

Huntington Study Group LTD

Policy Regarding Facilities and Administrative (Indirect) Cost Rates for Internally Funded Initiatives

Policy Summary:

This policy differentiates what is considered sponsor-funded, versus what is considered internally funded. It also clarifies the treatment of indirect costs in the two scenarios, and limits indirect costs for internally funded initiatives up to 10% of total direct costs (TDC).

Policy Detail:

Direct costs are expenses that are required to execute a grant that are directly attributable a specific project. These expenses are discrete and can be reasonably allocated to the project.

Indirect costs, also referred to frequently as Facilities and Administrative (F&A) costs, are defined as general overhead and administrative expenses that support the general infrastructure of research at an institution. These expenses are typically shared across projects and would be incurred regardless of whether the grant is funded. Examples of indirect costs include, but are not limited to:

- Utilities.
- Hardware/software.
- Information Technology support.
- General administrative personnel such as grants management, or finance administration.

The Huntington Study Group, LTD (“HSG”) is a not-for-profit organization that supports research in Huntington’s Disease. The HSG provides funding to various institutions (“Sites”) to conduct research.

Expenses incurred at the Site are commonly paid by funding from a study sponsor (“Sponsor”). In this scenario, the HSG acts as a pass-through entity. Sponsor will pay HSG, and HSG will then pay Site for per-subject-fees, as well as other invoiceable items to conduct the research. These payments are inclusive of indirect costs. Indirect costs can vary from project to project, or over time.

In other circumstances, the HSG may wish to conduct research with its own (internal) funding. In these circumstances, the sponsor is not providing funds to the HSG for the Sites to conduct the research. When this occurs, it is HSG policy to limit indirect costs up to 10% of total direct costs.