

OMF, OMF Canada, OMF Australia Grant Costs Policy

The budget for each grant should reflect all of the expenses that are required for, and can be tracked directly to, the grant project. We call these costs “direct costs.” In addition, we may cover a limited amount of expenses that cannot be tracked directly to the grant project. We call these costs “indirect costs.”

Our indirect cost policy provides that the indirect cost rate may not exceed 8 percent of the direct costs of the project.

We realize that the indirect cost rate may not cover all of a grantee’s general operating costs, and grantees may need to use other resources to cover these costs. Because OMF, OMF Canada, and OMF Australia are all charitable organizations and funds raised are from donors wishing to fund research, we want to ensure the largest portion of those funds can be applied to research as possible.

More information on our policy on direct costs and indirect costs is below.

Direct Costs

Direct costs include all of the expenses that are required for, and can be tracked directly to, the grant project, including but not limited to:

- **Personnel** - “Personnel” is the cost (pro-rated salary and benefits) of all staff directly involved with the project. In general, this includes the time and salary for each staff member on individual line items. Time should be estimated as a percentage of a full-time equivalent employee.
- **Equipment and Capital Expenditures** - “Equipment and capital expenditures” are the costs of purchasing equipment or other assets that have a useful life beyond a taxable year. Capital expenditures over \$2,5000 should be itemized in the budget. The grant team may request that the grantee obtain a sampling of quotes for significant capital expenditures.
- **Other Direct Expenses** - “Other direct expenses” are the costs needed to complete the project, including but not limited to the cost of travel, training, conferences, supplies, computers and software.

Indirect Costs

Indirect costs are expenses that cannot be tracked directly to the grant project. To calculate the indirect cost allocation, multiply the indirect cost rate (8 %) by the direct cost of the project, minus the above excluded items.