



Indirect Cost Guidance and Policy

PHILOSOPHY

Additional Ventures is laser-focused on accelerating research and clinical care efforts to solve complex congenital heart defects. To do so, we must be judicious with our resources to maximize effectiveness, while also recognizing the needs of our partners.

To accomplish our joint goals, we aim to structure our grant agreements in a way that is both financially practical and also acknowledges the resource requirements for both the project itself and the grantee institution through open dialogue. In every agreement, we seek to find a balance between the cost to execute a project and the necessary costs to maintain an organization, in order to ensure that we are enacting our mission to the fullest extent of our abilities.

We recognize that from time to time, our views may not always align with our partners. As such, we are open to discussion, debate, and change, and thus encourage our partners to reach out to us with any questions around our philosophy.

DEFINITIONS

The intent of this policy is to support expenses that are directly attributable to the project outcomes as direct costs, while also providing support to the general running of the business as indirect costs. The categories are explored below.

Direct Costs

Direct costs are the expenses required to execute a grant that are directly attributable and can be specifically allocated to the project. These costs would not be incurred if the grant project did not exist. Staff salaries (subject to relevant NIH salary cap), travel expenses, and materials required to execute the grant are examples.

Indirect Costs

Indirect costs are general costs that support the entire operations of the grantee organization and may be shared amongst many programs and projects. These overhead and administrative expenses would be incurred regardless of the existence of the specific funded project, and while not directly attributable to the outcomes of the project, are necessary for the operations of the overall entity. Examples include facilities expenses, e.g. rent, utilities, equipment for the grantee's headquarters, and associated information systems and support and administrative staff such as HR, finance, accounting, and legal.

Indirect Cost Rate

Indirect cost rate = budgeted indirect costs/budgeted direct costs. The indirect cost rate in the proposed budget should not exceed the organizational rate.

While the definitions above provide general guidance, Additional Ventures reserves the right to review all costs and budget assumptions on a grant by grant basis, and the treatment of one grant should not be considered precedent setting for other grants.



MAXIMUM INDIRECT COSTS

Indirect costs rates are outlined for three types of organizations:

0%	Government Agencies
Up to 10%	US Universities, US Community Colleges, Private Foundations, For-Profit Organizations, Pediatric Hospitals
Up to 15%	Non-governmental organizations, Non-US universities

The rates provided above are the maximum amounts allowed under the foundation’s policy, and grantees with an indirect cost that is lower than the maximum should not take this as an opportunity to increase the rate to reach the maximum.

The maximums apply to the primary applicant and any sub-grantees. Each respective organization may receive indirect costs up to the rate applicable to their organization type.

We reserve the rights to request substantiation of any grantee’s indirect cost rate, and the right to apply our policy to contracts.