

Center for Indian Country Development Indirect Cost Policy

The Center for Indian Country Development (the CICD) is a department of the Community Development and Engagement Division of the Federal Reserve Bank of Minneapolis (the Bank). The CICD is not committed to matching the indirect cost rates of the U.S. government or any other entities. Maximum partial payments, if any, are described in this policy below.

The CICD believes this policy is consistent with that of many grant-making organizations and certain government entities that have a flat or maximum indirect cost rate that caps the amount an applicant can charge. This policy helps ensure furtherance of our mission and public purpose.

DEFINITION

The CICD defines indirect costs as:

- Overhead expenses or ongoing operational costs incurred by the contractor organization on behalf of the organization's activities and projects, but that are not easily identified with any specific project.
- Administrative or other expenses which are not directly allocable to a particular activity or project.
- Expenses related to general operations of an organization that are shared among projects and/or functions.
- Basic examples include executive oversight, existing facilities costs, accounting, grants management, legal expenses, utilities, and technology support. Further examples and related information is included in Appendix A.

MAXIMUM INDIRECT COST RATES

Maximum indirect cost rates for grants and contracts is subject to the following limitations:

- a. 0% rate for US government agencies, private foundations, and for-profit organizations.
- b. Up to 15% rate for all other entities, including nonprofit organizations, universities, and community colleges.

Notwithstanding this general policy, the CICD reserves the right to allow indirect costs for sovereign Tribal Nations at a rate not to exceed 20%

DETERMINATION OF INDIRECT COSTS

- Indirect Costs Amount = Rate % * Total Project Costs (personnel, sub-contracts, supplies, equipment, etc.)
- Rates and limitations apply to *both* the primary applicant organization and any sub-grantees and sub-contractors. Each respective organization may receive indirect costs up to the rate applicable to their organization type.
- The rates provided above are the *maximum* rates allowed under CICD's policy. A grantee or contractor with an actual indirect cost rate lower than the maximum rate provided above should *not* increase the funding request to the maximum allowed.

Appendix A: Direct and Indirect Cost Examples

DIRECT COSTS - The following may be included as direct costs in both grants and contracts if directly attributable to the project:

- Salaries of employees
 - Can include Project Management
 - Can include directly attributable administrative support, legal or accounting functions, with distinct and measured effort on the project.
- Fringe benefits of employees
- Travel for employees
- Consultants
- Supplies
- Sub-grants (defined as work sourced from the primary grantee to another organization, where funding is provided up front)
- Sub-contracts (defined as work sourced from the primary grantee to another organization, where funding is provided in arrears)

The following may be included as direct costs in grants only if directly attributable to the project and newly acquired specifically for the project:

- Equipment purchases [Note that all existing equipment would represent indirect costs.]
- Newly-acquired facilities such as:
 - A new field clinic
 - New testing laboratories
 - New project implementation unit office [Note that all existing facilities would represent indirect costs.]
- Utilities for newly acquired facilities
- Newly acquired Information Technology equipment and support for the project

INDIRECT COSTS

- Existing facilities costs (e.g. rent, maintenance, etc.) such as:
 - University headquarters
 - Country/regional offices
- Utilities for existing facilities
- Existing Information technology equipment and support (e.g. centralized IT systems, networks, etc.)
- Existing shared equipment
- Existing equipment maintenance
- Depreciation on equipment
- Insurance
- Communications expenses (e.g. phones, etc.)
- Administrative office supplies
- General administrative support:
 - Executive management (CEO, COO, CFO, etc.)
 - Executive administrators
 - General ledger and grants accounting
 - General financial management staff
 - Internal audit function
 - Institutional legal support
 - Research management personnel
 - Information technology support staff
 - Facilities support personnel
 - Scientific support functions
 - Environmental health/safety personnel
 - Human resources
 - Library & information support
 - Shared procurement resources
 - General logistics support
 - Material management (e.g. tracking procurement, inventory management, shipping)
 - Other shared resources not directly attributable to the project.