

# 15% Minimum IDC Rate FAQ

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## APPLYING THE POLICY

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**1. Does this 15% Minimum Indirect Cost Rate Policy requirement apply to both on-site and offsite awards?**

*Yes, this policy applies to both on-site and offsite awards.*

**2. Does this policy apply to donations/gifts received via Development offices? If a gift is received with the only stipulation that F&A can't be charged to the donation, will this policy be implemented?**

*Gifts received via the Development offices that are set up in fund code 66, Research Sundry, are subject to the F&A rules under the Partners [Sundry Fund Policy](#). Grants or other research awards received via the Development offices (from private and public foundations, or non-profits) are setup in fund codes 68 and 72 and are subject to the 15% Minimum Indirect Rate Policy.*

**3. Does this policy apply to Pilot Awards subcontracted to a Partners Hospital from another Non-profit that are funded through federal funds?**

*As the policy is currently written, pilot awards are subject to the 15% IDC floor.*

**4. When does this policy take effect?**

*All applications submitted to the sponsor on or after 12/1/16 or that have a submission deadline on or after 12/1/16 must comply with the new policy.*

**5. Foundation, public charity and non-profit training fellowships are exempt from this new policy. How is a training fellowship defined?**

*A training fellowship has the following characteristics:*

- *Originating funding comes from a Foundation, Public Charity, or Non-Profit and*
- *Provides funding for research training or career development, or as a supplement for a career development award, for which:*
  - *The named PI is a graduate student, postdoctoral fellow, or Instructor, who does NOT yet have independent Principal Investigator (PI) status or is a new PI in the first stages of developing their independence.*
  - **And** *the funding mechanism requires a named Chief, Mentor or Sponsor who is responsible for overseeing the candidate's career development.*
  - **Alternatively,** *the funding mechanism may allow proposals from Assistant Professors and Junior Faculty with no mentorship requirement. In these cases, the funding must be educational in nature and provide support for the individual Investigator and his/her development, rather than funding designated solely for a specific research project.*

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**6. How will the fund selected for recovery be documented?**

*The PI must provide Pre-Award with an appropriate sundry or Physician's Organization (PO) fund for the indirect revenue subsidy at the time the proposal is submitted. The documentation will be uploaded to the InfoEd record. InfoEd automatically creates an Indirect Rate Floor (IRF) deliverable when the project is awarded and the fund information is pushed to PeopleSoft. The IRF deliverable is associated with the sponsored research fund and tracks the status of the subsidy journal entry. The IRF deliverable captures data such as the subsidy source, amount, supporting calculation, journal entry number and date the journal is posted.*

**7. Will the adjustments be made at the start of a budget year or at the end based on actual expenses?**

*The entry to charge the subsidy is recorded at the beginning of the fund year. If the award is an annual award, the subsidies are charged at the beginning of each award year. If the award is a single multi year award, the subsidy is charged once at the beginning of the award. A reconciliation occurs at the end of the budget year/project to determine if any amounts are owed back to the subsidy source based upon actual project spending.*

**8. Which F&A rate should be entered in the budget?**

*The Sponsor's rate should be entered in Sponsor's budget, as well as in the InfoEd budget or Partners Budget template.*

**9. Can hospital operating funds be used if the department doesn't have a sundry fund?**

*No. Hospital operation funds cannot be used to cover the subsidy.*

**10. The delta is to be charged at the base stipulated by the sponsor (MTDC or TDC); if the sponsor IDC is 0%, is the base MTDC or TDC?**

*When a sponsor does not pay the full F&A rate, the base will default to Modified Total Direct Costs (MTDC).*

**11. When asking for the PS account # to make up for the IDC rate difference, what if the provided sundry/PO fund is in deficit at proposal time?**

*At proposal stage, Pre-Award will confirm within Insight that the fund number provided is valid. Pre-Award will not review the balance on the fund at that time. Research Finance confirms that the sundry fund has a sufficient cash balance to cover the subsidy at award stage.*

**12. What if the approved sundry identified at proposal stage is in deficit at award stage?**

*The Research Finance Specialist, prior to booking the journal, confirms with the PI/DA that the research sundry fund given at proposal stage is the source for the subsidy. Research Finance also confirms that the sundry fund has a sufficient cash balance to cover the subsidy. If Research Management is unable to obtain a fund with sufficient cash balance, the Department Chief sundry will be charged for the subsidy.*

**13. Can department subsidy of the IDC rate be counted as voluntary cost sharing?**

*No, the IDC subsidy should not be considered cost sharing, as this amount is not included in the proposal to the sponsor. This amount is accounted for internally within Partners.*

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