

Indirect Costs

Colorado Title V Abstinence-funded Programs

Title V Abstinence does allow for programs to charge indirect costs. If an agency has an approved negotiated indirect cost rate with a Federal Agency a copy must be submitted with the application if the agency will be charging this rate on the Abstinence Grant.

If an agency has never received a negotiated indirect cost rate it may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in §200.403 Factors affecting Allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. **If chosen, this methodology once elected must be used consistently for all federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.**

If a program has elected to include indirect costs on the Title V Abstinence grant, narrative must be included on the budgeting indicating the agency has not had an approved negotiated indirect cost rate with a Federal Agency and they are opting to charge the 10% rate.

2 C.F.R. Part 200.4.14 (b)

Diversity of nonprofit organizations. Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the type of costs which may be classified as indirect (F&A) costs in all situations. Identification with a Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. However typical examples of indirect (F&A) costs for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Indirect costs cannot be used as match.

REFERENCE: 2 C.F.R. Part 200 Uniform Grant Guidance available at:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl