

**Recommendations to the Vice President for Research and Graduate Studies
made by the Strategic Research Investment Task Force
based on the IDC Task Force Response To Charges**

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Executive Summary

- Consistent university-wide policies are needed that define the specific allocations for overhead and academic credit distribution on extramurally funded awards.
- Academic credit at the college and unit (departments, centers and institutes) levels should be allocated by relative commitment and academic appointment.
- Overhead returns to the colleges and to units should be determined by separate formulas:
 - Overhead credit at the college level (10% of total IDC) should be allocated solely by relative commitment and academic appointment of the investigators.
 - Overhead credit at the unit level (10% of total IDC) should be allocated using a formula that is based on relative commitment and academic appointment, post-award grants administration, and research space. Specifically, 25% of overhead credit should be distributed to the unit providing post-award administration and the remaining 75% should be allocated based on relative commitment and academic appointment of the investigators on the project. To account for research space costs, when an investigator has research space in a unit different from that of his/her academic appointment or when he/she has research space in fewer units than he/she has academic appointments, two-thirds of the unit-level IDC

attributed to that investigator should be allocated to the unit providing his/her research space.

- Revision of a transmittal at the time of the award may be necessary to capture changes such as those related to the award amount differing from that requested. Any other changes to the transmittal during the course of the award should be tracked with changes not affecting historical data as reported by Contract and Grant Administration or the Office of Planning and Budgets.

Background

The IDC Task Force was asked to recommend a method for the distribution of overhead and academic credit among colleges, departments, centers and institutes. Of particular interest is a recommendation for how overhead and academic credit should be distributed when faculty on a project are from multiple colleges and/or departments and when centers or institutes are involved. In this document the term “unit” is used to indicate departments, centers and institutes.

The Task Force--consisting of twelve faculty/staff serving as associate deans, department chairs, center or institute directors, and research administrative staff--met five times in June-July 2007. Subsequently, the Council of Research Deans discussed the proposed policy on numerous occasions and took the recommendations to their colleges and units for approval. Once wide approval for the concepts proposed was garnered, a small group of associate deans, research administrators, and personnel from Contract and Grant Administration and the Office of Planning and Budgets met on four occasions in September and October of 2008 to devise methods for implementing the recommendations.

The Need for a Policy

While the traditional faculty member was once appointed entirely in one department in one college, this is no longer always the case. With the move towards multidisciplinary studies over the past decade, it is not unusual for a single person to have appointments in multiple units and/or multiple colleges. Similarly, one unit may provide the majority of salary support for a person while a different unit supplies the laboratory space. In these situations a policy for the distribution of overhead and academic credit among units and colleges is needed.

Currently there are no university-wide policies on overhead and academic credit distribution and no single formula has emerged around which there has been general consensus by the units/colleges. Consequently, the current system of each college or unit having its own protocol for credit allocation results in tremendous inefficiency and diminished productivity of all personnel involved in negotiating agreements between colleges and units, which often involves research faculty, research administrative staff, chairs, and associate deans. The Task Force addressed these issues and made recommendations for overhead or academic credit allocation among units, as well as identified several additional issues requiring solution in order to establish efficient and equitable processing of transmittal forms.

Departments, Centers and Institutes

The Task Force supports the development of policies that encourage centers and institutes when they are an appropriate context for fostering interdisciplinary collaboration and enhancing MSU's ability to compete for external funding. Currently, centers/institutes compete with departments for the same fixed amount of internal resources (e.g., 10% of IDC return). Thus, it is the recommendation of the Task Force that supplemental university resources be used to reward departments, centers and institutes that are successful in obtaining external funding through these interdisciplinary/multi-unit collaborations by increasing the amount of funds presently shared among units above the 10% currently provided by IDC.

Transmittal Forms

An electronic transmittal system allowing for rapid and efficient approval by all parties is a critical, immediate need. The system must require notification of all involved parties of any changes made to a transmittal form at any point in the approval process or post award time period.

The capacity to archive all pre-award, post-award and amended transmittal forms for each award must be an element of this new electronic system.

