Welcome – This is our second Brown Bag Luncheon Meeting. We have handed out an agenda to those on the Evanston campus. If anyone on the Chicago campus wants an agenda, please let Aaron Rosen know and he will email you a copy of today’s agenda.

Brief Updates:

1. Professional Development Opportunities
   - **ABRF 2014 Meeting-March 22-25**: Highly recommend—the premier meeting for core facility administrators. Roughly 150 core facility administrators around the country attend the meeting. It is the only meeting like this for administrators of core facilities.
   - **Business for Scientists & Engineers course -June '14**: Thirteen of our core facility directors have taken this course. Feedback from all of them is that it’s been outstanding. In addition to financial assistance available from HR and OR (see below*), a 30% discount will be offered to all internal candidates for this course. The list price for the course is $7,300, but with the 30% discount the course will only be $5,110 (comparable to what the course cost in previous years). To receive the 30% discount, all you need to do is fill out the application and indicate that NU is your current employer. To apply click [here](#).
   - **New Kellogg Certificate Course: Leadership and Management in Core Facilities – Dec'14.** To apply click [here](#).
   - *Reminder that new HR tuition benefit is $3,000 per calendar year, so only one of the above courses will be fully covered in 2014. The Kellogg courses are roughly $5,000. You can request $1,000 from OR in your Operating Support requests. The remaining $1,000 will come out-of-pocket.

2. Open Access Initiative: In-house rates plus no F&A. Lawyers at University of Chicago (U of C) have finally approved the Memorandum of Understanding (MOU). Provost is ready to sign the MOU later this week. This means we’ll treat U of C the same as researchers from Northwestern (no F&A). UIC is already part of the Open Access Initiative. For other academic institutions not part of the Open Access Initiative, we charge the same rate that we charge other academics, but we do charge F&A.

Detailed Updates:

1. Operating Support: In-depth overview of the ground rules for Operating Support requests, as indicated on the Shared and Core Facilities website: [https://www.facilities.research.northwestern.edu/financial](https://www.facilities.research.northwestern.edu/financial) *(Reminder that FSM’s and OR’s Annual Reports have been aligned, deadline May 1st).*

2. IT Support: Must submit inventory, if you haven’t already. Inventories are required for support. Those who submit inventories by Feb 15th will be supported first; those who submit inventories after Feb 15th will be supported on a first-come first-served basis.
   - Maintaining and repairing hardware
   - Installing and configuring supported software applications
   - Upgrading software
   - Data backup and recovery: ensuring backup plan is in place for all computers (install CrashPlan if necessary)
New Business (10 min):

1. **Advertising Campaign:** Leah and I are working on a brochure targeted at external and internal customers. This brochure will consist of a folder with inserts. The inserts will fall into one of four categories: medicine, biomedical, chemistry and engineering. The inserts will list all of the cores on our website (around 63/64). This project was inspired by Michael Rosen, one of the VPs at Illinois Science and Technology Park (ISTP). He came to see me and asked if the companies residing at ISTP could take advantage of our core facilities. I said that we have procedures in place and you have to check with each facility to see what their capacity is, but if they are not overbooked, definitely. A paper that I wrote on how to handle external customers was recently awarded, “Best Practices for Core Facilities: Handling External Customers.” To view the full article click here: [http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3605920/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3605920/).

Currently only 1% of our income from recharge centers comes from industrial customers (10% overall). We want the number of external customers to grow and to develop partnerships and help/work with industries in the Chicago area that are interested in taking advantage of our facilities.

2. **Self-Insurance Program-(Aaron Rosen):** During my financial workshop that I gave a few weeks ago, one of the things I talked about was self-insurance. I want to talk more about best practices and what other institutions are doing these days. The first option is Specialty Underwriters (kind of self-insurance). They consolidate all of your service contracts and vendor relationships and manage them for you, but they do not work with all vendors. In some cases people, have success using Specialty Underwriters to take care of their service contracts. The other options in the more formal self-insurance world are:

   A. A group of core facilities will often pool their funds, send it to the insurance company, and then if something happens to the equipment, it is covered by the insurance company.

