



## INDIRECT COST POLICY

The Dioraphte Foundation ('the Foundation') recognizes that grantees may have overhead costs that are not directly attributable to projects or activities being funded by Foundation grants but are necessary to carry out the projects or activities. These costs may include; executive oversight, accounting, legal expenses, technology support & information services, equipment etc.

The Foundation will consider paying for these indirect costs **up to a maximum of fifteen (15) percent** of direct project or activity costs. This rate applies to the primary applicant as well as any subgrantees and sub-contractors.

We realize that the indirect cost rate may not cover all of a grantee's general operating costs, and grantees may need to use other resources to cover these costs.

The Indirect Cost Policy does not apply to general operating support given by the Foundation.

**Direct Costs** - Direct costs are those costs that can be identified with a particular program or project, such as salaries for project staff and materials required for the project. These costs would not be incurred if not for the existence of the program or project being funded.

**Indirect Costs** - Indirect costs are costs for activities or services that benefit more than one project or activity and may include items such as executive oversight, accounting, legal expenses, technology support & information services, equipment etc. While these costs are not directly attributable to a specific grant-supported project and it is often difficult to determine how much is associated with each project, these costs are real and necessary to carry out the work.

Certain costs may be classified as either direct costs or indirect costs depending on the nature of the activity and the nature of the expense. Expenses that are incurred solely for the project and can be specifically attributed to the project should be considered direct costs.

Costs normally considered indirect should not be separately included as direct costs. The Foundation may require additional information to determine if a proposed expense is a direct or indirect cost.

### **CALCULATING INDIRECT COSTS**

Organizations requesting payment of indirect costs should be able to demonstrate how the amount being requested is calculated. That may include showing how specific indirect costs are allocated or providing evidence of an overall indirect cost rate. The overall percent of indirect costs should not normally exceed an organization's actual rate. Project budgets should clearly show the detail of what is included in direct and indirect costs.

Proposals to include indirect costs in grants will be reviewed using the same principles for all organizations.

Grantees may allocate a portion of their indirect costs to affiliates and partners as they deem necessary as long as total indirect costs do not exceed 15 percent.

### ***Please note:***

*Dioraphte does not make endowment grants.*

*Dioraphte will not consider paying indirect costs for other private foundations or for-profit organizations.*

*All decisions taken by the board of Dioraphte with regards to this Indirect Cost Policy are non-negotiable and are not open for appeal. The Indirect Cost Policy is subject to change without prior notice. The version made available to grantees in combination with a grant letter remains applicable for the duration of the grant. This document is dated August 2016.*