

HMS Low IDC policy v 2.0  
Office of Finance  
March 6, 2023

**Important pre-notes:**

1. Applications to Industry (for profit) sponsors must achieve an IDC rate of 72.25% (or the prevailing full, calculated IDC rate, capped for administration) or be reviewed.
2. Applications to sponsors without a stated IDC rate must include the current federally negotiated rate. If the sponsor counters with a lower rate, please submit for review.
3. Applications with equipment or other infrastructure costs must provide additional information regarding space and IT needs, potential renovation costs, and service and maintenance costs. Given these applications may not meet the MTDC minimum for review, Finance and ORA will work in the coming weeks to determine the approach to flagging and reviewing these applications. In the interim, we appreciate departments alerting us to the applications.

**Summary Parameters for the HMS Low IDC Policy 2.0 that have been agreed to by Dean Daley and PCCs:**

- Applies to all HMS investigators
- Applies to all non-federal grant and contract applications
- Minimum effective IDC requirement is based on the modified total direct costs (MTDC) threshold per application (total proposed MTDC to be spent at HMS):
  - **If MTDC is <\$250K per year the application is exempt** from the HMS low IDC minimum IDC requirement, but must include and accept the sponsor's stated IDC rate.
  - **If MTDC is between \$250K and <\$1M** the minimum required effective IDC rate is **15%**; applications with annual MTDC *greater than or equal to \$250,000 and less than \$1M* require a minimum effective IDC rate of 15%.
  - **If MTDC is \$1M or greater per year** the application requires a minimum effective IDC rate of 38%.

**Proposed Process, draft and to be refined by Finance and ORA:**

- Departments and ORA will determine that the HMS low IDC policy applies to a non-federal grant application.
- Departments and ORA will create a folder named "Low IDC agreement" under the submission's documents.
- The department will save to this folder:
  - Low IDC budget tool
  - Application budget
  - RFP – or other document indicating the sponsor's IDC rate applicable to the application
- Once the request is signed by the finance director or manager for the department, the finance director or manager will email Jenn Grandfield with the request to review GMAS [insert GMAS project ID number].
- Finance will upload the approval document to GMAS