

UNIVERSITY OF MICHIGAN MEDICAL SCHOOL POLICY ON APPLYING FOR INDIRECT COST WAIVERS

Revised Policy Effective March 1, 2002

A waiver of indirect costs is a rare and unusual circumstance. The following policy articulates under what circumstances a waiver might be considered by the Medical School. All requests for indirect cost waivers are reviewed by the Medical School Office of Research and Graduate Studies. This policy replaces the previous policy dated June 1990.

The request for a waiver of any portion of eligible indirect cost recoveries must be approved in advance by the investigator(s) department chair(s) prior to circulation of the final proposal for internal review and processing.

Current federal and non-federal indirect cost rates can be reviewed on the web at:

http://www.research.umich.edu/research/proposals/budgets/indirect_costs.html.

- *Phase I SBIR and STTR grants have a 0% indirect cost rate and do not require a waiver request.*
- *Non-profit sponsors with established, published rates do not require a waiver request.*

The following information must be included in the waiver request, which is made by completing the form,

Request for a Waiver of Indirect Costs, found on the web at

<http://www.med.umich.edu/medschool/orgs/ResearchPolicies/index.html>.

- (a) Amount of the waiver and the reason for the request.
- (b) Significance of the proposed research and support.
- (c) Consequences of accepting or denying the waiver.

The Office of Research and Graduate Studies considers granting indirect costs waivers when:

1. The total funding available from the sponsor is relatively small or a predetermined, fixed amount, and the full recovery of indirect costs from the dollars available would make implementation of the project very difficult.
2. The funding is seed money for a project which, if successfully carried out, subsequently may be funded to a much greater extent, including full indirect costs. Identifying the appropriate indirect cost rate in the seed money project and cost-sharing a portion of the indirect costs should avoid any misunderstanding with the sponsor when the budget for the follow-up project is presented with the full indirect cost rate.
3. The department is going to undertake the proposed research regardless of the funding from any particular sponsor and therefore, the availability of external funds to support this effort can be viewed as a partial offset to Medical School commitments.

The factors considered by the Office of Research and Graduate Studies in determining if an indirect cost waiver is appropriate for a particular proposal include:

1. The significance of the research to the principal investigator, department chairperson, and dean.
2. The willingness of the responsible unit to forego its portion of the indirect costs.
3. Total proposed budget, amount of the requested waiver, and the precedent that will be established for the university unit, type of research, and/or sponsor category.
4. Availability of support from other sources.
5. History and anticipated future support from the sponsor.
6. Nature of the support (e.g., student stipends, interim support between other projects, support which complements other projects).

