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**MEMORANDUM FOR THE RECORD**

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To: Campus Grant Project Directors, Systems Office Project Directors, Grant Finance Designees, and Executive Directors of Development

From: Adam Abner, Assistant Vice President, Controller  
Emily Sellers, Assistant Vice President of Grants Management & Project Implementation

Subject: Updated indirect cost rate (IDC) effective July 1, 2022

Date: June 27, 2022

Copied: Elby Hilton, Executive Director of Sponsored Programs & Grants Compliance  
Kelly Peckham, Director of Grants Accounting  
Jaclyn Roush, Senior Grants Officer  
Ryan Harkleroad, Grants Officer  
Brian Michael Thomas, Assistant Vice President of Grant Development, Ivy Tech Foundation  
Lauren Rochester, Executive Director of Grant Development, Ivy Tech Foundation

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Ivy Tech recently received an updated federally approved Negotiated Indirect Cost Rate Agreement (“NICRA” or “IDC”), and the Sponsored Program Office (SPO) would like to share when and how this will affect your work. Please review the full memo and let SPO know if you have any questions. The new rate agreement for Ivy Tech is attached to the email with the memo.

***Please note:***

- The *on-campus* rate has increased from 50% of salaries and wages to **53% of salaries and wages**.
- The updated rate will go into effect on **July 1, 2022**.
- Sponsored Programs will maintain documentation of this rate, but you are encouraged to save a copy for your files.
- The rate and additional information will be on the Sponsored Programs [website](#) for future reference.

50 WEST FALL CREEK PARKWAY NORTH DRIVE  
INDIANAPOLIS, INDIANA 46208-5752  
1-888-IVY-LINE  
(888-489-5463)

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## PROPOSAL DEVELOPMENT

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### ALL PROPOSALS CURRENTLY IN DEVELOPMENT MUST USE THE NEW RATES

Please adjust budgets accordingly before final review and submission.

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## CURRENT AWARDS

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### ANY APPROVED AWARDS WITH A PROJECT START DATE ON OR AFTER 7/1/22 WITHOUT A FULLY EXECUTED AGREEMENT IN PLACE:

- Please contact the Sponsor, and [cc: your SPO Grants Officer](#), to inform them of the new rates and request their approval to update the budget.
  - If the Sponsor agrees, provide an updated budget to your SPO Grant Officer to be saved in the pre-award files.
  - If the Sponsor does not agree, provide documentation from the sponsor (i.e., an email, application instructions, etc.) to your SPO Grant Officer and leave the original budget in the agreement.
  - If the Sponsor does not provide documentation, you must submit a waiver to SPO.
- Save all documentation accordingly to your campus grant file.

### ANY APPROVED AWARDS WITH A PROJECT START DATE ON OR AFTER 7/1/22 AND HAVE A FULLY EXECUTED AGREEMENT ALREADY IN PLACE:

- In coordination with your SPO Grant Officer, notify the Sponsor of the new rates, and ask if the award can be amended to adjust the budget.
  - If the Sponsor agrees, provide an updated budget to be added in the grant files and work with your SPO Grant Officer on the amendment revision.
  - If the Sponsor does not agree, provide documentation from the sponsor (i.e., an email, application instructions, etc.) to your SPO Grant Officer and leave the original budget in the agreement.
  - If the Sponsor does not provide documentation, you must submit a waiver to SPO and leave the original budget in the agreement.
- Save all documentation accordingly to your campus grant file.

### ACTIVE AWARDS WITH A START DATE BEFORE 7/1/22:

- Generally, these awards will remain at the original indirect rates until they close.
  - Supplemental funds that are issued on or after 7/1/22 **are** eligible for the new rate, and whenever feasible, should be budgeted using the new rates.
    - For example, a five-year award that started in October 2021 but receives an annual funding allocation in October 2022, 2023, etc.
    - This decision will be made on a case-by-case basis and should be discussed with your SPO Grant Officer prior to budgeting for supplemental awards and contract amendment submissions.

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## GENERAL REMINDERS

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1. Our federally negotiated rates should be applied to **all award types** (federal, state, and private) unless otherwise limited by the Sponsor.
2. All federal and federal pass-through awards **must** use the full rate as written.
3. SPO requires pre-approval for proposal submissions for a lower indirect rate.
  - a. SPO requires Sponsor documentation showing that the full rate is not allowed. This could be language included in the funding notification, and when not specifically noted, written confirmation from the Sponsor via email.
  - b. When Sponsor documentation is not available or is incomplete, written approval to waive any portion of indirect costs must be obtained in advance from SPO. Please email your SPO Grants Officer for more information on how to obtain that approval.
4. Sometimes there is a difference between the federally approved indirect cost rate and administrative costs. Refer to the funding notice for guidance and contact your SPO Grant Officer with questions.
5. Ivy Tech has two rates: 53% for on-campus activities, and 25% for off-campus activities.
  - a. While we generally use the on-campus rate, the off-campus rate would be appropriate for activities that are implemented primarily outside of Ivy Tech facilities.
  - b. Please contact your SPO Grant Officer with questions about on- and off-campus rates.
6. Indirect costs represent real expenses that the College incurs in support of externally funded sponsored projects.
  - a. Examples include the SPO team, campus admin and finance staff, general facilities, services, etc.
7. Documentation is critical.
  - a. Any exceptions from use of the full rates are purposeful, justified, approved according to the FMM, and thoroughly documented in SPO and campus files for audit purposes.

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