

# The AI Safety Fund Indirect Costs Policy

## OVERVIEW:

This policy outlines the guidelines for the allocation of indirect costs for projects funded under the AI Safety Fund. Indirect costs, also known as overhead costs, are expenses incurred for common or joint objectives that cannot be identified readily and specifically with a particular project.

## MAXIMUM INDIRECT COSTS RATE:

For the second round of funding, the maximum indirect costs rate is capped at **20%** of the total direct costs. This cap ensures that a significant portion of the funding is allocated directly to project activities and outcomes.

## DEFINITION OF INDIRECT COSTS:

Indirect costs are general overhead and administration expenses that support the entire operations of a grantee. Examples of indirect costs include, but are not limited to:

Facilities Expenses: Rent, utilities, and equipment for the grantee's headquarters.

Information Systems and Support: Associated information systems and support.

Administrative Staff: HR, general finance, accounting, IT, and legal.

Expenses that would be incurred regardless of whether the grant is funded are often indicative of indirect costs. While these costs may not be directly attributable to a project, they are real and necessary to operate as an organization.

## DETERMINATION OF DIRECT AND INDIRECT COSTS:

The definitions above provide general guidance for all grants. AISF will review the requirements and activities of each project and may make rare exceptions to what may be allowable when a potential grantee has limited resources, which would warrant a waiver to ensure that supported research efforts are robust. The treatment of specific costs in one grant should not be considered precedent-setting for other rounds of grant funding. AISF reserves the right to update its indirect policy as the funds develops.

## ELIGIBILITY FOR FUNDING:

To be eligible for funding under the AISF, applicants must comply with the following criteria:

1. Adherence to the 15% cap on indirect costs.
2. Submission of a detailed budget that clearly distinguishes between direct and indirect costs.

## **COMPLIANCE:**

All recipients of the AISF must adhere to this policy. Non-compliance may result in funding reductions, requirement of cost reimbursements, or termination of the grant.

## **REPORTING AND DOCUMENTATION:**

Recipients are required to provide detailed accounting records to demonstrate compliance with the 20% cap on indirect costs. Records should clearly segregate direct and indirect costs and must be made available for review upon request.

## **EFFECTIVE DATE:**

This policy is effective November 14, 2024 for all projects in the second round of grants funded by the AISF and will remain in effect until further notice.