

National Organizations Announce Joint Effort to Develop a New Indirect Costs Funding Model

April 2025

National organizations representing America’s academic, medical, and independent research institutions, along with other relevant experts,¹ have come together to spur the development of a more efficient and transparent model for funding indirect costs on federal research grants. We have engaged a team of individuals with deep knowledge of direct and indirect costs, the current facilities and administrative (F&A) cost structure, university finance, grant administration, regulatory compliance, research project leadership, and other related matters with the goal of submitting to the Federal government a new model, developed with full engagement of the research community.

Despite the historical success of the current F&A cost reimbursement model, it is not without limitations that unnecessarily complicate the indirect costs structure, lead to confusion and misunderstanding, and increase administrative burdens. The effort announced today seeks to identify and reduce or eliminate regulatory barriers, produce a simple and easily explained model, and increase transparency, all in service of a singular goal: to ensure that taxpayer dollars continue to be used effectively to advance research that benefits all Americans.

In a recent letter to Michael Kratsios, Director of The White House Office of Science and Technology Policy, President Trump noted, “We need to accelerate research and development, dismantle regulatory barriers,” and “revitalize America’s science and technology enterprise, pursuing truth, reducing administrative burdens, and empowering researchers to achieve groundbreaking discoveries.” Our initiative directly supports these goals by working to eliminate administrative inefficiencies and help ensure that America increases its global leadership in research, innovation, and education while serving as a model of ethical conduct and accountability to American taxpayers.

¹Association of American Universities (AAU), Association of Public and Land-grant Universities (APLU), Association of American Medical Colleges (AAMC), American Council on Education (ACE), Association of Independent Research Institutes (AIRI), Council on Governmental Relations (COGR), National Association of Independent Colleges and Universities (NAICU), American Association of State Colleges and Universities (AASCU), Science Philanthropy Alliance (SPA), and the National Association of College and University Business Officers (NACUBO).