

David Lynch Foundation Research Grant Indirect Rate Policy

While the David Lynch Foundation operates programs that bring Transcendental Meditation to populations disproportionately affected by trauma, the foundation also funds 3rd party research evaluating effectiveness of TM as a trauma healing intervention. The foundation understands that research organizations have both direct costs to operate the research project but also indirect costs to support infrastructure and administrative activities. These categories are broadly defined as:

- **Direct costs** are expenses required to execute a grant that are directly attributable and can be reasonably allocated to the project. Examples include program staff salaries, travel expenses, research materials, publication costs, participant compensation and statistical and consulting fees.
- **Indirect Costs** reflect general overhead and administration expenses that support the entire operations of a grantee and that may be shared across projects. Examples include facilities expenses such as rent, utilities, equipment for the grantee's headquarters, as well as associated information systems and support and administrative staff such as Human Resources, general finance, accounting, IT, and legal. While indirect costs may not be directly attributable to a specific project, they are real and necessary to operate as an organization.

In determining both our definition of direct and indirect costs and the maximum indirect cost rate that we allow for grantees, the David Lynch Foundation took guidance from Bill and Melinda Gates Foundation policies resulting in a maximum indirect rate of 15%. Exceptions to this rate can be made on a case-by-case basis for reasons including:

- **Sites that are critical to the research project and have published higher indirect rates:** If a research project cannot be conducted without a specific site, then the foundation may consider funding a higher rate.
- **Donor Control:** If a donor makes a restricted gift to the foundation for a specific research project and agrees in writing to a higher, previously published indirect rate, the foundation can, with approval from the foundation Board Chair, fund a research site with a higher indirect rate.