

21st OCLC Budget Session: INDIRECT COST CALCULATION TIP SHEET

What is Indirect Cost?

Indirect costs are costs of activities that benefit more than one program or objective and, therefore, cannot be readily assigned to only one specific program or objective. They are generally classified under functional categories such as general maintenance and operation expenses, general office and administration expenses, general overhead expenses, and other allowable general expenses.

Indirect costs can be broadly defined as central administrative costs and certain other organization-wide

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Example:

| ITEM | PROVIDER | CALCULATION | PROPOSED | How much to include for Indirect |
|--|---------------------|------------------------------|----------|----------------------------------|
| Food club classes (400 students) | Boys and Girls Club | \$416.66/week (48 weeks) | \$20,000 | \$20,000 |
| Drama class (200 students) | Boys and Girls Club | \$1,000/mo x 12 mo | \$12,000 | \$5,000 |
| Dance class (150 students) | On Pointe | \$20/ student x 500 students | \$10,000 | \$10,000 |
| Cell service | TMobile | \$60 mo x 12 mo | \$720 | \$720 |
| Evaluation services | ABC Evaluator | 6% of award (\$1,200,000) | \$72,000 | \$25,000 |
| SUBTOTAL #2 (TO INCLUDE FOR PURCHASED SERVICES) | | | | \$60,720 |

