



Mid John Day Watershed Council

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Indirect Cost Policy

Policy Statement

Preamble

The Mid John Day Watershed Council supports working with multiple organizations whose work advances the Council's mission and the goals. The Council adopts this Indirect Cost Policy in recognition that partner organizations have indirect costs that are not directly attributable to projects or activities but are necessary to support grant-funded projects or activities, but with the recognition that funding should be focused on the work of partnership.

In adopting this policy, the Council aims to be explicit, transparent and equitable across fields and organizations. More learning and iteration will be needed to improve this policy over time, but the goals include:

- Supporting partners to accomplish the purposes of the project
- Focus on paying the direct costs of grant projects plus a share of associated indirect costs
- Promoting effective and efficient allocation of resources
- Acting with consistency and fairness across partnerships

Policy

It is the policy of the Council to provide an indirect cost recovery of 15 percent of project costs on all project grants.

Application

This indirect cost policy applies only to sponsored, limited fund project grants.

Guidelines

The following are guidelines for grant applicants to identify project costs and seek recovery of indirect costs for project grants.

Grant Budgets Including Indirect Cost Recovery

Project grant requests to the Mid John Day Watershed Council should include a project budget that sums project costs (defined below), to which the Council's 15 percent indirect cost rate would then be applied.

Definitions

Project Costs

Project costs are the portion of a grant intended to fund project activity costs, which include the costs specific to an individual project. Examples below are covered in project costs.

- Project costs (specific)—Specific costs are those costs that are specific to a grant-funded project, such as salaries for project staff and materials required for the project. These costs would not be incurred if the project being funded did not exist. For example, any personnel time that can be unambiguously identified as having been spent on the grant-funded project would be considered a specific cost.

Indirect Cost Recovery

Indirect Cost Recovery is the portion of a grant intended to cover indirect costs

- Shared Costs—Shared costs are those costs that benefit multiple programs or projects and can be assigned or allocated across programs or projects in a reasonably consistent and accurate way. Examples of such costs include

occupancy and facilities, utilities, telephone/internet access, etc. (Note that these costs are generally non-personnel costs.)

- Indirect Costs—Indirect costs are costs for activities or services that support the organization as a whole rather than any particular program or project, including administrative and fundraising costs.** These are not costs associated with the delivery of program services; nonetheless, they are essential costs of maintaining and managing the organization through which program services are delivered.

Examples of Specific, Shared and Indirect Costs

Below are some of the most common examples of specific and shared costs that could be included in project costs, as well as examples of the types of costs that would be covered as part of a grant's Indirect Cost Recovery. (Note that this is not an exhaustive list and some costs may be categorized differently depending on factors specific to each project and organization.)

Project Costs

SPECIFIC

- Personnel costs (wages and benefits) of staff working on grant-funded project
- Professional fees for consultants working on grant-funded project
- Travel expenses directly related to the grant-funded project
- Supplies and materials used for the grant-funded project
- Meetings and conferences associated with the grant-funded project

Indirect Cost Recovery

INDIRECT COSTS

- Personnel costs (wages and benefits) of administrative and fundraising staff
- Professional fees for consultants working in administrative and fundraising functions

- Rent and occupancy costs for facilities (including office space) occupied by administrative and fundraising functions
- Utilities, telephone and internet costs utilized by administrative and fundraising functions
- Corporate insurance costs, bank fees, credit card fees and interest expenses