**Indirect Cost (IDC) Waiver Request Instructions**

Indirect Costs are a true cost to the university and support expenses that cannot be directly allocable to a grant or contract. A waiver of Indirect Costs may be appropriate in extraordinary circumstances when the project is of great benefit to the university and is directly related to the university’s mission.

Submit the completed form and attachments via email to the Associate Vice President, Sponsored Projects Administration.

**Sponsor/Funding Agency:** Include the prime sponsor as well as the pass through sponsor, if applicable. The prime sponsor is the grant-making agency (e.g. NIH, DOD, AHA, etc.). A pass through sponsor is the entity from which UTHealth receives payment (e.g. another university). Examples:

 UTHealth is prime recipient of NIH grant: NIH

 UTHealth is subrecipient of NIH grant: NIH/University of Colorado

**Proposal/Submission Deadline Date:**

Request is for a grant application - indicate the date the application is due to the sponsor. If UTHealth is a subrecipient, indicate the date the application is due to the pass through sponsor.

Request is for a pending contract (no proposal to be submitted) - indicate the date the budget needs to be sent to the sponsor.

**Sponsor’s IDC Rate (%):** Enter as a decimal (.54, .30, etc.).Include the Sponsor’s **publically stated** indirect cost rate. The rate is normally included in the Proposal Instructions, in the Grant Terms and Conditions, or on the Sponsor’s website. If the IDC rate is not publically available, then use UTHealth’s rates:

 Federal/Basic/Laboratory Research 54%

 Clinical Research/Clinical trial 30%

**Requested IDC Rate (%):** Enter as a decimal (.54, .30, etc.).This is the rate requested by the PI that is lower than the sponsor will allow.

**Number of Project Years:** Enter the number of years of the current proposal/agreement. The field will automatically round to a whole year.

**Justification:** Describe why the IDC waiver is being requested and why it is appropriate. When the funds are insufficient to cover project costs, a reduction in project scope or cost sharing by the department is usually required as opposed to IDC waiver or reduction.

**Direct Cost (DC) Budget $:** Include the total direct costs for all project years.

**Less DC Excluded from IDC Calc:** Enter the total direct costs for all project years that are not subject to indirect costs. For federal awards, this includes: 1) equipment purchases > $5,000, 2) Patient Care, 3) each subaward > $25,000 and, 4) tuition. For federal subawards, exclude the amounts that exceed $25,000 for each Subaward. For non-federal awards, review the sponsor’s budget instructions to determine costs that may be excluded from IDC, if any.

Example: Total direct Cost Budget is $250,000 x 4 years, includes a $20,000 piece of equipment in year one, and a subcontract to another institution for $50,000 x 4 years.

 Direct Cost Budget $: $ 1,000,000 ($250,000 x 4 years)

 Less DC Excluded from IDC Calc: $ 195,000 ($20,000 equip) + ($50,000 x 4 years - 1st $25,000 for the sub)

 Subtotal DC (IDC Base): $ 805,000

**Subtotal DC (IDC) Base:** Also known as Modified Total Direct Costs or MTDC.This field calculates automatically.

**Subtotal DC X Sponsor’s IDC rate:** This field calculates automatically.

**Subtotal DC X Requested IDC Rate:** this field calculates automatically.

**IDC Waiver Requested ($):** This field calculates automatically.

**Waiver of IDC on the 1st $25,000 of each Subaward:**  For federal awards, in some instances, it may be appropriate to request a waiver of the IDC that UTHealth receives on the first $25,000 of each outgoing subaward. Always subtract the first $25,000 from the “Less DC Excluded from IDC Calc” field above then include it here if part of the waiver request.

**Number of subawards**: enter the number/quantity of individual subawards. The rest of the fields will calculate automatically.

**Total Waiver Request:** This field calculates automatically.

**Attachments:** Provide a PDF attachment of the following Items:

 Project scope of work or abstract

Project budget with full indirect costs

 Budget justification

 Proposal instructions or link to URL

**Approvals:** Route the form and attachments via email to obtain appropriate digital signatures from the PI, Department Admin, and the School Dean (or the Dean’s designated representative).

**To be completed by Sponsored Projects:** This section will be completed by SPA after reviewing of the request. The Associate Vice President, Sponsored Projects will make a recommendation for full approval, partial approval, or disapproval to the EVP and Chief Academic Officer and the ESVP and Chief Operating and Financial Officer.

The completed form will then be returned to the department (with approval or disapproval) and will be processed by SPA as appropriate for the pending award and project account.

The university will not allow a waiver or reduction of indirect costs if:

* the Principal Investigator failed to submit the proposal with budget and budget justification to Sponsored Projects Administration for review at least 14 days prior to submitting to the sponsor,
* The sponsor is industry/for profit, or
* The waiver is solely an attempt to increase the competitiveness of a proposal.

Sponsored Projects, in consultation with the PI and the EVP and Chief Academic Officer, may opt to not submit, withdraw, or not execute an agreement if the IDC waiver is not approved.