

From: [Vice Provost for Research](#)
To: [Cheryl L. Greengrove](#)
Subject: NIH Indirect Cost Rate Update
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NIH Indirect Cost Rate Update

Dear Colleagues,

On Friday, NIH [announced](#) that they are implementing a new 15% indirect cost rate on grants, effective today for "go forward expenses" and new grant awards. This change will have serious negative implications for the UW research enterprise, where NIH supports research in many schools and colleges.

Because of the crippling effect that this cut would have on universities across the nation, several states, [including the State of Washington](#), jointly filed a lawsuit early this morning. We have recently heard that a temporary restraining order has been granted, pending a hearing on February 21, 2025. For that reason, we are delaying implementation of the rate change in Workday, and new proposals should continue to be submitted using the existing negotiated rates. We will communicate any changes as soon as we become aware of them, and you can check for updates on the Office of Research [administrative policy guidance page](#) and the Provost [federal policy updates page](#). Please be aware that the University will need to act swiftly to implement any changes required for compliance if and when a clear determination is communicated.

I would like all researchers to understand that indirect costs (also referred to as Facilities and Administration or F&A costs) cover essential infrastructure that supports research, including the operation and maintenance of our research buildings, our libraries, both central and departmental administrative support and resources needed for compliance with federal regulations. The rates are based on federally audited cost studies. The audits show, time and again, that the total cost to the university is actually higher than the negotiated rate — the university is already subsidizing federal grants and contracts on the administrative side. The university cannot sustain its current research efforts with new limits on indirect cost rate reimbursement.

For more information, a collective of groups have posted this [simple overview of F&A](#) and its importance to research, and AAU has a good [video](#).

Sincerely,

Mari Ostendorf
Vice Provost for Research

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