

## INDIRECT COST POLICY

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The Foundation allows indirect costs up to 15 percent of the direct costs for project support grants. Project support grants must have an indirect cost line item in the project budget.

$$\text{Direct costs} + 15\% \text{ of direct costs} = \text{Total project budget}$$

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### **Direct Costs**

Direct costs are directly attributable to the design, planning, and implementation of a project.

Examples of direct costs may include:

- salaries and benefits of project and administrative personnel who execute or manage the project;
- grant awards, fellowships, or subcontracts;
- telephone, postage, and printing costs;
- fiscal sponsorship fees; or
- professional services required to carry out the project.

### ***Capital Expenditures***

Capital expenditures, such as renovations or major equipment purchases, should be excluded from the direct cost when calculating the indirect cost percentage.

### ***Subcontracts***

The Foundation allows grantees' subcontractors to charge indirect costs to the project. However, the Foundation's maximum of 15 percent for indirect costs includes both the indirect costs charged by the grantee and its subcontractors.

### **Indirect Costs**

Indirect costs are general or administrative costs that are necessary to deliver project services or activities. Examples of indirect costs may include:

- office supplies;
- bank, payroll processing, or audit fees;
- liability insurance;
- rent, utilities;
- equipment purchase or maintenance; or
- salaries and benefits of executive or administrative personnel who may not be directly engaged in the project.

### **General Support**

The indirect cost policy does not apply to general support grants.