Attached are the rates for animal *per diem* and special service charges for the fiscal year 2010-2011 that will take effect September 1, 2010. The DAR completed the annual comprehensive fiscal analysis of *per diem* and service charges for the past year and presented the data to the faculty Animal Resources Advisory Committee (ARAC). This analysis was the basis for the adjustment of the rates approved on August 16, 2010. In general, *per diem* rates are calculated to cover only projected normal operating costs and with the preceding fiscal year data used as the basis for the annual adjustments.

As usual, there remained some variance among several species in the recovery of costs. The expenses of the DAR were influenced by increasing effects of fixed costs upon small scale populations; progressively increasing activity at small, inefficient, and decentralized sites and; most significantly, facilities reaching their capacity and requiring increasingly intensive management intervention. In the face of this dynamic there remained generally upward pressure on the *per diem* and service charges, although this was mitigated where the *per diem* rates remained unchanged or were decreased for adult agnatha, guinea pigs, mouse biohazard, mouse sterile cage, rats, and rat sterile/biohazard. Increases ranging from 2% to 15% were required for amphibians, cats, chicks, dogs, gerbils, guinea pig biohazard, hamsters, larval lampreys, mouse auto-water, mouse micro-isolator, mouse quarantine, nonhuman primates, rabbits, rat quarantine, sheep, songbird flight cage, and swine. In order to reduce the impact of these recoveries of costs from investigators, we continued the practice of limiting the maximum *per diem* adjustment to 15%. Since 2002, the following rates have increased at a lower annual rate than the 3.78% of the NIH Biomedical Research and Development Price Index (BRDPI): chicks, guinea pigs, hamsters, all mouse rates (except quarantine), and rats. All other rates have increased above the BRDPI.

Service charges for the rodent managed breeding service, biowaste disposal, gift rodent ship-out, most transport, veterinary technical assistance, and operating room use remained constant or decreased. Charges were increased for the gammacell irradiator, the basic animal order charge and late fees. One new charge was created (the use of Alpha-Dri bedding for mice) and the surgery booking charge was reinstated. As these changes impact relatively few persons, all directly affected investigators were contacted separately and were provided the details.

It continues to bear disclosing that the rates do not include provisions to collect funds into a pool to pay indemnities in the case of DAR error, natural disaster, technological malfunction, or other events or conditions that may confound or ruin experiments or result in the loss of animal life.

Should you have questions, comments or suggestions about these matters, please contact me.

Footnotes

1 A comprehensive listing of rates can also be found at: http://www.dar.emory.edu/BUSINESS/fees/fee_schedule.pdf.
2 Analysis and narrative explaining these costs: http://www.dar.emory.edu/BUSINESS/fees/huerkamp_ratesletter.pdf.
Why Purchasing and Receiving Research Animals is Different and More Expensive than Buying a DVD from Amazon.com.

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In my tenure as the Director of the Division of Animal Resources (DAR) dating back to 2002, I don’t believe I encounter a more misunderstood and possibly disconcerting set of charges than those associated with the ordering and purchase of animals. This is particularly true in the case where multiple line orders are placed, a common occurrence with mice where different ages, genders and strains may be ordered by the same lab in the same week. A person ordering 10 pigs would, for example, be charged a fee, but a mouse user ordering 10 B6 and 10 BALB/c mice or 10 male and 10 female FVB mice would be charged two times as much because of the two different strain or gender-related line items!

In this day and age of internet ordering of items and doorstep commercial courier delivery for a relatively low and often fixed, if not waived, delivery charge, it can be difficult to appreciate how one incurs substantially higher charges for animals and often multiples thereof in the case of ordering mice. This becomes principally evident when buying DVDs from, for example, Amazon.com where there are no separate ordering charges. It is important to realize that purchasing items from vendors such as Amazon.com is not a regulated enterprise and does not involve the complications associated with live animals. Imagine, if in doing business with Amazon.com, that we were restricted to buying 10 DVDs a year and only musicals (and someone had to keep track of this) and that there were terrible consequences if the order got lost? These are the conditions under which research animals are acquired and where the granting agencies expect funded institutions to establish and finance mechanisms to track and limit the numbers of animals acquired. Additionally, if the delivery deviates off course there can be profound animal life and welfare implications.

An alternative to charging fees for animal orders would be to lower the order charges by transferring many of the costs into the *per diem* rates. The DAR and its faculty Animal Resources Advisory Committee (ARAC) have considered this on several occasions, but have resisted it because these charges actually relate specifically to animal purchases. Relocating the expenses related to animal orders to the rates would result in all investigators, particularly those relying for the most part on in-house breeding colonies, to defray the cost of buying animals. These options of animal purchase versus production on-site makes animals distinct from the fee-free purchase of research drugs or glassware because, unlike the possibility with mice, investigators do not exercise an option to make their own glassware or synthesize their chemicals from scratch. This decision to charge separately for animal orders has contributed to Emory having historically amongst the lowest animal care costs in the country as consistently demonstrated by the Yale *Per Diem* Survey.
Why Purchasing and Receiving Research Animals is Different and More Expensive than Buying a DVD from Amazon.com., continued

In the end, the machinations of customer service and animal procurement that determine the expense are detailed in the steps below. The DAR has to pay salary and fringe to persons providing these customer services and cover expenses for photocopy, fax, consumable supplies, vehicles, and related administrative costs.

1. Receive order from the laboratory and verify that all needed info is provided.
2. Enter order data into database for animal use tracking (NIH, USDA and accreditation requirement)
3. Verify order information with IACUC protocol (species, numbers)
4. Place the order with vendor and maintain appropriate records of the transaction.
5. Receive confirmation of order from vendor.
6. Print cage cards; sort by facility, vendor, PI.
7. Prepare manifest pouches for each animal research facility (copies of orders, delivery manifests and cage cards for the week).
8. Arrange for animal transport services.
9. Notify and coordinate animal receipts with personnel in the facilities especially in the case of large, unusual, or new orders.
10. Confirm availability of space, caging and any special food.
11. Receive the animal delivery and distribute them from the central receiving site to the appropriate animal research facility.
12. Accumulate & review receiving reports from facilities and reconcile receipts with orders.
13. Receive invoices from vendors; sort by PI; compile orders and receiving reports with each invoice.
14. Verify account numbers, split invoices by PI if more than one on a given invoice.
15. Authorize payment of invoices.
16. Retain copy or photocopy invoices and deliver to Accounts Payable.
17. Record invoice information in database.
18. File completed order materials in DAR files.
19. Mail summary animal order costs and activity reports to departmental business managers.

If an order should have complications or go awry, DAR may have to do any or all of the following:

20. Contact PI regarding any complications with specifics of request or animal unavailability. Revise order as needed.
21. Investigate and reconcile order problems - animals not received, animals received sick or dead, etc.
   Coordinate information exchange involving DAR, vendor and PI and resolve situation.
22. Where there are animal welfare consequences or where a DAR error may be involved, reports must be provided to the IACUC, Institutional Official (i.e. Vice President for Research Administration), Executive Associate Dean for Research of the School of Medicine, and often federal or other regulatory authorities.

Transactions with Amazon.com involve actions similar and limited to steps 1, 5, 8, 11, and 15.