sum and in the revised budget column of each year in which such funds were credited. Any interest earned on any unexpended grant funds after expiration or sooner termination of the grant period shall be returned to the Donaghue Foundation.

4. Excess Funds

Funds remaining at the end of the grant period (including early termination) must be returned to the Donaghue Foundation, including any unexpended interest which has accrued and any budgeted indirect costs calculated on a *pro rata* basis.

I. Subcontracts or Consortium Agreements

If consortium agreements or subcontract arrangements are included in grant budgets, a separate detailed budget for each 12-month period of the grant must be provided.

A letter from the consortium or subcontracting organization attesting to the appropriateness of the agreement and stating willingness to comply with the requirements of the research plan and Foundation grant conditions as well as the

availability of resources and/or personnel, must be signed by the appropriate institutional officer of the consortium or subcontracting organization and must be included following the consortium/ sub-contract budget in any application.

J. Grant Start Up and Payment

1. Notification

Investigators will be notified following receipt of their grant applications by the Donaghue Foundation. The Foundation will endeavor to notify recipient institutions and principal investigators regarding grant awards at least 30 days prior to the earliest start date of the grant funding cycle.

2. Conditions of the Grant

Terms and conditions of Donaghue Foundation grants are stated or are incorporated by reference in a notice of award which must be executed by the indicated individuals (e.g., the principal investigator(s) and an appropriate and duly authorized institutional officer), and returned prior to the designated date in order for payment to the institution to be made in a timely manner.

Signing of the award notice and acceptance of the grant funds constitute the investigator's and institution's agreement to and acceptance of all such terms and conditions, including without limitation those relating to intellectual property rights.

3. Payment Schedule

Multiyear grants may be funded either by single payment at the initiation of the grant period or payments made on an annual basis at the discretion of the Donaghue Foundation. However, in the latter case, second- and subsequent-year funding is not automatic and is contingent upon timely submission and Donaghue Foundation acceptance of Financial Reports and Narrative Reports, as well as achievement of stated research goals and overall adherence to any specific funding agreement.

4. Changes in Award Start and End Dates

When requested in writing, and with sufficient justification, the Donaghue Foundation will grant a delay in the start date of the project for a period up to six months. When requested in writing, and with appropriate justification, grant closing dates may be extended (see section H). Other extensions or changes may be allowed in the Donaghue Foundation's sole discretion.

K. Transfer of Award

Donaghue Foundation grants are not transferable if a substantial change occurs in the principal investigator's relationship with, or if the principal investigator leaves, the grantee institution, except to the extent the Donaghue Foundation in its sole discretion may expressly approve a transfer in writing. Any unused funds must be returned to the Donaghue Foundation, including any budgeted indirect costs calculated on a pro-rata

basis. Notification of any such change or transfer should occur as soon as practicable and, under normal circumstances, at least thirty days prior to such change.

L. Reporting Requirements

Timely and accurate reporting must be done according to requirements stated in the funding agreement.

M. Reporting Due Dates for Re-budgeting and/or Extensions

After notice from the Donaghue Foundation that a re-budgeting request or extension has been approved, certain interim reports may be due. The Foundation staff will inform the principal investigator as necessary.

O. Grantee Financial Responsibilities

The grantee institution must keep systematic records of all expenditures relating to each grant. Vouchers, consisting of bills, invoices, canceled checks, receipts, etc. must be retained by the grantee for at least five years after the close of the grant period and must be available for inspection by representatives of the Donaghue Foundation at reasonable times during the period. The Donaghue Foundation may, at its own expense, examine, audit or cause to be audited the records of the grantee insofar as they relate to activities supported by a grant.

P. Intellectual Property Policy

As a charitable trust providing money that may produce discoveries having both public and commercial value, the Donaghue Foundation expects timely and appropriate

1. public dissemination of useful knowledge derived from funded research;
2. written disclosure to it of inventions and discoveries derived from funded research; and
3. written notice to it of any proposed action having the purpose or effect of securing property rights in any product of funding research.

The Donaghue Foundation claims an interest in intellectual property derived from the use of its funds but prefers to address specific property issues if and when they arise in specific cases. Grant recipients should inquire of the Foundation as to any question regarding this general policy, and in particular, its interaction with policies of sponsoring institutions.

Acceptance of Donaghue Foundation grant support is an acknowledgment and agreement by grant recipients and the sponsoring institutions of the above policy and of the fact that, unless otherwise negotiated in specific cases, the Patrick and Catherine Weldon Donaghue Medical Research Foundation (a) claims the right to a perpetual, fully paid, royalty-free, non-exclusive, license to use for non-commercial research purposes any invention derived from funded research, whether or not patented, and (b) claims a right, upon any commercialization of any such invention, to share in any proceeds, fees and/or royalties to which the sponsoring institution may be entitled, upon terms mutually agreed upon by the Foundation and such sponsoring institution. Grant

recipients who propose to transfer any rights to discoveries or inventions by license or otherwise must inform a transferee of this claim, which precludes passage of clear title.

Q. Acknowledgments

Any publications resulting from work done during the grant period must acknowledge support from “The Patrick and Catherine Weldon Donaghue Medical Research Foundation.”

R. Public Trust Funds for Public Records

Funds held in trust for public benefit are not to be applied to further the personal financial gain of individuals, except to the extent that any gain is purely incidental to the furthering of public purposes and expressly contemplated in documentation describing any project using public trust funds. Except in circumstances fully disclosed to and approved by the Foundation, no principal investigator on funded research may have a personal financial interest in the project or have a financial connection with any business entity involved in the project. Applicant institutions that are nonprofit health-related institutions or agencies in Connecticut are not included in “business entity” for this purpose.

S. Ethical Considerations

Safeguarding the rights and welfare of human and animal subjects in projects supported under grants from the Donaghue Foundation is the sole responsibility of the grantee institution accountable for the funds awarded and administratively responsible for the conduct of the project.

In the performance of the work authorized pursuant to an award from the Patrick and Catherine Weldon Donaghue Medical Research Foundation, the recipient institution must agree to comply with all applicable federal, state, and municipal laws, rules, ordinances, regulations and requirements governing or affecting work and activities supported by, and performance under Donaghue Foundation grants.

T. Malpractice

The Donaghue Foundation is not responsible for any claim, judgment, award, damages, settlement, negligence, error or omission, or malpractice occurring during or arising from the research or investigation related to an award or grant. By signing the face page of an application the investigator’s institution acknowledges sole responsibility for the conduct of research related to the award.

U. Public Access

The research that the Donaghue Foundation funds contributes to the acquisition of knowledge that can ultimately improve human health. To ensure this knowledge can be accessed, read, applied, and built upon in fulfillment of that goal, Donaghue Foundation expects its researchers to publish their findings in peer-reviewed journals and, whenever possible, in open access peer-reviewed journals.

V. General

1. Tax-Exempt Nature of Grant Recipients

Donaghue Foundation awards will be made only to hospitals, academic, research, or other health research oriented tax-exempt organizations or agencies in the U.S. or unless exceptions are specifically approved by the Trustees in unusual situations.

2. Trustee Discretion Absolute

The Trustees, in their sole and absolute discretion and at any time and from time to time, may modify, amplify, add, delete or make exceptions to the Policies and Procedures of the Donaghue Medical Research Foundation (including without limitation the Policies set forth in this manual), and all decisions by the Trustees are absolute and final.

Revised June 21, 2017