

POLICY

Missouri Forest Foundation

Indirect Costs Associated with Research Grants and Research Sub-Contracts

Background

Indirect costs are expenses incurred by the applicant organization as a result of the project but that are not easily identified with the specific project. Indirect costs are sometimes referred to as “overhead costs” and more recently by the government as “facilities and administrative costs.” Examples include executive oversight, accounting, grants management, legal expenses, utilities, technology support, and facility maintenance.

Position

The Missouri Forest Foundation’s (MFF) position is that, whenever possible, specifically allocable costs of an applicant organization’s project should be requested and justified in the proposal as direct costs. It is important to note that MFF is a charitable entity and is not committed to matching the indirect-cost rates that the federal government may pay to its applicants and contractors. MFF recognizes that this means that our applicants may need to engage in cost-sharing between projects, tap into unrestricted funds, or conduct other fundraising to cover indirect costs.

Reimbursement Policy

To the extent that indirect costs are applicable to a MFF research grant or research sub-contract, such costs are subject to the following limitations:

- 0% for governmental agencies, other private foundations and for-profit organizations
- up to 10% for U.S. universities
- indirect cost rates (and the limitations) apply *both* to the primary applicant organization *and any sub-grantees and/or sub-contractors* that are part of the proposal.

These rates are the *maximum* MFF permits. If an applicant has an indirect cost rate lower than the maximum provided above, the applicant should *not* increase the funding request to the maximum.

Limitations

Equipment - When a MFF research grant includes purchases of equipment, the applicant cannot recover “depreciation” and other indirect costs related to that equipment because MFF, rather than the applicant, is paying for the equipment. Therefore, we do not apply the indirect-cost rates to equipment purchases.

Student Assistance/Support – When a MFF research grant/sub-contract includes student assistance/support (i.e., graduate student tuition and fees), monies budgeted for student assistance/support should not be included in calculation of indirect costs.