

# Indirect Costs Budget Justification Format

## Project Title:

Sample Project Title Goes Here

## Organization:

Your Organization Name

## Budget Period:

Start Date – End Date

## Indirect Costs Summary

Description	Base Amount	Rate (%)	Calculated Indirect Cost
Modified Total Direct Costs (MTDC)	\$100,000	10%	\$10,000

## Indirect Cost Rate Agreement

The organization has a federally negotiated indirect cost rate of 10% (de minimis). The rate is applied to Modified Total Direct Costs, which excludes equipment, capital expenditures, charges for patient care, tuition remission, scholarships and fellowships, participant support costs, and subawards in excess of \$25,000.

## Justification of Indirect Costs

Indirect costs are necessary to cover general administrative and facilities expenses that cannot be directly attributed to the project. These include, but are not limited to:

- Administrative and clerical support
- Utilities
- Office supplies and maintenance
- Building depreciation
- General institutional expenses

## Calculation Example

**Indirect Costs = Base Amount – Rate**

Indirect Costs = \$100,000 – 10% = \$10,000

## Important Notes

- Verify your current federally negotiated indirect cost rate or use the de minimis rate if eligible.
- Apply the rate only to allowed base direct costs as per sponsor and federal regulations.
- Maintain documentation of your indirect cost rate agreement for audit purposes.
- Justifications should clearly explain why indirect costs are integral to successful project execution.
- Review each funding opportunity for specific limitations or guidance on indirect costs.