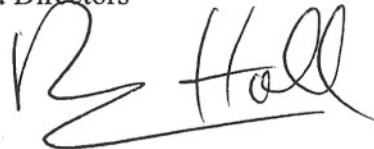


MEMORANDUM

TO: Academic Deans and Directors

FROM: Randolph W. Hall



DATE: September 15, 2006

SUBJECT: Multiple School Research Projects

Office of the Provost

Randolph W. Hall, Ph.D.
Vice Provost for Research
Advancement

I am writing to remind you of the importance of encouraging faculty to participate in interdisciplinary research, and to establish administrative structures that remove distinctions between research that is conducted in a single school from research that is conducted in multiple schools. Toward this end, the following principles should be followed.

- As stated in the memo from former Provost Armstrong on overhead allocation (December 19, 2003), indirect costs should follow direct costs. That is, the proportion of indirect costs accruing to any school on any project should match the proportion of activity taking place in the school, as measured by the direct costs associated with the activity.
- The simplest, and preferred, mechanism to allocate overhead is to establish a satellite account in each participating school. The satellite account should include a budget, in both direct and indirect costs, that is sufficient to fund the activity taking place in the school. If satellite accounts are not established, then the PI's school should arrange to prorate indirect costs to participating schools based on the direct costs for each activity. Satellite accounts also provide the simplest mechanism for ensuring compliance with effort reporting requirements, and ensuring that total load commitments are feasible for each staff or faculty member. (The university is revising the master/satellite account system so that investigators and administrators on the master account can view activity in the satellite account more easily.)
- Faculty time should be budgeted for inter-school projects in the same manner that faculty time is budgeted for single school projects. There should be no distinction between the way a faculty member is compensated for a project that involves a single school from a project that involves multiple schools. In particular, interdisciplinary research, even in the form of interdepartmental consultation, is not an overload activity because it is part of a faculty member's regular workload. If you have any questions as to how this change impacts your unit, please contact Jane Thurgood (jmt@usc.edu).

cc: Laura LaCorte
Jane Thurgood

MEMORANDUM

*pdf
G. versch!
cost sharing*

To: Academic Deans

Office of the Provost

From: Lloyd Armstrong, Jr *lad*

Lloyd Armstrong, Jr.
Provost

Date: December 19, 2003

Subject: Guidelines for Allocation of Indirect Costs on Interdisciplinary Research Between or Among Academic Units

This set of guidelines to facilitate the conduct of interdisciplinary research among two or more academic units was developed by a decanal committee chaired by Max Nikias, and has been approved by me. The charge to this Committee was to remove real or perceived impediments to interschool research collaborations caused by the complexity of indirect cost recovery allocation.

These guidelines, based on the principle "indirects follow direct," provide a mechanism to be used to distribute indirect costs amongst two or more participating academic units. This simple mechanism makes the distribution of indirect costs transparent to the researchers and deans. A three-tier structure describes almost every interdisciplinary project and includes further guidelines for determining whether a default approach should be used or whether a tailor-made solution involving deans might be necessary.

Situation One

Grants with an annual funding level below \$200K. All indirect costs will be allocated according to the projects or tasks described within the proposal and will automatically be prorated based on the direct costs for each particular project or task. No negotiations between the respective schools or deans will be necessary.

Situation Two

Grants with an annual funding level between \$200K and \$1M. All indirect costs will be allocated according to the projects or tasks described within the proposal and will automatically be prorated based on the direct costs for each particular project or task.

However, if the grant has an administrative component handled by a particular member of the faculty, then all direct costs associated with the administration of the grant and the associated indirect costs will remain within that school whose faculty member serves in the administrative capacity. Since object codes for equipment do not create overhead recovery, these expenditures do not require consideration. No negotiations between the respective schools or deans will be necessary.

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Situation Three

All grants with annual funding levels exceeding \$1M require that the principal investigators first consult their respective deans to determine an appropriate agreement for handling the distribution of indirect cost recovery. Two or more deans may agree to govern indirect cost allocation using the guidelines described in Situation Two.

cc: Rob Cooper
Mike Diamond
Katharine Harrington
Joe Hellige
Martin Levine
Max Nikias
Neal Sullivan