At its inaugural meeting for the 2012-2013 academic year, the Council identified, extensively discussed, and prioritized key action items for its attention.

Members agreed that the Council should act upon the following two urgent priorities: 1) to evaluate the current University policy and implementation of its indirect cost return and 2) to examine the feasibility of establishing a User’s forum for the purpose of improving and facilitating communication between researchers and the University’s Office of Sponsored Programs and Research.

Two subcommittees were formed to undertake the above defined tasks; these were headed by Dr. Chris Gissendanner and Dr. Amal Kaddoumi, respectively. The first committee successfully compiled and organized a broad range of pertinent findings and formulated those into specific and recommendations. Those outcomes were presented to Drs. Nick Bruno and Eric Pani in May, 2013. The presentation for that meeting accompanies this report.

The second committee examined several different strategies for establishing a User’s forum and selected a model which was implemented in April, 2012. In attendance at that initial meeting were Dr. McCown, Ms. Rodriguez, and several ULM faculty, including representatives of the Council.

Respectfully submitted,

Karen P. Briski
RESEARCH COUNCIL
PRESENTATION ON ULM INDIRECT COST RETURN POLICY

5/23/13
DIRECT VS INDIRECT COSTS

DIRECT COSTS

**Direct Costs:**

- Any cost that can be specifically identified with a particular project, program, or activity or that can be directly assigned to such activities relatively easily and with a high degree of accuracy

- Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity
Indirect costs—("Overhead" or "Facilities and Administrative Costs"): 

- Costs that are incurred by a grantee for common or joint objectives and cannot be identified specifically with a particular project or program.

- Not directly accountable to the project but reimburses the institution for others costs necessary to support research activity.
INDIRECT COST RETURN

It is customary for a portion of indirect costs to be returned to the units associated with the research project.
INDIRECT COST RETURN

Current ULM Policy (from the ULM Faculty Handbook)

• 50% General Fund

• 50% Academic Affairs
  • 47% returned to college
    • 35% PI, 7% Department, 5% Dean

• 3% to OSPR
THE IMPORTANCE OF INDIRECT COST RETURNS

Maintenance of equipment

- In absence of core facilities, the faculty member, Dept. Head or Dean is responsible for equipment repair and maintenance

- Returned indirect costs can be a reliable source of funds

- Note that even in the absence of a core facility all equipment in a Dept. is essentially shared even if purchased by a single faculty member on a grant
THE IMPORTANCE OF INDIRECT COST RETURNS

- Funding of other activities that benefit the Department or College
  - Seminars
  - Travel funds for faculty without current grants
  - Seed money for new research initiatives

- Continued investment of faculty research
PI RETURN OF INDIRECT COSTS IS ESSENTIAL FOR RESEARCH DEVELOPMENT AND MAINTENANCE

- Grant funds can only be used for a specific project
- Research faculty are always looking for new directions in their research and developing new collaborations
- Ongoing funding of large scale projects
EXAMPLES

• New projects using returned indirect costs: Chris Gissendanner (Pharmacy)
  • Developed a collaboration with LSU AgCenter → Pfund grant

• Equipment maintenance issues: Dr. Girish Shah and Dr. Paul Sylvester (Pharmacy)
  • Imaging equipment valued at > $50,000 currently in need of repairs and cannot be used
PI RETURN OF INDIRECT COSTS IS ESSENTIAL FOR FACULTY RESEARCH DEVELOPMENT AND MAINTENANCE

The important bottom line:

• The availability of returned indirect costs provide a source of funds to generate new preliminary data and develop new collaborations → new grant proposals → more funding

• Maintenance of research activity and resources
THE BENEFIT TO ULM

- Project development → more funded grant proposals
- Faculty recruitment and retention
- Faculty morale
- Increased opportunities for undergraduates to perform research
INDIRECT COST RETURN AT ULM

- Sporadic with little communication on when they will be returned and from what fiscal year quarters

- No indirect funds have been disseminated since the end of the 3rd calendar year quarter of 2011.
TOTAL INDIRECT COSTS RECOVERED
FY2012

All grants and contracts:

• $1,096,58: Total

• $515,393: Amount that would have returned to the College, Dept., and PI
  • 0.7% of FY2012 operating budget
  • $72,779,593; http://www.ulm.edu/13budget/bor1.pdf
TOTAL INDIRECT COSTS RECOVERED FY2012

• Individual PI grants (NIH, NSF, etc):
  • $394,649: Total
  • $185,485: Amount that would have returned to the College, Dept., and PI
    • 0.25% of FY2012 operating budget
CONCLUSIONS

• The return of indirect costs according to the procedures outlined in the faculty handbook represent a vitally important investment into the faculty resources of the University

• The return of these funds will increase creativity, productivity and improve faculty morale and job satisfaction
CONCLUSIONS

• Graduate and undergraduate programs will also benefit

• Even in tough budgetary times, the return of indirect costs is a relatively inexpensive investment that over time will generate a far greater financial return
RESEARCH COUNCIL RECOMMENDATION

A return of indirect costs every fiscal quarter as outlined in the ULM faculty handbook
THANK YOU!

• For your support of faculty research and your consideration of this issue

• Any Questions?