



GREATER TEXAS FOUNDATION

Greater Texas Foundation's Indirect Cost Policy

Greater Texas Foundation allows grant applicants to use an indirect cost rate of up to 15% in grant proposal budgets.

GTF calculates indirect costs as a percentage of direct project costs, excluding amounts for sub-grants and contractual services which the grant recipient is passing through to a third party. In such cases, the third-party recipient is allowed the same maximum indirect rate of 15%.

An applicant with an actual indirect cost rate lower than 15% should not increase their funding request to the maximum allowed. The intent is to sufficiently fund actual costs, not to generate financial surpluses for grantees.

Direct costs are those for activities or services that benefit specific projects (e.g., salaries for project staff, supplies and equipment specific to a project, travel needed to conduct a project, consultant fees and sub-grants, project venue rental, etc.). These should be easy to detail in a line-item budget, as they are the actual costs envisioned as necessary for successful implementation of the project being proposed.

Indirect costs are those for activities or services that would be incurred by the applicant regardless of whether the grant is funded. These generally benefit the entire organization or multiple projects. Their precise allocation or benefits to a specific project are often difficult or impossible to determine (e.g., human resources, accounting, IT, legal, rent, utilities, standard office supplies, etc.). If an administrator or executive-level staff person is not directly involved in the delivery of a project, their salary and benefits should most likely be considered as part of indirect costs.

The definitions above serve as general guidance for all grant applications; however, applicants should consider the specific goals and activities of their projects when determining the proper allocation of direct and indirect costs. GTF staff will review budgets and cost categorizations on a grant-by-grant basis, and treatment of specific costs in one grant should not be considered precedent-setting for other grants.

NOTE: Please do not calculate indirect cost as you would for a Federal Government grant. The foundation uses the practices described above when considering indirect cost.