



*Advancing health and wellness
through information technology*

Indirect Cost Policy: AzHeC Contractors and Subcontractors

Arizona Health-e Connection (AzHeC) is a statewide, not-for-profit, private-public partnership whose mission includes improving healthcare quality through the deployment of information technology, and creation of Arizona's health information infrastructure through educational, policy development and support activities.

As a charitable organization, AzHeC passes funds to contractors or subcontractors only as necessary to complete activity intended to create Arizona's health information infrastructure. This health information infrastructure benefits every Arizonan, including organizations who pay for Arizonans' healthcare and employ Arizonans such as employers, government agencies, and educational institutions. Evidence of the urgency and importance of this activity is contained in the executive orders issued by President Bush and Governor Napolitano, and subsequently the passage of the Health Information Technology for Economic Clinical Health (HITECH) Act of the American Recovery and Reinvestment Act (ARRA) of 2009 passed by the U.S. Congress and signed by President Obama.

Payment of indirect costs and overhead seriously limits the amount of work that can be accomplished by this organization. Due to AzHeC's public service mission, AzHeC's policy is to request cooperation from contractors in waiving indirect costs and overhead. If such costs cannot be waived, AzHeC's policy is that the following indirect cost rates still apply:

- 0% for governmental agencies, other private foundations and for-profit organizations
- up to 15% for all other non-governmental organizations (NGOs)/ non-profit organizations, international organizations and both U.S. and non-U.S. universities and colleges
- indirect cost rates (and the limitations) apply both to AzHeC contractors and any sub-applicants and/or sub-contractors

These rates are the maximum we allow under AzHeC's policy. If an applicant has an indirect cost rate lower than the maximum provided above, the applicant should not increase the funding request to the maximum.

This policy was approved by the AzHeC Executive Committee on October 27, 2009.

A handwritten signature in blue ink, appearing to read "David Landrith".

David Landrith
Chair, Board of Directors

A handwritten signature in blue ink, appearing to read "Bradley F. Tritle".

Bradley F. Tritle
Executive Director