

SHARED PRESENCE FOUNDATION

INDIRECT COST POLICY

Shared Presence Foundation, a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code classified as a private foundation (the “Foundation”), has established this indirect cost policy to standardize and provide guidance to organizations that may receive grants from the Foundation. This indirect cost policy is intended to be consistent with that of many grantmaking organizations and certain government entities that have a flat or maximum rates that cap the amount from a grant that a grantee can allocate to indirect costs. The Foundation’s policy also helps ensure furtherance of its charitable purposes.

Indirect costs are overhead expenses incurred as a result of the grantee’s project but not easily identified with the project’s activities. These are administrative expenses that are related to the grantee organization’s overall general operations and are shared among other grantee projects and/or functions.

The following examples of grant project costs and indirect costs are for illustrative purpose only, and are not meant to be an exhaustive list. In awarding individual grants, certain costs may be budgeted as either grant project costs or indirect costs depending on the nature of the activity and of the expense, in the Foundation’s sole discretion.

GRANT PROJECT COSTS

- Personnel costs (wages and benefits) of staff in proportion to their time spent working on the grant-funded project working on grant-funded project
- Professional fees for consultants working on grant-funded project
- Travel expenses directly related to the grant-funded project
- Supplies and materials used exclusively for the grant-funded project
- Costs to attend meetings and conferences associated with the grant-funded project
- Authorized sub-grants made to other organizations to directly support work on the grant-funded project

INDIRECT COSTS

- Personnel costs (wages and benefits) of grantee organization’s administrative and fundraising staff
- Professional fees for consultants working in administrative and fundraising functions
- Rent and occupancy costs for facilities (including office space) not directly related to the grant-funded project (e.g. costs associated with administrative and fundraising functions, or costs associated with occupancy divided between other projects)
- Utilities, telephone and internet costs not directly related to the grant-funded project and properly itemized as such
- Insurance costs, bank fees, credit card fees and interest expenses

MAXIMUM INDIRECT COST RATE

The maximum indirect costs/overhead that can be requested is 15% of total direct costs. As an example, if a grantee requests \$100,000 in direct costs, the grantee may also request up to 15% of \$100,000 or \$15,000, in indirect costs, for a total grant amount of \$115,000. However, once a grant has been awarded, funds cannot be transferred out of direct costs to cover indirect or overhead costs even if less than the maximum allowed indirect costs was requested.

The rate provided is the maximum rate allowed under the Foundation's policy; each grantee's rate will be negotiated and determined up to the maximum on an individual basis. A grantee with an actual indirect cost rate lower than the maximum rate should not increase the funding request to the maximum allowed. When there is a sub-grantee, overhead costs should be shared fairly between the grantee and such sub-grantee (e.g. in proportion to the percentage amount of the budget split held by each, or in proportion to the occupancy and other administrative costs actually borne by each).

This policy can also be found on our website at:

<https://sharedpresencefoundation.org/prepared-adult-initiative.php>

The Prepared Adult Initiative is a venture of the Shared Presence Foundation, which seeks to foster and disseminate educational research and works to a wide audience.