



### **Non-Profit Indirect Cost (IC) Waiver Policy Implementation Guidance**

#### **I. Background and Applicability**

The Grants and Contracts Office (GCO) has created this implementation guidance as a follow-up to Dr. Nestler's July 14, 2025 policy email to Chairs and Directors outlining policy changes for non-profit sponsored projects that do not conform to ISMMS' established indirect cost rates.

This guidance applies only to foundation and other non-profit funding agencies (all others are excluded), for both voluntary indirect cost waivers, and funding agency indirect cost (IC) caps that are less than ISMMS's established rates.

#### **II. Voluntary Waivers of Allowable Indirect Costs: When ISMMS Requests Indirect Costs Less than the Non-Profit Funding Agency Policy Allows**

Example: Good Cause Foundation allows up to 25% indirects. The PI/department requests only 10%.

##### Previous Policy

Allowed with written approval from the Dean or CFO prior to application submission.

##### Revised Policy

Not allowed. The maximum allowable indirect cost rate must be requested in the application.

#### **III. Non-Profits That Cap Indirect Costs at a Rate below ISMMS' Standard Rate for Non-Profits (8% for fellowships/training; 25% for all other awards)**

Example: Good and Stingy Society of America caps indirect costs at 0% for fellowships and 10% for research grants. These rates are less than ISMMS established rates.

##### Previous Policy

Applications were submitted based on funding agency written indirect cost policy guidance, and did not require prior Dean or CFO approval.

Awards resulting from those applications were accepted at the published rate of the funding agency.

##### Revised Policy

There is no change at the application stage.

At the discretion of the department, applications will still be submitted based on funding agency written guidance, without additional Dean or CFO approval, at the published rate of the funding agency.

However, awards resulting from those applications must have written approval of acceptance from the Dean and will ONLY be accepted for:

- Junior Faculty/Students/Fellows
- Senior Faculty who have robust funding with strong IC recovery already

**Awards for all other faculty will be reviewed on a case-by-case basis.**

**IV. Procedure to Obtain Approval For Acceptance of Non-Profit Awards in which the IC is Capped at a Rate Below ISMMS's Standard Rates (8% for fellowships/training; 25% for all other awards)**

- Upon award notification, complete the [Non-Profit Indirect Cost Waiver Form](#).
- Obtain signature of the Department Chair/Division Chief, then send to the Dean for signature.
- Return the fully signed form to the [designated GCO Contracts Specialist](#).
- Contact the [GCO](#) with any questions you may have.

**V. What is Not Changing**

- Indirect cost rate waivers policy for all other funding agency types is not changing.
- The Institution's R\$ policy can be found [here](#):

**VI. Additional Resources**

Information on ISMMS's established indirect cost rates, can be found in section III Financial Information in the [Institutional Information for Use in Grant and Contract Applications](#) sheet.