
USC welcomes contracts, grants and gifts for research from all types of organizations, including government, foundations, corporations and small businesses.

With nearly $600 million in research funding, USC is ideally suited to be a resource for your research and development needs. If you are seeking particular skills or expertise for a research relationship, or you have general questions, contact the Office of Research (213-740-6709 or vpres@usc.edu) for guidance. If you need help in executing an agreement with USC, contact one of the following offices:

Contracts and Grants for Research (except industry sponsored clinical trials) are executed through USC’s Department of Contracts and Grants (213-740-7762).

Industry Sponsored Clinical Trials are executed through USC’s Clinical Trials Office, located on our Health Science Campus (323-442-7218).

Gift Agreements are coordinated by USC Office of Advancement in cooperation with the units that receive the gifts (213-740-2211).

Intellectual Property Licensing and Material Transfer Agreements are the responsibility of the USC Stevens Institute for Innovation (213-821-5000).

Frequently Asked Questions

What is the Overhead Charge?
Overhead (also called indirect cost) is the university’s mechanism for recovering administrative and facilities costs associated with conducting research and other sponsored activities. Our overhead rate is determined by federal audit and reflects actual expenses associated with conducting research at USC, such as the cost of buildings and maintaining labs.

How are Time and Effort Billed?
Time and effort is charged on a “percentage monthly effort” rather than by the hour. This means that each person working on a project charges a percentage of their monthly effort over the duration of the agreement, and the sponsor is billed for the actual compensation paid to the individual. For instance, if a faculty member charges 20% effort over a 12 month period, the sponsor will be billed for 2.4 months of compensation. Student compensation is typically divided into semesters (fall from August 16 to December 31, spring from January 1 to May 15 and summer from May 16 to August 15), and is normally only permitted to exceed 50% in the summer. Through USC’s effort reporting system, faculty are required to certify that the effort expended on each project matches the amount billed to the sponsor.

What is the Fringe Benefit Rate?
USC charges a fringe benefit rate to recover university expenses for health coverage, retirement, social security and other employee benefits. Our fringe benefit rate is applied to the compensation of faculty, staff, and postdoctoral research associates, but not to students.
**What Qualifies as a Gift?**
A gift is a “no strings attached” donation to the university. While a donor can designate a gift to a particular activity, there can be no *quid quo pro*. This means that a donor does not receive intellectual property rights or any other tangible research product in exchange for the money given to the university as a gift.

**What is the Process for Executing a Corporation or Foundation Contract?**
Contracts and grants for corporate and foundation sponsors are typically executed in five steps: 1. Proposal Preparation; 2. School Review and Approval; 3. Proposal Submission; 4. Negotiation of Agreement; and 5. Award and Account Set-up. The Department of Contracts and Grants and Health Research Association (industry sponsored clinical trials only) are authorized to negotiate and execute a grant or contract with USC.

**How are Confidential Disclosure Agreements Handled?**
USC will execute CDAs with outside organizations when research depends on the protection of confidential information. CDAs are executed by the Department of Contracts and Grants for the treatment of confidential information related to sponsored research, and by USC Stevens for agreements related to Intellectual Property Licensing. CDAs are never signed by project faculty, students or staff.

**What Intellectual Property Rights are Given to Industry Sponsors?**
With the exception of research service agreements, USC does not conduct work for hire in research, and therefore retains ownership of intellectual property created at USC. Sponsors receive the first right to negotiate a license with the university. In special cases, alternative intellectual property terms are considered and negotiated by the Department of Contracts and Grants, subject to approval by the Vice President of Research.

**Will Research be Published?**
USC expects that all university research will be published, typically in peer reviewed literature, presentations at professional meetings, and student dissertations and theses. Therefore, we do not accept terms that block or prohibit publications. We will, however, give sponsors the right to review publications in a 30 day period, to ensure that confidential information and IP are properly protected.

**What Are Typical Contract Terms?**
USC’s standard corporate agreement includes clauses related to indemnification, use of trademarks, limitation of liability and other terms. USC is open to negotiation, depending on the circumstances of the agreement.

**How are Sponsors Billed?**
Payment terms are negotiated, depending on the needs of the research project. Typically, an upfront payment is paid upon execution of the Agreement and scheduled payments are made throughout the performance period.
What if Certain Parts of the Standard Agreements are Unacceptable to our Company?
Most of the standard agreements can be tailored to fit specific needs. Our template language should be viewed as a starting point for negotiations. We strive to achieve mutually beneficial arrangements in a timely manner.

Who is Responsible for Ensuring that the Sponsored Work is Completed?
The project principal investigator (usually a faculty member) is responsible for ensuring satisfactory completion of all project work, as well as compliance with the agreement and university regulations. The Department of Contracts and Grants also monitors projects on completion to ensure that all work products have been submitted as required.

How are Human Subjects and Animal Research Reviewed?
USC provides Institutional Research Boards (IRBs) on both the Health Science and University Park Campuses. For all research subject to human subject regulation, investigators are required to obtain IRB approval before a project account is established. This process typically takes less than 30 days. Nevertheless, investigators are expected to submit research protocols well in advance of their anticipated start date.

USC’s Institutional Animal Care and Use Committee (IACUC) reviews protocols for animal research. As with human subjects, investigators are required to obtain approval before a project account is established, and decisions typically take less than 30 days.

Who is Responsible for Awards Made from USC?
The Department of Contracts and Grants is the lead office for all awards made from USC to other organizations.

Can USC Faculty, Staff and Students Have a Financial Interest in the Sponsor?
USC’s policy on Conflicts of Interest in Research sets a “rebuttable presumption” standard against research sponsorship into the laboratory of someone who holds a management position, private equity (any amount) or public equity (in excess of $50,000) in the research sponsor. USC also holds “rebuttable presumption” standards against faculty conducting human subjects when they have a financial interest in excess of $10,000, or the university conducting human subject research on IP that we have licensed to outside organizations. In general, all research staff must disclose their financial interests to the Conflict of Interest in Research Committee, and research cannot begin until a relationship is approved and a management plan is in place.

For more information on USC’s Conflict of Interest Policies (including Conflict of Interest in Research, Conflict of Commitment, Institutional Conflicts of Interest in Research) contact the Office of Compliance.