

## Mather Indirect Cost Policy

Mather primarily funds specific projects with specific outcomes. The budget for each project should reflect all of the expenses that are required for, and can be tracked directly to, the project. We call these costs “direct costs.” In addition, we may cover a limited amount of expenses that cannot be tracked directly to the 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, excluding the costs of the following:

- consultant, contractors, and subgrants
- fee-for-service charges

We realize that the indirect cost rate may not cover all general operating costs associated with a project, and other resources will be needed to cover these costs.

However, we believe our policy is consistent with that of many private foundations and certain government entities that have a flat or maximum rate that caps the amount an applicant institution can charge. Our policy helps ensure furtherance of our organizational mission.

### Direct Costs

Direct costs include all of the expenses that are required for, and can be tracked directly to, the proposed 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.
- **Consultants and Contractors** - “Consultants and contractors” are the costs of hiring workers who are not employees of the funded organization to assist with the planning, evaluation, development, or implementation of the project. Consultants and contractors may be individuals or organizations, nonprofit, for-profit, or other type of entity. Consultants and contractors should be identified by function or purpose (e.g., communication, evaluation).
- **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, and supplies.