

Corporation for National and Community Service (CNCS)

Indirect Cost Rates

Senior Corps

Implementation Guidance

The purpose of this document is to provide guidance to recipients of Senior Corps grant awards in determining the proper cost reimbursement options for grant recipients that decide to apply indirect cost rates (IDCR) to CNCS Senior Corps program budgets.

GUIDANCE

The following options are available to non-federal entities to account for indirect costs under CNCS Senior Corps grant awards:

- Use an already-established negotiated indirect cost rate. CNCS will accept these executed and negotiated ICDR from another federal agency as its terms provide.
- CNCS, serving as the oversight or cognizant agency for indirect cost rates of a non-federal entity requesting a negotiated IDCR, will require filing a request. See [2 CFR 200.414](#)
- A non-federal entity without an IDCR (except state entities that receive more than \$35 million in federal awards) may elect the de minimis indirect cost rate option of 10% of Modified Total Direct Costs in order to calculate the proper reimbursement procedures. See [2 CFR 200.414\(f\)](#)

GLOSSARY/KEY DEFINITIONS FROM 2 CFR Part 200

200.56 Indirect (Facilities & Administrative (F&A)) Costs

Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

200.68 Modified Total Direct Cost (MTDC)

MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract (regardless of the period of performance of the sub-awards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

200.75 Participant support costs

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

200.414 (f) De Minimis Rate

Any non-federal entity that has never received a negotiated IDCRCR, except for those non-federal entities described in Appendix VII to Part 200-States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph (d)(1)(B)¹ may elect to charge a de minimis rate of 10% of the MTDC which may be used indefinitely.

- As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

PROCESS

Indirect Cost Rate Options #1 and #2, above:

Grant recipients will provide CNCS Corporation State Office (CSO) personnel with their current IDCRCR letter and engage in a budget review with GMS to ensure that the rate is applied correctly

Each year, grantees (applicants) must supply the CSO with an IDCRCR letter that verifies the current IDCRCR and in one of the following statuses:

Provisional	Temporary IDCRCR for a current/future period used for initial funding, interim reimbursement, and reporting indirect costs while waiting for a final rate
Pre-determined	IDCRCR for a current/future period (often FY) based on established allowable costs to be incurred, and almost never adjustable
Fixed with carry-forward	The same as pre-determined, BUT the difference between estimated and actual costs incurred carries forward as an adjustment to the next IDCRCR
Final	IDCRCR for a past period, based on actual allowable costs; not adjustable

The CSO then checks that the rate is applied correctly to the budget, along with FFMC concurrence.

¹ A governmental department or agency unit that receives more than \$35 million in direct Federal funding must submit its indirect cost rate proposal to its cognizant agency for indirect costs. See [2 CFR Part 200 Appendix VII](#)

Indirect Cost Option #3, De Minimis Rate:

Non-federal entities may elect to apply the de minimis rate based on the allowable budget categories. Allowable budget categories are Volunteer Support Expenses: all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract (regardless of the period of performance of the sub-awards and subcontracts under the award).

In accordance with the Senior Corps grant application, the calculation and application of indirect costs in all Senior Corps programs is limited to Volunteer Support Expenses. Volunteer Expenses are not included in calculating or applying indirect cost rates.

Process Map