- Transmittal forms should be updated after an award is made in the event that the budget awarded differs substantially from the proposed budget. It should be the responsibility of the Principal Investigator to determine what changes are necessary in both study design and project staffing if the award amount differs substantially from the proposed amount.
- Transmittal forms must be amendable throughout an award period in order to reflect changes in an award, for example faculty who leave (or are added to) the project after the initial budget period. Any such changes made to transmittal forms should not be retroactive or overwrite previous assignments, but only apply from that point forward.

The formulae and calculations used to allocate overhead and academic credit should be included in the archival information along with or appended to the transmittal form.

A new line on the transmittal form to separately capture credit to 2 digit MAU and 3 digit departmental codes will be necessary if the Task Force on credit allocation recommendations are implemented.

Research Facilities Not Allocated to a College

All research buildings on campus must be funded adequately for space-related tensions surrounding IDC to be resolved and an air of collegial collaboration to preside. A special concern is specific to buildings on campus that are not assigned to specific college(s) or department(s). These are: 1) the Food Safety and Toxicology Building (space reverts to Provost), which is occupied by eight centers and programs, including the National Food Safety and Toxicology Center (NFSTC), Center for Integrative Toxicology, and Carcinogenesis Research group. The NFSTC has administrative responsibility (e.g.,

equipment maintenance and repair) for the majority of the building that provides laboratory and office space for faculty with appointments in 11 departments and 6 colleges, as well as MAES and MSUE. 2) the Manly Miles building (space reverts to VPRGS), which is occupied by five centers/institutes and three additional laboratories/projects with faculty from three colleges and six departments, and 3) the south wing of the Plant Biology Building (space reverts to VPRGS), which houses faculty from CNS, MAES, and MSUE, as well as the Research Technology Support Facility and the Growth Chamber Facility. The Kellogg Biological Station is similarly unique in that it houses faculty from two colleges, MSUE and the MAES.

Colleges taking the lead in responsibility for these buildings often end up supporting faculty outside their domain. It is noteworthy that these buildings typically house highly productive faculty working in interdisciplinary teams and thus are often at the center of significant IDC distribution disputes.

Policy Implementation

The objective of the Task Force is to make recommendations for university-wide IDC allocation policies that will result in equitable overhead and academic credit distribution for the majority of awards. Thus, it is our recommendation that under normal circumstances units be expected to use the proposed formula for determining credit sharing between units. Although we believe the proposed model will work well for most units, it is recognized that occasional circumstances may necessitate deviation from the proposed model, in which case the involved parties may negotiate a mutually agreeable alternative arrangement. In such cases the model may serve as a starting point for negotiations. Thus, while flexibility is allowed, the wide use of a single model will minimize the time and effort required to negotiate credit allocation agreements and should thus be encouraged. Finally, it is essential that the pre-established policy serve as the model that will be supported and enforced by the Vice President for Research and Graduate Studies, as necessary, in cases of disagreement between colleges or units.

Provision of Grant Administration

Post-award grant administration support will typically be provided by the unit in which the principal investigator (PI) has his/her majority appointment. Faculty PIs with appointments in multiple units have primary responsibility for deciding which unit, within their appointed units, will administer their grant. However, units have the right to decline to administer grants for faculty whose majority appointment is elsewhere.

Recommendations for Overhead and Academic Credit Distribution

Working under the premise that IDC funds should be reinjected where research costs are incurred, the Task Force makes the following detailed recommendations for overhead and academic credit allocation among units.

Total resources devoted to the project, not salary requested, should be used in assigning credit between units.

Academic credit at the college and unit levels should be allocated by relative commitment and academic appointment.¹

Overhead credit at the college level (10% of total IDC) should be allocated by academic appointment (Tables 1, 2).

- Allows a simplified distribution appropriate to the historical support of the faculty from the college.
- Avoids selective inclusion or exclusion of colleges within a faculty's academic appointment.
- Appropriately rewards college pre-award investments in research and infrastructural support, e.g. building space, start-up, without regard to post-award costs. Post-award costs can be better managed through the unit.
- Allows the use of current CUCs and avoids the need to create new ones.
- This equitable distribution of overhead credit among participants based on relative commitment on a project encourages and supports true interdisciplinary grants and recognizes changes in NIH that allow for Co-PIs.
- A new line on the transmittal to separately capture credit to 2 digit MAU and 3 digit departmental codes will be necessary if this recommendation is implemented.

