



Indirect Cost Policy for Project Grants and Contracts for Applicant Organizations

Definition

Tubb Canyon Desert Conservancy defines indirect costs as:

- Overhead expenses or ongoing operational costs incurred by the applicant 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.

Other Funding

The Conservancy is a charitable entity and is not committed to matching the indirect cost rates of the U.S. government or other entities. We recognize this means that: (a) some grantees may need to engage in cost-sharing between projects, tap into unrestricted funds, or conduct other fundraising to cover operations; or (b) some contractors may choose not to contract with the conservancy. However, we believe our policy is consistent with that of many private foundations/conservancies and certain government entities that have a flat or maximum rate that caps the amount an applicant institution can charge. The Conservancy's policy helps ensure furtherance of our charitable purpose.

Maximum Indirect Cost Rates

Indirect cost rates for grants and contracts are subject to the following limitations:

0% rate

Government agencies;
other private foundations;
for-profit organizations

Up to a 10% rate

U.S. universities;
U.S. community colleges

Up to a 10% rate

Non-governmental organizations (NGOs);
International organizations;
Non-U.S. universities

- Indirect Costs Reimbursements = Rate % * Total Project Costs (incl. 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.
 - *Example:* If a U.S. university is the primary grantee and includes an international organization as a sub-grantee, both the U.S. university and the international organization can receive up to a 10% rate for indirect costs.
- The rates provided above are the *maximum* rates allowed under the Conservancy'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.

Given the policy provides an 'UP TO' percentage amount, the indirect cost rate approved may be anywhere from 0% to 10% depending on the specific situation. For example:

- *Example 1:* At the discretion of the Conservancy, a large grant may be awarded a lower indirect cost rate to reflect reduced overhead required to adequately manage a large grant's direct costs. Actual administrative and maintenance costs do not necessarily increase in direct proportion to grant funds.
- *Example 2:* If a primary grantee is receiving grant funds which are largely sub-granted to another organization, the Conservancy may limit the indirect costs the primary grantee receives on the sub-granted funds. Therefore, to reflect this, the rate could be less than the maximum allowed rate for the primary grantee.