



Indirect Cost Policy

The Global Good Fund I, LLC, (“GG”), is funded by the Bill & Melinda Gates Foundation Trust, a 501(c)(3) organization, and having a philanthropic-based mission, pays a reduced rate for indirect costs associated with work provided to it by academic and research institutions. Rates are determined on a case by case basis for each collaboration.

The primary objective of GG, with respect to the projects it undertakes, is to further the charitable mission of The Bill & Melinda Gates Foundation (“BMGF”) in seeking to solve social, health and economic problems in the developing world and to address education issues in certain populations or geographies in the United States and (b) an additional objective of GG is to generate returns for the Trust, our sole investor. Our licensing model is primarily providing royalty free licenses in developing world markets with royalties only collected in developed world markets. Returns generated are re-invested into the charitable purpose.

Definitions

Direct Costs	Indirect Costs
Expenses required to execute the scope of work as outlined in an agreement that are directly attributable and can be reasonably allocated to the project. Program staff salaries, travel expenses, and materials are examples.	General overhead and administration expenses that support the operations of a collaborator and may be shared across projects. Examples include facilities (rent, utilities, equipment) and administrative staff (HR, legal, finance). Expenses that will be incurred despite the collaboration are often indicative of indirect costs.
Indirect cost rate = Indirect costs / Total direct costs	

Maximum Indirect Cost Rates

Government agencies	0%
Universities and colleges Non-governmental organizations (NGOs) Multilateral organizations For-profit organizations	Up to 15%

The indirect cost rate may vary up to the maximum depending on factors including, but not limited to, the type of collaboration, the type of work, the level of administrative effort, the cost structure and the role of collaborators and/or subcontractors. For example, a lower indirect rate may be negotiated on large equipment purchases or on funding to the primary contractor that largely subcontracts the work.

Budgets are reviewed based on the specific costs of the project requirements and activities. One project should not be considered to set a precedent for other projects.

The indirect cost rate proposed in the budget should not exceed the collaborator's organizational rate. If the actual indirect cost rate of a collaborator is lower than the maximum rate provided below, the rate should not be increased to the maximum amount allowed.