

JRS Biodiversity Foundation Indirect Cost Rate Policy

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Definition

The JRS Biodiversity Foundation (JRS) defines *indirect costs* as:

- Overhead expenses or ongoing operational costs incurred by the grantee on behalf of the organization's activities and projects, but that are not easily identified with any specific project.
- Administrative or other expenses which are not directly allocable to a particular activity or project.
- Expenses related to general operations of an organization that are shared among projects and/or functions.
- Basic examples include utilities, rent, general administrative support, legal expenses, grant management, and accounting.

JRS defines *direct costs* as:

- Costs that can be identified with a particular program or project. These costs would not be incurred if not for the existence of the program or project being funded.
- Expenses that are easily identifiable and allocable to a specific activity or project.
- Basic examples include personnel, equipment and capital expenses, and direct expenses like supplies, travel, training and software.

Sub-contracts

Sub-grants and sub-contracts are considered indirect costs. Thus, we generally do not allow indirect cost rates to be charged to the subcontract expenditures. However, we do recognize that organizations incur costs in the administration of sub-contracts. Grantees may request a fixed fee or percentage of the sub-contract to defray direct administrative cost.

Indirect Cost Rates

Indirect costs reimbursement = (Rate %) x (Total project costs) (including personnel, equipment, supplies, etc.). Indirect costs rates for grants are subject to the following limitations:

- **Up to 15% rate:** Non-Profits and Educational Institutions are eligible for up to 15% of indirect costs.
- **Up to 10% rate:** Government agencies of African countries.
- **0% rate:** Government agencies of OECD countries and for-profit organizations.

The rates provided above are the maximum rates under JRS' policy. A grantee with an actual indirect cost rate lower than those provided above should not increase the funding request to the maximum allowed.

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