



INDIRECT COSTS POLICY

The Foundation will provide indirect cost recovery of up to 12 percent of project costs, exclusive of outsourced services, on all project grants. This is included in the total grant amount, not in addition to it. We will reassess this rate periodically.

This indirect cost policy applies only to project grants to nonprofit organizations. Grants not eligible for indirect cost recovery on a percentage basis includes those to individuals and for-profit organizations. We ask that individuals and for-profit applicants to itemize all project expenses.

This policy is effective August 1, 2021.

The American Nurses Foundation adopts this Indirect Cost Policy in recognition that nonprofit organizations have indirect costs that are not directly attributable to projects or activities being funded by Foundation grants but are necessary to support grant-funded projects or activities.

In adopting this policy, the Foundation aims to be explicit, transparent and equitable across programs and organizations. More learning and iteration will be needed to improve this policy over time, but the goals include:

- Paying the direct costs of grant projects or programs plus a share of associated indirect costs
- Promoting effective and efficient allocation of resources
- Acting with consistency and equity across grantees

DEFINITIONS

Direct Project Costs—Project costs are those costs that are specific to a grant-funded project. *These costs would not be incurred if the project being funded did not exist.*

Examples of project costs include:

- Personnel costs (wages and benefits) of staff working on grant-funded project
- Travel expenses directly related to the grant-funded project
- Supplies and materials used for the grant-funded project
- Meetings and conferences associated with the grant-funded project
- Sub-grants made to other organizations to directly support work on the grant-funded project

Outsourced Services—Professional fees for consultants working on the grant-funded project. These are specifically for the project and would not be incurred if the project being funded did not exist. This category should NOT be included when calculating the indirect costs of a project on a percentage basis.



Indirect Costs—Indirect costs are costs for activities or services that support the organization as a whole rather than any particular program or project, including administrative and fundraising costs. These are not costs associated with the delivery of program services; nonetheless, they are essential costs of maintaining and managing the organization through which program services are delivered. In submitting a project budget, grantees will not be required to itemize these indirect costs.

Examples of indirect costs include:

- Personnel costs (wages and benefits) of administrative and fundraising staff
- Professional fees for consultants working in administrative and fundraising functions
- Rent and occupancy costs for facilities (including office space) occupied by administrative and fundraising functions
- Utilities, telephone and internet costs utilized by administrative and fundraising functions
- Insurance costs, bank fees, credit card fees and interest expenses