

UM School of Public Health Indirect Costs Guidelines and Waiver Policy

The School of Public Health is expected to cover the cost of its operations using various sources of revenue, including indirect costs (IDC) recovered from sponsored projects. Consistent with University standards, full recovery of indirect costs is expected on all grants and contracts. It is understood that some non-federal sponsors may limit IDC recovery, and thus the Dean has established a target rate of 20% IDC for all sponsored projects when full IDC recovery is not permitted by a sponsor. Proposals developed with a reduced IDC rate are subject to the Dean's approval and are reviewed on a case-by-case basis. Researchers are strongly encouraged to contact the Sr. Associate Dean for Research well in advance of proposal submission deadlines to seek approval of a reduced indirect cost rate and/or discuss any unusual circumstances.

Process

If the proposed or published IDC rate is below the University's full federally negotiated rate, an IDC waiver request form is required *prior* to PAF routing, with the exception of federal opportunities with a published/mandated reduced rate (e.g., training grants). If the sponsor's published rate is below the 20% target, the investigator is expected to make up the shortfall from other sources such as above-the-line expenses (space, administrative effort, etc.), forgo salary savings, and/or use research incentive funds.

Please forward completed waivers for review to the Sr. Associate Dean for Research (meekerj@umich.edu) and copy the Director of Research Administration at SPH (lorleman@umich.edu). The Waiver Request form can be found on The Heights Research Resources page (under faculty/staff/postdocs)

Scenarios

Federal and Federal Flow-through Projects

All projects involving Federal sponsors are expected to recover the full indirect cost rate in place at time of proposal submission unless a specific program or funding opportunity limits the allowed rate (e.g.: NIH training grants and fellowships). The Dean's Office will accept the reduced rate as long as it is published and mandated for all applicants. In these cases an indirect cost waiver request does not need to be included with the PAF.

Foundations, Nonprofits and State of Michigan (MDHHS)

In many instances an organization's standard allowable indirect cost rate is lower than the University's federally negotiated rate. If this is the case, an IDC waiver request form should be submitted for SPH approval prior to PAF routing, even if it is above the target rate of 20%. The sponsor's published indirect cost rate should be accessible and stated expressly in the request for proposals, terms and conditions, guidelines, and/or entity by-laws. Emails, phone calls, letters, or other announcements from the sponsor will not be accepted. For sponsors with a published rate of less than 20%, faculty will be expected to make up the shortfall by incorporating above-the-line expenses in the project budget or utilizing salary savings or research incentive funds.

Industry/For-Profit Organizations

All projects involving Industry sponsors are expected to recover the full, federally negotiated indirect cost rate. Requests from Industry/For-Profits to reduce the rate are seldom granted and an IDC Waiver is required for any reduction even when such reduction is called for explicitly in the call for proposal and/or website.