Sample Indirect Cost Rate Calculation (nonprofit organizations)

Note: The amounts, cost categories and allocations reflected in this sample are for illustrative purposes only.

Indirect Cost Rate Calculation
Total Expenditures for fiscal year ended December 31, 20XX

(A) COST CATEGORY	(B) FINANCIAL STATEMENTS	(C) ADJUSTMENTS		(D) INDIRECT COSTS	(E) FEDERAL PROGRAMS	(F) NON-FEDERAL PROGRAMS (3)	(G) MEMBERSHIP & FUNDRAISING	(E)+(F)+(G) MOD. TOTAL DIRECT COSTS (MTDC)
					--- DIRECT PROGRAMS AND ACTIVITIES ---			
Salaries and Wages	$1,327,638	$0		$216,295	$950,615	$159,136	$1,592	$1,111,343
Fringe Benefits	$245,434	$0		$43,215	$170,107	$31,795	$317	$202,219
Subtotal Labor:	$1,573,072	$0		$259,510	$1,120,722	$190,931	$1,909	$1,313,562
Contractual Services	$245,420			$123,456	$101,234	$20,730	$0	$121,964
Depreciation	$41,582			$41,582	$0	$0	$0	$0
Equipment rental/maint.	$11,448			$5,378	$4,682	$1,388	$0	$6,070
Equipment - capital	$58,215	($58,215)	a	$0	$0	$0	$0	$0
Lobbying	$546	($546)	b	$0	$0	$0	$0	$0
Meetings and Conferences	$124,616	($6,973)	c	$63,976	$41,860	$2,855	$8,952	$53,667
Insurance	$12,554			$12,554	$0	$0	$0	$0
Occupancy	$129,314			$129,314	$0	$0	$0	$0
Office Supplies	$32,540			$26,773	$3,840	$1,591	$336	$5,767
Other expenses	$36	($36)	d	$0	$0	$0	$0	$0
Participant Support	$72,859	($72,859)	e	$0	$0	$0	$0	$0
Postage and Mailing	$3,901			$1,401	$0	$0	$2,500	$2,500
Professional Fees	$34,211			$34,211	$0	$0	$0	$0
Program Supplies	$65,697			$0	$57,813	$7,884	$0	$65,697
Printing	$16,470			$12,332	$480	$674	$2,984	$4,138
Subawards	$109,663	($80,236)	f	$0	$22,862	$6,565	$0	$29,427
Telephone and Internet	$29,013			$29,013	$0	$0	$0	$0
Travel	$71,292			$26,495	$35,838	$7,756	$1,203	$44,797
Subtotal non-labor:	$1,059,377	($218,865)		$506,485	$268,609	$49,443	$15,975	$334,027
TOTAL	$2,632,449	($218,865)		$765,995 (A)	$1,389,331	$240,374	$17,884	$1,647,589 (B)

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Calculation of the Rate:

Indirect Costs	$765,995 (A)	
Base (MTDC)	$1,647,589 (B)	= **46.50%**

Explanation of Adjustments:

a) Excludes capital equipment purchases (2)
b) Remove unallowable lobbying costs (1)
c) Remove unallowable alcohol (1)
d) Remove unallowable costs (interest - $22 and bad debt $14) (1)
e) Remove participant support (2)
f) Remove the portion of each subaward in excess of $50,000 (regardless of the period of the subaward) (2)

Notes:

1) Unallowable costs per 2 CFR 200 Subpart E include entertainment expense, lobbying, bad debts or allowance for doubtful accounts, fines and penalties, losses on Federal or non-Federal projects, provisions for contingencies, and charitable contributions. Equipment and other capital expenditures are unallowable as indirect costs (see 200.439(b)(7)). Rental reimbursements paid to employees for the use of their property as a home office are unallowable (see 200.465(f)), as are costs associated with utilities (see 200.445). NSF will generally not include in the pool costs associated with cell phone allowances or internet allowances associated with remote employees working from home. The Uniform Guidance also prohibits indirect or direct cost recovery for telecommunications, video surveillance, or equipment procured from certain foreign companies (see 200.216 and 200.471), as well as foreign countries/entities that are engaged in hostilities against the United States (200.215).

2) Various direct costs are excluded from the base because their inclusion distorts the assessment of indirect costs per 2 CFR 200.1, *Modified Total Direct Costs*: the portion of subaward costs in excess of $50,000 (regardless of period of the subaward); equipment and other capital expenditures, such as major renovations, alterations and improvements; participant support costs and payments to participating agencies (flow- through funds).

3) Would include IR&D costs, if applicable. NSF does not fund Independent Research and Development costs either directly or indirectly. Therefore, while IR&D should not be proposed as direct costs, these costs must be treated as a direct cost in the indirect cost calculations.