

FINANCE PROCEDURE MANUAL	TITLE: Grants – Recharging Indirect Costs	
	NUMBER: FIN-GRF-018	VERSION: 02
	ISSUED DATE: 6/22/2010	REVISION DATE: 11/20/2015

➤ **Purpose:**

To apply appropriate indirect overhead costs from Palm Beach State College to grant funded projects.

➤ **Definitions:**

Direct Costs: Costs that are directly and easily identified with a particular activity.

Indirect Costs: Costs that cannot be readily identified with a particular activity.

Off-Campus Grant Rate: Rate used for activities performed in facilities not owned or operated by Palm Beach State College, and where facility costs are directly charged to the activities taking place in the facility.

Campus Grant Rate: Rate used for activities performed on-campus where facility costs are not directly charged.

➤ **Responsibility:**

Grants Accountant: Responsible for ensuring that all grants are charged the appropriate indirect rate on a monthly basis. The rate is to be applied to actual direct expenses.

Grants Development Office: Responsible for ensuring that the indirect cost rate is included in all grant contracts.

➤ **Procedure Details:**

1. All on-campus federal grants must include an indirect rate of 38.65% (of the total direct costs of the grant).

2. All off-campus federal grants must include an indirect rate of 14.25%.
3. All non-federal grants must also include the above rates.
4. Any exceptions to the above rates will require the written approval of the Vice President of Administration & Business Services.

➤ **References:**

The authority to charge the above mentioned rates are derived from the Department of Health and Human Services letter dated September 12, 2013.

<http://www.palmbeachstate.edu/finance/Documents/GrantsDoc-IndirectCostRate.pdf>