



**North Carolina Office of the State Auditor**  
Dave Boliek, State Auditor

## MEMORANDUM

**TO:** Chief Financial Officers, Finance Leaders of UNC System Schools

**FROM:** State Auditor Dave Boliek

**DATE:** February 28, 2025

**RE:** NIH Grant Funding Changes

The North Carolina Office of the State Auditor (OSA) is required by law to conduct financial statement audits of UNC System schools, as well as a statewide Single Audit Report that examines federal awards received by entities in North Carolina. If your university receives National Institutes of Health (NIH) research grant funding, those dollars are accounted for in said reports.

Given the NIH's new guidance for its research grant policy, which states that there will be a standard rate of 15% across all federally funded NIH grants for indirect costs, OSA recommends universities that receive NIH funding take extreme care in reporting upcoming financing statements. If you have not already begun preparations for the policy update, the time to do so is now. While the policy is currently in the judicial process, implementation of the new standard indirect rate will result in varying changes to operating revenues at affected public universities in North Carolina.

Please do not hesitate to reach out to my office with any questions or concerns.