

## **Indirect Cost Policy**

The Land Peace Foundation is a non-profit entity and is not committed to matching the full indirect costs rates of the US government or any other entities.

The Land Peace Foundation recognizes that:

- 1. Administrative, overhead, or other expenses or ongoing operational costs incurred by the applicant organization on behalf of the organization's activities and projects, but that cannot be readily and specifically identified with a particular direct project or activity.
- 2. Expenses related to general operations of an organization that are shared among projects and/or functions.
- 3. Basic examples include executive oversight, existing facilities costs, accounting, grants management, legal expenses, utilities, and technology support.
- 4. Some grantees may need to engage in cost-sharing between projects, utilize unrestricted funds, or conduct other fundraising to cover operations; or
- 5. Some contractors may choose not to contract with the Land Peace Foundation.

The Land Peace Foundation believes this policy is consistent with that of many grantmaking organizations and certain government entities that have a flat or maximum indirect cost rate that caps the amount an applicant can charge. This policy helps ensure furtherance of our mission and charitable purpose.

## MAXIMUM INDIRECT COST RATES

Maximum indirect cost rates for grants and contracts are subject to the following limitations: A. 0% rate for US government agencies, private foundations, and for-profit organizations. B. Up to 10% rate for all other entities, including nonprofit organizations, universities, and community colleges.

## **DETERMINATION OF INDIRECT COSTS**

- Indirect Costs Amount = Rate % \* Total Project Costs (personnel, sub-contracts, supplies, equipment, etc.)
- Rates and limitations apply to both the primary applicant organization and any sub-grantees and sub- contractors. Each respective organization may receive indirect costs up to the rate applicable to their organization type.
- The rates provided above are the maximum rates allowed under the Land Peace Foundation policy. A grantee or contractor with an actual indirect cost rate lower than the maximum rate provided above should not increase the funding request to the maximum allowed.
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