

14.5 INDIRECT COST (IDC) RETURN POLICY AND PRACTICES

Based on Research Management Cabinet (RMC) discussions on August 15, September 18, October 16 and November 20, and Research Council (RC) discussion on November 14, CSM's IDC Return policy and practices have been changed as follows effective immediately:

1. For the period 1 July 2007 through 31 December 2007, IDC return will be distributed to pre-existing (as of 30 June 2007) centers and institutes on the same basis as in previous years.
2. Effective 1 January 2008, CSM will calculate IDC return on the basis of all fully-overheaded research (both centers and non-center projects) at a rate which would have resulted in the same total IDC return in FY07. The IDC return rate for the second half of FY08 will be 19.2% of IDC paid and will be distributed as follows:
 - a. Return on center/institute accounts will be distributed to the director.
 - b. Return on non-center/institute accounts will be distributed:
 - . 50% to the Principle Investigator (PI)
 - i. 25% to the PI's department head or division director (DHDD)
 - . 25% to the VPRTT
3. For FY08 and future years, the portion of the IDC that is allocated to the CSM general fund will be the amount contained in the FY08 budget, subject to an inflation adjustment after FY08 in proportion to the increase in all other general-fund expenditures.
4. Beginning January 2008, IDC collected in excess of that committed to the general fund and to designated IDC return will be available to the Vice-President for Research and Technology Transfer (VPRTT) and RMC for research-related expenditures.
5. In FY08, IDC return must be used by Center Directors and PIs for operational and/or administrative support of centers or research projects which were the basis for the return, and IDC return to DHDDs must be used for research development and support in their departments or divisions. No later than 20 August 2008, all centers and PIs receiving IDC return during FY08 must report to their DHDDs on their use of the IDC return, and DHDDs must submit summary reports (including departmental expenditures) to the VPRTT no later than 31 August, 2008.

In future years, it is the intent of this proposal that:

1. IDC return and additional IDC generated by growth in fully-overheaded research should be invested in research infrastructure and research development under guidelines developed by the VPRTT and RMC.
2. DHDDs should be given greater management responsibility and authority over research conducted in their departments or divisions by both individuals and centers.
3. The distribution formula should provide both incentives and rewards to faculty and DHDDs for increasing fully-overheaded research.

To fulfill that intent:

1. The VPRTT and RMC will review and change the center reporting structure as appropriate by the end of the current semester.
2. By the end of March 2008, the VPRTT and RMC will develop guidelines and formulae for distribution of IDC return in FY09 and beyond.