

Instructions for Partial IDC Waiver Request

A. All externally sponsored grants and contracts including subcontracts are charged the University negotiated indirect cost rate with the following exceptions:

1. The Sponsor has a pre-existing published rate that is less than the federally negotiated rate. Examples are NIH training grants (8%), Competitive private/foundation grants such as March of Dimes (10%), American Cancer Society (20%), etc. These are easily verifiable through checking the sponsor website or by reading the application instructions.
2. The PI has received approval for a reduction below the standard University negotiated rate *before* completing the PAR form and *before* submitting the application to the sponsor. NOTE: requests for reduction of the indirect cost rate will not be considered *after* an application has been submitted to the sponsor.

Requests

Requests for reduction below the standard indirect cost rate should be submitted in writing, addressed to the Vice Dean for Research of the Keck School and submitted to the Director of Research Administration of the School. Requests should include:

- a. Specific aim(s) of the project
- b. Proposed start and end date of the project
- c. Total direct costs and proposed indirect costs and rated.
- d. Budget Justification
- e. Reasons that a reduced indirect cost rate may be justified for the project (See below for examples)
- f. Listing and verification of any cost share for the project that will be provided by the Department and School, including PI effort, support staff, supplies and IDC
- h. Verification that (a) the PI or other Key Personnel do not have a Conflict of Interest with the Sponsor or (b) if a potential conflict exists, that the PI or other Key Personnel have submitted a Statement of Outside Interests to the Office of Compliance for the current project.
- i. Proposed agreement from the sponsor to determine any commercial licensing requirements.

Factors Influencing Decisions

While there is no one criterion that qualifies a project for reduction in IDC, the following factors or combination of factors will influence the decision on the waiver request:

- a. Sponsor Type: Projects from small private sponsors with limited research funding are preferred.
- b. Project Type: Pilot projects with limited scope of work but strong potential to lead to larger, especially federal grants subject to full indirect costs are preferred.
- c. Budget Caps: In general, projects with budget caps below \$100,000 total cost are preferred.
- d. Project Duration: Project duration should not exceed one year.
- f. Cost share: The PI should demonstrate that s/he has no other non-sponsored source (e.g., gift account) that could cover the savings proposed as a reduction in IDC.
- g. PI Effort on Project: Projects in which the PI is charging his/her effort are preferred, as are projects from PIs who regularly recovers effort from other sponsored projects
- h. Prior IDC recovery: Projects from PIs with a track record for recovering full IDC who are requesting a one-time exception are preferred
- i. Commercial license requirements: Sponsor requirements to obtain a commercial license may require full federal indirect costs. Additional items that may be considered include review of total contract amount, prime funding source, any conflict of interests, and the field of study.

Reference:

<http://ooc.usc.edu/ResearchCompliance/ConflictsOfInterest/FAQs.cfm>