MEMORANDUM

TO: Academic Deans, Directors and Principal Investigators

FROM: Randolph W. Hall

DATE: August 27, 2012

SUBJECT: Multiple School Research Projects

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, I am writing to reiterate a set of principles that were established at USC in the past.

- 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.

- 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.

Research deans are responsible for ensuring that accrued overhead is distributed in accordance with the above procedures for projects led from their schools.