Appendix L: Indirect Costs Definition and Policy

PRIVATE FOREST ACCORD
GRANT PROGRAM

Private Forest Accord Grant Program Indirect Costs Definition and Policies

The Private Forest Accord Grant Program understands that overall operating expenses of organizations that receive grant funding incur costs that are essential for any organization to function, but they often cannot be directly linked to a specific project or activity. With this understanding, the PFA Grant Program has defined indirect costs as salaries and benefits of employees not directly assigned to a project; functions such as personnel, accounting, budgeting, contractual, audits, business services, information technology, and janitorial, rent, utility supplies, or any other general costs associated with doing the business required to implement the project, i.e., overhead costs. A good rule of thumb is that indirect costs should be expenses incurred for the general operation of the organization.

All indirect costs must be requested at the time of the application submission to be considered for funding. The following are the PFA Grant Program policies for Indirect Cost Rates:

15% or less de minimis rates

Unless a federally negotiated rate is described and provided in an attachment in the proposed Scope of Work, all indirect costs are **capped at a 15 percent rate (15%) of the project costs requested from ODFW** associated with the following budget categories:

- Personnel Costs
- Supplies Costs
- Equipment Costs
- Contractual Costs
    - Note:
        - Indirect for all contractual costs is capped at 15% of the total contract cost.
- Other Costs

Grantees that select this method may not be required to submit receipts for indirect costs but should be prepared in the event that the Department requests proof. **Travel costs and the purchase price of an acquisition are not eligible for indirect charges.** Applicants are encouraged to incorporate administrative staff and roles into the Personnel Costs budget line item as appropriate.

Federally negotiated Indirect Cost rate

The Federal Uniform Administrative Requirements require the PFA Grant Program to accept all federally negotiated indirect rates (FNIR) for its Grantees. If FNIR is selected as the indirect cost method, then an approved letter must be on file and uploaded before funds for indirect costs will be released; the letter must be submitted during the PFA Grant Application process, prior to submission of the grant application. All grant applications will have the option to select the FNIR and a prompt to upload a letter. It is the discretion of the ODFW PFA Grants Program as to how the approved FNIR rate is applied, all FNIR rates must only be applied to the budget categories listed above.

The following are examples of eligible and not eligible indirect costs:

Examples of eligible indirect costs for reimbursement:

- Staff or contracted bookkeeping, accounting, clerical and financial services, audit services, tax preparation, tax/corporate filing fees, administrative personnel
- Occupancy, rent, property insurance
- Utilities such as electricity, natural gas, or water
- Janitorial services
- Communication, telephone, internet, fax, cell phone
- General office supplies such as paper, folders, toner, and related items
- Office equipment purchase or depreciation
- Lease and maintenance for copiers, faxes, printers, and scanners
- Legal expenses for review of standard contracts and agreements necessary for the grant
- Newspaper ads, solicitations, and announcements for contract bid postings and job postings
- Copying and printing costs associated with general grant administration
- Banking and fiscal transaction fees
- General liability insurance
- Technology (computer, IT service, maintenance, software, etc.)
- Postage
- Costs associated with the ownership of equipment (excluding passenger vehicles, to be included under travel) including depreciation, storage, maintenance (tune-ups, oil changes, etc.), and insurance.

Examples of indirect costs not eligible for reimbursement:

- Overdrafts, late fees, finance charges, penalties and interest (accountability of public funds)
- Computers/laptops/tablets required for project implementation.
    - NOTE: Computers/laptops/tablets necessary for the project should be included in the Supplies or Equipment budget categories.
- Vehicle insurance (covered by mileage reimbursement rate)
- Travel costs
- Direct costs.
    - *These are expenses easily identifiable and directly tied to the specific grant project.*
- Capital expenditures