

## Requesting an Indirect Cost Waiver

### Overview

The 'Create IDC Waiver Request' activity should be used to request a waiver or reduction to the indirect costs (also known as Facilities and Administration Costs or overhead costs) for a project. This activity should be used *prior* to proposal submission.

**Example 1:** A basic research project is being proposed to a foundation. The foundation does not mention anything about indirect costs in the proposal instructions nor have a policy published on their website. The Pitt Sponsored Research rate should be used. However, the investigator would only like to include 10% IDC because they believe this will make the proposal more competitive with the limited funds available. An IDC waiver will need to be requested.

**Example 2:** The sponsor allows 25% Total Direct Costs (TDC) in Indirect Costs, but a request to use 10% TDC Indirect Costs on the project is proposed.

**Please Note:** An Indirect Cost Waiver is not required when the sponsor does not allow Indirect Costs to be included in the budget. Please include formal documentation from the sponsor (Request for Proposal instructions or published policy) regarding Indirect Costs when preparing your funding proposal by using the 'Add Attachments' activity in the funding proposal workspace. *Sponsors should not be contacted directly regarding their indirect cost policies.*

In addition, when creating the budget in MyFunding on the 'General Budget Information' page, question 5, 'Does this budget use the standard indirect cost base and rates?' should be marked 'No', the sponsor mandated rate entered, and 'Sponsor Mandated' should be indicated (as shown below).

5. \* Does this budget use the standard indirect cost base and rates?

☐ Yes ☒ No [Clear](#)

**Standard indirect cost base and rates**

	Period 1	Period 2
Cost Base Type	Start: 9/1/2018 End: 8/31/2019	Start: 9/1/2019 End: 8/31/2020
MTDC	Rate: 56.5%	56.5%

**Non-standard indirect cost base and rates**

	Period 1	Period 2	
Cost Base Type	Start: 9/1/2018 End: 8/31/2019	Start: 9/1/2019 End: 8/31/2020	
MTDC	Rate: 25%	25%	<a href="#">Clear</a>

\* If no, indicate why:

☒ Sponsor Mandated

☐ F&A Waiver

[Clear](#)

## Indirect Cost (IDC) Waiver Request Requirements

The below information is required in MyFunding as part of the IDC Waiver Request:

- Budget (as an attachment or in the Budget of the MyFunding module)
- Scope of Work
- Deadline, if any
- IDC rate being requested vs. Pitt's negotiated rate
- Written approval by the Dean or University-level Center/Institute Director-Email attachment will be sufficient.
- Justification of the waiver

The justification must include the following information:

- Why the IDC waiver is being requested
- Why the University's Federally Negotiated IDC rate cannot be used for the project
- Why the IDC waiver should be approved
- Documentation from the sponsor, if any, regarding their allowable IDC rate

The below chart outlines the required approvals needed for an IDC Waiver Request.

Total Proposal Budget	Requires Approval by the Dean or University-level Center/Institute Director	Requires Approval by the Senior Vice Chancellor for Research (SVCR )
\$50,000 or less	Required	Not Required
Over \$50,000	Required	Required

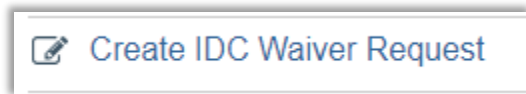
Proposals with a total budget of \$50,000 or less can be approved solely by the Dean of the school or University-level Center/Institute Director (The approval will need to be uploaded in the IDC waiver request in MyFunding).

Proposals with a total budget of more than \$50,000, require approval from **both** the Dean of the school or University-level Center/Institute Director and the Senior Vice Chancellor for Research (SVCR). Requests that require SVCR approval will be coordinated by the Specialist assigned to review the proposal in the [Office of Sponsored Programs](#).

### Where to Start

1. Log into MyFunding
2. Create a new funding proposal in 'MyFunding' by clicking the 'Create Funding Proposal' activity. **Please Note:** A draft Funding Proposal must be created in order to complete the 'Indirect Cost Waiver Request'

3. To begin the IDC Waiver Request, click 'Create IDC Waiver Request' in the Funding Proposal Workspace:



4. On the 'Indirect Cost Waiver Request' attach or enter the scope of work:

A form section titled "Indirect Cost Waiver Request". Below the title is the label "Attach Scope of Work:". Underneath is a text input field followed by a "Choose File" button. Below the input field is the label "Or Enter Scope of Work:".

5. Select the 'IDC Waiver Type' and indicate if the 'Project Budget' is attached or entered as part of the Funding Proposal.

A form section with two sections. The first section is titled "\* IDC Waiver Type:" and contains two radio button options: "Full" and "Partial", followed by a blue "Clear" link. The second section is titled "\* Project Budget is:" and contains two radio button options: "Attached" and "Included in Funding Proposal".

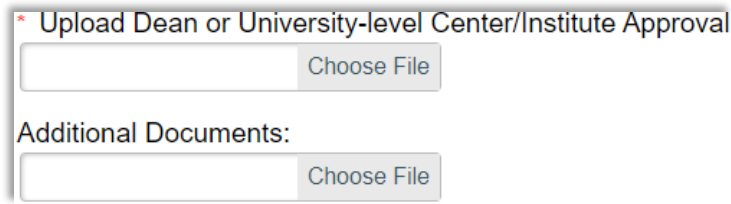
6. Indicate the 'Requested IDC Rate' and the 'University's Applicable Negotiated IDC Rate' and select the 'Proposal Deadline'.

A form section with two parts. The first part is titled "\* University's Applicable Negotiated IDC Rate: (Enter a number between zero and 100)" and includes a small link "(Click link to view current Rate Agreement)". Below this is a text input field. The second part is titled "\* Proposal Deadline:" and includes a text input field followed by a calendar icon.

7. Attach or enter the 'Justification' for the waiver Note: The justification needs to address the items listed on the waiver request.

A form section titled "Please address the following in the justification:". Below the title is a bulleted list of four items: "Why is the waiver being requested?", "Why can't the full indirect cost rate be used for this project?", "Why should this waiver be approved?", and "Provide documentation from the sponsor, if any, for their allowable indirect cost rate.". Below the list is the label "Attach Justification here:" followed by a text input field and a "Choose File" button. At the bottom is the label "Or enter Justification here:".

8. Upload the 'Dean or University-level Center/Institute Director Approval' (memo or email) and any other 'Additional Documents'.



\* Upload Dean or University-level Center/Institute Approval

Choose File

Additional Documents:

Choose File

9. Click OK.

### **What Happens Next?**

1. An email notification is sent to the Specialist.
2. The Specialist reviews the IDC Waiver Request.
3. If the waiver needs Senior Leadership approval, it will be sent to the Vice Chancellor for Sponsored Programs and Research Operations and subsequently to the SVCR for review and approval.
4. Once approved or disapproved by the SVCR, the Specialist will email the proposal team in MyFunding to notify the team of the decision.