   B. Central pools of money are created within the university and then when something happens within that pool, pay it out. This option is more theoretical than anything else. The compliance problem with this is that there may not be the same benefits. If there are 5 cores that pay in and one core has a catastrophic accident, the other 4 cores are helping to pay for that core. Is that compliant? No obvious answer yet.

   C. **Learned from former Director of Core Facilities at U of C, Julie Auger (she is now an Executive Director at UCSF):** Variation on keeping each core by itself and roping your potential repair expenses into the budget of that core:

      • What is your service contract?
      • Take half the value of that service contract and put that aside. No longer pay the service contract and still include 50% of its cost in your rates. There may be some instruments where that’s too much or too little, but that’s the initial starting point.
      • If there’s something that’s catastrophic that occurs to a core’s equipment that will cost more than the 50% they have set aside in lieu of service contract, then she will loan the money to the cores centrally, so that their finances aren’t blown up for the year. Then they will pay back the loan over then next few years.
Announcement (5 min):

1. **Website Workshop:** TBA. *Remind cores to update their information. Revision logs now allow us to see who has updated their page.* This will be important in allocating of operating costs. If you aren’t updating your pages, it’ll be a harder sell within OR.
2. **Business Continuity Planning:** Streamlined versions for centers and core facilities. Workshop for centers on March 18th; core facilities in May.
3. **Equipment Proposals:** Opens April 1st (online); Deadline April 11th
4. **Special Event for PhDs working in core facilities:** April 14th, 5:00pm-7:00pm at the Allen Center. First hour will be hors d’oeuvres and drinks and the second hour will be talk given by Andy Ott and Teng-Leong Chew. Point is to prepare all for career paths in core facilities.

Q&A session

1. **Open Access Initiative:** If we participate, does this mean we don’t have to sign insurance wavers or liability wavers?

   Phil: Each school’s insurance will cover accidents and problems. If a core facility is concerned that they won’t be able to afford replacing something if it breaks, that’s not only a problem for the other schools, that’s a problem here as well. But, you can opt out of the program. If you opt-out, what does that mean? If you’re a core facility and you decide that you don’t really want people from the outside world coming and using your equipment, you can have a standard blanket statement that applies across the board that says no-one can use your services (internal and external). If you want people from just NU to be able to use your equipment, you can modify that statement to indicate that. You can also select which schools you want to be able to use your services. However, you can’t pick who from a school can come. It’s all school or no school. For example, you can decide U of C no and UIC yes. If you make a call for one investigator at a school that you don’t want them coming on site, then it has to be applied to that school uniformly.

2. **How do you pay for university’s services, who are part of the Open Access Initiative?**

   Phil: We are already on U of C’s and UIC’s vendor lists. Your facility may need to be added to their list (that would just require a phone call), but NU is already on their approved list of vendors.

3. **Can we apply mid-year for operational funding or can we only apply once a year with the Annual Reports?**

   Phil: Just once a year in the Annual Report.

4. **The operational support requests are only for the upcoming fiscal year, but one of the examples of acceptable support requests is an unplanned major instrument outage, so how do those reconcile with each other?**

   Phil: Financially. So, if the instrument outage happened in this fiscal year, then you ask for it to be covered for the next fiscal year. The moneys will probably be transferred in the intervening period. We’ll make the decisions by May or June and if it applies to this year’s budget we can probably fork it over for this year. Remember it’s a request for next year and it’s capped, so it’s part of next year’s request. If you spend it on something that has happened this past year, you can’t spend it on something that has happened in FY15.
5. You had said that OR funding can’t be applied to offering lab courses or course development, but that
doesn’t prevent cores from doing so if they have other sources of funding, correct?

Phil: Correct. I am encouraging cores to become more involved in the educational aspects of the University,
but the funding for that will have to come from other sources.

6. Is the IT support still only provided to computers that aren’t connected to peripherals and
instrumentation?

Phil: The acquisition systems that you have-those computers aren’t covered. Those should be under your
service contracts or your technical support because these students are not coming in to repair computers that
have that problem. However, if for whatever reason you decide not to cover computers that control your
acquisition system with a service contract, we should talk. It will need to be in the inventory, a reason why it’s
not covered in the service contract, etc. It could be that it’s not a whole lot different than an administrative
computer.

