



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES
4301 JONES BRIDGE ROAD
BETHESDA, MARYLAND 20814-4712
usuhs.edu



Office of the President
PPM-006-2019 (VPR)

SUBJECT: Budgeting for Indirect Costs on Sponsored Programs

JUL 02 2019

A. Purpose. This President's Policy Memorandum (PPM) is intended to cancel the USU Instruction 3209 and provide clear guidance on how to budget for onsite and offsite indirect costs.

B. Applicability. This policy applies to all faculty and/or student researchers budgeting for indirect costs on research and education/training awards.

C. Policy. Faculty and/or students must determine in advance whether sponsor awards may be made directly to the University and must develop budgets that include onsite and offsite rates where applicable.

1. If the sponsor guidelines prohibit direct awards to Federal entities, then faculty and/or students must coordinate with the Vice Chair for Research and USU Acquisitions to determine the most appropriate non-federal collaborators, after consideration of potential scientifically qualified collaborators provided by the Principal Investigator (PI). This entity will serve as the primary applicant organization to submit the application on behalf of USU. In which case, the approved indirect cost rates for the non-profit should be included in the proposed budget. All materials pertinent to the application must be reviewed and approved by the USU Office of the Vice President for Research, Research Administration (REA) prior to submission to the sponsor.

2. If sponsor guidelines allow direct awards to Federal entities, then it is mandatory for faculty and/or students to submit applications via REA with USU as the primary applicant institution. Faculty and/or students must receive approval from REA, and the Office of the Vice President for Finance and Administration (VFA) leadership at least three (3) weeks prior to the sponsor's deadline. VFA will ensure all budget requirements have been met prior to submission to REA for administrative review and consideration for site approval. If the sponsor allows indirect costs, then in accordance with DoDI 6000.08, faculty and/or students will include indirect estimates using 50% for an onsite rate and 20% for an offsite rate.

3. In situations where sponsor guidelines do not exist (Defense Health Program or funding provided by Inter-Agency Agreement (IAA) or other agreements), then faculty and/or students will use the 50% indirect cost rate for onsite and 20% indirect cost rate for offsite budgetary estimates.

4. If the sponsor does not allow indirect costs or limits indirect costs, then faculty and/or students must coordinate with REA, VFA, and the Office of the General Counsel (OGC) at least four (4) weeks prior to the sponsor's deadline to determine:

- a. If the proposed research is high priority for DoD,
- b. If there are any concerns about legal permissiveness, and
- c. If the University's is able to absorb the financial impact. REA, VFA, and OGC will make one of the following recommendations:

1) Disallow submission of the application.

2) Allow the investigator to submit the application with USU as the primary applicant institution, and if awarded, accept the award directly, retain the funds at USU and execute directly through purchase requisitions, government purchase cards, etc.

3) Allow the investigator to submit the application with a non-profit partner as the primary applicant institution on the University's behalf, with full recognition that the non-profit partner must make up the delta in the indirect costs.

5. Some non-profits have established under-recovery programs that will support applications to sponsors with limited indirect costs. In the event that faculty and/or students are approved to partner with a non-profit as indicated above in 4, then the faculty and/or student should communicate and coordinate directly with the non-profit staff leading the under-recovery program for that organization.

D. Effective Date. This President's Policy Memorandum is effective immediately.



Richard W. Thomas, MD, DDS, FACS
President