

The Woods Hole Oceanographic Institution (WHOI) is a non-profit 501(c)(3) research and education organization subject to the cost principles of 2 CFR 200. WHOI Principal Investigators are responsible for conceiving, funding and carrying out their research programs. Senior Personnel are expected to raise 12 months of support for themselves and their staff by writing proposals and obtaining sponsored research grants and contracts from a variety of sources. Some teach voluntarily in MIT/WHOI's Joint Program, but support for this is limited. NSF has confirmed to WHOI that salary support beyond 2 months per year can be justifiable in grants for WHOI Principal Investigators .

The rates included in the proposal are negotiated with our cognizant government agency (Office of Naval Research).

For 2016 proposed costs, WHOI calculates overhead rates (both Laboratory Costs and General & Administrative Costs) as a percent of total direct salaries and benefits, as allowed by 2 CFR 200. Direct salaries exclude overtime-premium pay. A proposed labor month is equal to 152 hours or 1824 hours annually versus 2080 hours (40 hours/week for 52 weeks). The difference is for vacations, holidays, sick time, and other paid absences, which are included in the Paid Absences calculation. WHOI cannot "waive" or reduce overhead rates on any sponsored research project due to the structure of our negotiated rates with our cognizant government agency. When a program sets limits on overhead, WHOI must use Institution unrestricted funds to pay the unfunded portion of the overhead costs.

*Graduate student stipends are included in the total direct salary costs. However, they are not included in the benefits base, and only 1/2 of the Laboratory Cost rate is applied to the stipend because the GRA occupies a laboratory only 1/2 of his/her time, and the balance is spent in education activities. Fifty-five percent (55%) of the GRAs' tuition is included as a direct cost in this budget. The Institution provides the balance from Institution endowment funds, including 100% of summer tuition.*

In December 2015 WHOI received approval from our cognizant government agency to change the method of allocation of indirect costs to Modified Total Direct Costs (MTDC) effective 1/1/2017. Therefore, for 2017 and beyond, the MTDC allocation method is used to calculate indirect costs. The normal exclusions contained in 2 CFR 200.68 (MTDC) apply, as well as the following approved exclusions: ship use, submersible use, vessel charters and ship fuel.