An exception to the use of academic appointment for overhead or academic credit allocation would be for administrators whose administrative appointment both differs from their academic appointment and more accurately reflects their college/unit affiliations. In these cases administrative appointments should also be considered.

Overhead credit at the unit level (10% of total IDC) should be allocated using a combination of space, post-award grant administration, and academic appointment considerations (Tables 1,2).

- In the typical situation in which laboratory space and administrative support are provided by the department providing the faculty member's salary, the overhead credit will stay within that unit.
- This policy recognizes real post-award expenses that cannot be defrayed through the use of direct costs, such as space², grant administration and personnel management and appropriately awards these to units that bear the costs.
- Leadership in grant development is recognized through distribution of relative commitment.
- While a precise determination of the relative costs of research space, salary, and post-award administration on units is not feasible, each of these factors was

¹ Academic appointment as indicated by % in each Dept/College on an individual's Human Resources Appointment Form

² Space should be defined as non-office space assigned to the faculty member. Office space should not be factored into the space equation in terms of garnering funds, even if the work is conducted primarily in an office. To prevent disadvantaging units with minimal space considerations, IDC will be distributed based on relative commitment on a grant, prior to factoring in space. It should be noted that junior faculty have lower salaries but often may have equivalent space (and space costs) as senior faculty – justifying a higher consideration of space.

recognized as important. Thus, it is recommended that 25% of overhead credit should be distributed to the unit providing post-award administration and the remaining 75% should be allocated based on relative commitment and academic appointment of the investigators on the project. To account for research space costs, when an investigator has research space in a unit different from that of his/her academic appointment or when he/she has research space in fewer units than he/she has academic appointments, two-thirds of the unit-level IDC attributed to that investigator should be allocated to the unit providing his/her research space.

- Step-wise details of the model for distribution of overhead credit at the unit level:
 - 1) allocate 25% to the unit providing post-award administration; (Table 1 example: \$1,275)
 - 2) split remaining overhead to units by relative commitment on the project; (Table 1 example: relative commitment is 5:1 for dept1:dept2. $\$5,100 - \$1,275 = \$3,825$. $\$3,825/6 = \638 . $\$638 \times 5 = \$3,190$)
 - 3) apply a 2:1 space:salary allocation when these two factors are not within the same unit. (Table 1 example: $\$3,190/3 = \$1,063$ for salary and $2 \times \$1,063 = \$2,126$ for space)

Table 1. Example of allocation for a \$100,000 award with \$51,000 F&A. \$10,200 IDC is returned to colleges, half of which is passed on to relevant units. PI has 100% appointment in dept 1/college 1 and has 25% effort on award. Co-I has 100% appointment in dept 2/college 2, 5% effort on the award, and no lab space. The relative commitment of the PI is 83.3% and the Co-I is 16.7%. The PI's lab space is in building 1, the award is administered by dept 1.

	College 1		College 2		Department 1		Department 2		Building 1	
	%	\$	%	\$	%	\$	%	\$	%	\$
Salary	83.3	4,250	16.7	850	20.8	1,063	12.5	638		
Space									41.7	2,126
Administration					25	1,275				

Table 2. Totals from Table 1 example

College 1	83.3%	\$4,250
College 2	16.7%	\$850
College Total	100%	\$5,100
Department 1	45.8%	\$2,338
Department 2	12.5%	\$638
Building 1	41.7%	\$2,126
Unit Total	100%	\$5,102 ^a

^a \$2 overage due to rounding

Testing, Clinical Trials, Gifts

Recommend that the minimum IDC rate for human clinical trials be raised to the rate of 26%. Suggest that the rate for other testing remain at 15% with periodic re-evaluation.

Recommend that all deposits to gift accounts be thoroughly vetted to insure that they meet the university definition of gifts. The university policy on gifts, testing, and other research should be widely distributed to all faculty and research staff.