

## CHANGE IN DIRECT COST LIMITATIONS ON SOLICITED APPLICATIONS

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National Institutes of Health (NIH)

(<http://www.nih.gov/>)

NIH announces a revision of its policy on direct cost limitations on solicited applications published after this notice. Applications in response to those Program Announcements (PAs) and Requests for Applications (RFAs) that include a limitation on direct costs are to exclude from that limit the facilities and administrative (F&A) costs requested by consortium participants. The F&A costs requested by the consortium will be reflected in the [PHS 398](#) application according to current instructions, and F&A costs awarded under these programs will continue to be awarded under the current practice. However, these consortium F&A costs will not be counted as a direct cost when determining if an applicant is in compliance with a direct cost limitation on a solicited application.

As stated in NIH's [ROADMAP Research Teams of the Future](#), initiative, NIH recognizes the increased need for support of interdisciplinary research and research teams. Programs that include a limitation on direct costs without the exclusion of consortium F&A costs create a disincentive to the establishment of consortiums, as the inclusion of a consortium's associated F&A costs reduce the amounts which can be requested for other direct costs within a cost ceiling. This change will allow applicants for these programs to propose the necessary research teams via consortium arrangement without a negative impact their ability to fully utilize the direct cost limitations of the solicitation.

Please note that this does not change the NIH policy on the acceptance of applications requesting direct costs of \$500,000 or more for any one year (see <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-02-004.html>).

If you have questions on this Notice, please contact the Grants Management Specialist listed in the RFA/PA, or the Division of Grants Policy at (301)435-0949.

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