

## **Indirect Cost Policy**

The Consortium of Humanities Centers and Institute (CHCI) is a non-profit organization hosted by the University of California, Berkeley. While CHCI acknowledges that organizations have indirect costs which are not attributable to projects or activities being funded by CHCI awards and grant, it is the policy of CHCI not to provide financial support for the indirect costs incurred by its awardees and grantees.

### **Policy Rationale:**

#### **1. Focus on Project Funding:**

CHCI aims to maximize its limited resources and allocates funds towards the direct costs associated with specific projects or activities. By focusing on project funding, CHCI ensures that its limited budget is effectively utilized to support humanities research, education, and public engagement endeavors.

#### **2. Enhanced Transparency and Accountability:**

To maintain transparency and accountability in the allocation of funds, CHCI considers it appropriate to provide detailed funding for direct project costs only. This allows CHCI and its stakeholders to clearly monitor and evaluate the direct impact of its support, ensuring that funding is directly utilized for the intended purposes.

#### **3. Resource Distribution:**

As an organization hosted by a public university, CHCI operates within a finite financial framework, requiring careful balancing of the demands and needs of various projects and organizations. By not covering indirect costs, CHCI can distribute its available resources more equitably among a larger number of humanities initiatives. This policy promotes inclusivity, allowing CHCI to support a diverse range of projects and research groups.

#### **4. Indirect Costs Responsibility:**

While CHCI acknowledges the existence of indirect costs, it recognizes that these are the responsibility of the awardees and grantees. Typically, indirect costs are anticipated expenses that organization's budget should already incorporate. CHCI is committed to channeling its

funds primarily towards the humanities projects themselves, rather than supplementing the administrative or operational expenses of awardee organizations.

## 5. Encouraging Organizational Sustainability:

CHCI believes that asking awardee organizations to cover their indirect costs encourages organizational sustainability and financial responsibility. By requiring direct project costs to be covered by CHCI funding, organizations are encouraged to develop robust budgets and funding models that consider both direct and indirect expenses. This approach fosters long-term financial stability and resilience for the organizations receiving CHCI support.

### **Policy Compliance:**

This policy is applicable to all current and future awardees and grantees of CHCI funding. It is the responsibility of the Executive Director, in collaboration with the Sponsored Programs Office of the University of California, Berkeley, to ensure that all funding decisions adhere to this policy.

Effective implementation of this policy will be assessed periodically, and necessary revisions may be made based on CHCI's financial capabilities, evolving needs, and stakeholder feedback.

### **Review and Approval:**

This policy has been reviewed and approved by the Executive Director of the Consortium of Humanities Centers and Institutes and is effective as of the stated date.

Signature:

Date: 09/26/2023

