



UNIVERSITY of WISCONSIN
GREEN BAY

Guidelines on Indirect Costs

Date: 8/7/2018

Background:

Indirect costs are charged to all grants, cooperative agreements, and sponsored contract proposals to reimburse the real costs incurred by UW-Green Bay's participation in extramurally funded activities. Indirect costs cover those shared services that are difficult or impossible to charge to individual awards. Examples include costs associated with libraries, facilities, general administrative support, and depreciation. UW-Green Bay indirect rates are determined through a federal process overseen by UW-System.

UW-System and UW-Green Bay Policies:

UW-Green Bay indirect policies follow UW System Administrative Policy 342

(<https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/extramural-support-administration/>). This policy was last updated July 9, 2018.

The inclusion or exclusion of indirect costs cannot be used as a bargaining point to gain a competitive advantage to secure extramural support.

Federal Awards:

All grant, cooperative agreement, and sponsored contract applications to and awards from Federal agencies must include indirect costs at the agreed upon rate set forth in the University/DHHS Negotiation Agreement, except as provided otherwise by Federal regulations.

Non-Federal Awards:

Non-Federal grants, cooperative agreements, and sponsored contracts must include the federally negotiated rates currently in effect. In some cases, a higher rate may be used if approved by the sponsor. If the sponsoring agency has an indirect cost rate that is less than the Federal rate, UW-Green Bay will consider accepting that rate only after a review to determine if it is:

- (1) a published rate,
- (2) an agency-wide policy, and
- (3) consistently applied by that organization to all its outside grants, cooperative agreements, and sponsored contracts with educational institutions.

In addition, it should be demonstrated to the Chancellor or delegated designee that the project is of sufficient importance to warrant subsidizing the indirect costs of the project from other university programs.

Collaborative Projects:

When joint projects by several institutions of the UW System are anticipated, indirect costs should be included and reimbursed at each institution's appropriate negotiated rate. When one institution receives extramural support and then subgrants to a second, the first shall reimburse the second's indirect costs at the rate received by the first, or the negotiated rate of the second, whichever is less monetarily. Similarly, subgrants to/from State of Wisconsin agencies may include a different indirect cost rate if the subgrant was not anticipated at the time of the original proposal (<https://www.wisconsin.edu/uw-policies/download/DOA-UWIndirectCostArrange19770601-4.pdf>).

Use of Off-Campus Rate:

The off-campus rate may be used when more than 50 percent of the grant or sponsored project is conducted in an off-campus location. The 50-percent rule can be met either by an estimation of the effort expended or by the direct costs incurred in each location.

Approved: Mathew E. Dornbush, Assoc. VC for Academic Affairs

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