



Indirect Cost Policy for Sponsored Research

The Skagit Climate Science Consortium (“SC²”) is a 501(c)3 non-profit charitable organization working to reduce the vulnerability of human communities and ecosystems in the Skagit River basin to the impacts of a changing climate and support Skagit communities as they adapt to climate change. SC² achieves this in part by fostering collaborative scientific research to understand the diverse and interrelated impacts of climate change from the Skagit headwaters to Puget Sound. At times, SC² may contract with or award grants to government agencies, universities, and other organizations to sponsor specific scientific research satisfying SC²'s objectives.

Indirect costs are costs incurred by an organization for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project. Indirect costs are sometimes referred to as “overhead costs” and “Facilities and Administrative costs” or F&A costs. Indirect costs are real costs related to overall general operations and maintaining the organization’s infrastructure but are not readily identifiable as belonging to a specific project. As a result, indirect costs are generally stated in research project budgets as a percentage of direct costs.

Payment of indirect costs and overhead seriously limits the amount of work SC² can accomplish by reducing the amount of funds available for other projects. Therefore, SC² does not pay government-approved indirect cost rates on funds awarded for research projects. It is our preference that research project budgets exclude indirect costs and therefore SC² requests cooperation from organizations seeking funding in waiving indirect costs and overhead. However, to the extent that indirect costs are applicable to a research project budget and cannot be waived by the organization, indirect costs paid by SC² shall not exceed 15% of total direct costs. Thus, the 15% rate provided above is the maximum indirect cost rate allowed under SC²'s policy. An organization with an actual indirect cost rate lower than the maximum rate provided above should not increase the funding request to the maximum allowed. SC²'s policy helps ensure furtherance of our charitable purpose.

The research project budget for each grant should reflect all of the direct costs that are required for, and can be tracked directly to, the proposed project. SC² reviews each research project budget individually for the appropriateness of the direct costs being requested.

This policy does not apply to consultants or other professionals who contract with SC² to provide SC² with professional or technical services in exchange for an hourly rate.

This indirect cost rate policy was adopted by the SC² Board on June 14, 2014.