7. Are there any plans to expand the IT support to more sophisticated needs? We can update software
ourselves. What we need is help designing local data storage solutions and local security-more
sophisticated but core-specific needs that are shared across a lot of cores are what we need more than
help with admin computers.

Phil: No solution at the moment. Realize work study students will have limitations with the level of support
they can provide. We do recognize there’s a higher level need. We’re starting out with this as a pilot project
that’s lower level to see how it’s needed and then we’ll have to think more creatively in the long term. This is
part of a much larger issue within the University across schools and centers that will take a while to get to. We
don’t have a solution for the higher end needs at the moment.

8. The second model of self-insurance presents real problems. Once you pool and you pay out for another
core’s broken instrumentation, you no longer have allocable expenses, so this goes back to the whole
issue of sponsored research and being able to show specific allocable expenses. If you are pooling your
resources and those pooled resources then go to fund expenses in another core, you lose that specific
construct that we are bound by. I think this would raise all kinds of red flags on sponsored research
accounting.

Aaron: I agree with you fully and like I said the only way you could make this argument is if essentially the
cores being pooled could be considered a single core for some purpose, in other words if you were to group all
the biomedical cores together and then say that in some sense this is a single entity and therefore it is
appropriate to pool for this purpose. This is not an easy argument and isn’t the approach that I’m the most
interested in.

9. Have you talked to Risk Management about the above self-insurance model?

Aaron: Risk management generally doesn’t get involved unless there was an accident that was caused by
something external.

10. Our cores do have service contracts on certain pieces equipment. One of the valuable things about
service contracts is preventative maintenance. How would preventative maintenance be handled for the
3rd self-insurance model?

Aaron: You have to distinguish between maintenance contracts and service contracts and sometimes you don’t
want to have the catastrophic insurance for serious breakdowns, but you do want to have the preventative
maintenance. You may be able to negotiate a contract just for the maintenance and then for the serious repair problems it could be handled independently through another means.

11. I have a few issues with some of the service contracts models. I’ll start with the model where you set aside 50% of the service contract (3rd model). Let’s say the service contract is usually 20K and then the core sets aside $10K/year, the issue is that most people that are deciding on doing that are the ones that can’t afford the service contract, which means that they don’t have an extra money to cover even non-catastrophic stuff. So there are decisions made based on a financial basis. The problem I potentially see is with the pooling model. Let’s say you pool together 100K and a couple cores need $20K from that 100K during the year. If your core doesn’t need any actual maintenance that year, do you get that money back? Or will your portion of the pooled money carry over to the next year?

Aaron: The pooling model probably won’t happen. Theoretically cores probably wouldn’t get the money back they put in, but you don’t get money back with service contracts either. I understand the financial constraints in terms of determining what service contract a core is getting. What paying for yourself does (3rd model) is it cuts out the profit that companies selling the service contracts make. The companies presumably have to spend less money using service contracts then sending people out on an individual basis. If we can eliminate their profit and spend money only on what it costs to fix equipment, we’re better off financially period. That’s the reason to be considering something like that. Cut out the ability of the service contract providers to make money.

12. In favor of the 3rd model. However, I have heard from several core facility managers that this raises issues with the vendors as they protect these contracts (make money on them). Difficulty accessing replacement parts, getting help on the phone, etc. I don’t think they will be insurmountable obstacles, but they are considerations. I do think that if we put away 10K, what they bank on is that you won’t need major service in any given year, that’s how they make their profit. You can bank on that too so you can say “I was going to pay $30K for a service contract, but if I put $15K away, chances are I’m not going to need that $15K and I will come out ahead this year.” You have to make the same risk calculation that they do if you do it yourself.

Phil: SU has found that if you pay the money as you go, they are more motivated to help you. If you pay everything at once they are usually less motivated.

13. It’s in the company’s best interest to have machines up and running quickly because they will make more money selling free agents then they will on the actual work on the instrument. The other thing is that people who are servicing the machines from service contracts are very experienced with these machines and might not have the same level of than the people performing maintenance out of the service contract:

Aaron: Is it possible that the same people who perform maintenance on your equipment under a service contract can be the same people you hire to service your machine on an ad hoc basis, or is that usually not the case?

When I didn’t have a service contract, it was a different type of provider that would come out and not necessarily someone with the same level of experience that we were used to under the service contract.