

10% means 10% of MTDC



... SO

first determine MTDC

				MTDC	Prog 1 direct	Prog 2 direct	Prog 3 direct	Unallow ed direct costs
				4 million	1 million	2.1 mil	700,000	200,000

$$4 \text{ million} \times 10\% = 400,000$$

10% Minimum Rate OMB	Direct Charging	Negotiate with Pass Through	Federal Negotiated Indirect Rate
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CalNonprofits

CALIFORNIA ASSOCIATION OF NONPROFITS

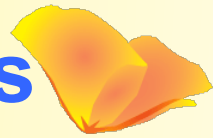
California's nonprofits & the communities we serve



Nonprofit Overhead Project

It's time to change how we think about nonprofit overhead.

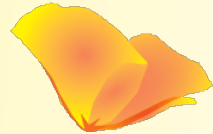
Note that the 10% de minimus rate is 10% of MTDC *not* 10% of total costs



TOTAL Expenses	Unallowed indirects	Excluded direct costs	Allowable indirect costs (10% of MTDC)	MTDC	Prog 1 Direct	Prog 2 Direct	Prog 3 Direct	Unallowed direct costs
4,450,000	10,000	40,000	400,000	4 million	1 million	2.1 mil	700,000	200,000

10% Minimum Rate OMB	Direct Charging	Negotiate with Pass Through	Federal Negotiated Indirect Rate
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Option 2: Direct charging shared costs



	Prog 3	Prog 2	Prog 1	Shared	Total
Total direct costs	2 million	1 million	100,000		3.1 million
Rent				60,000	60,000
Audit				20,000	20,000
Accounting staff				60,000	60,000
Utilities				10,000	10,000
TOTAL	2 million	1 million	500,000	150,000	3,250,000

	Prog 3	Prog 2	Prog 1	Shared	Total
Total direct costs	2 million	1 million	100,000		3.1 million
Rent	39,000	19,200	1,800	0	60,000
Audit	13,000	6,400	600	0	20,000
Accounting staff	39,000	19,200	1,800	0	60,000
Utilities	6,500	3,200	300	0	10,000
TOTAL	2,097,500	1,048,000	10,500	0	3,250,000

10% Minimum rate OMB	Direct charging	Negotiate with pass-through	Federal Negotiated Indirect Cost Rate
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Applying Indirect Cost Rate

TOTAL Expenses	Unallow indirect costs	Excluded direct costs	Indirect costs	MTDC	prog 1 direct	prog 2 direct	prog 3 direct	unallow direct cost
4,450,000	10,000	40,000	400,000	4,000,000	1,000,000	2,100,000	700,000	200,000
Indirect Rate .10				400,000	100,000	210,000	70,000	20,000
Excluded costs							40,000	
Unallow indirect								10,000
Total Costs					1,100,000	2,310,000	810,000	230,000



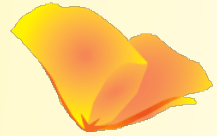
An indirect Rate > 10%



TOTAL Expenses	Unallow indirect costs	Excluded direct costs	Indirect costs	MTDC	prog 1 direct	prog 2 direct	prog 3 direct	unallow direct cost
4,450,000	10,000	40,000	600,000	3,800,000	1,000,000	1,900,000	700,000	200,000
Indirect	600,000							
MDTC	3,800,000							
Indirect rate	0.16							



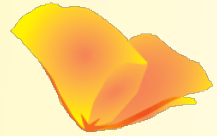
Applying 10% Limit



TOTAL Expenses	Unallow indirect costs	Excluded direct costs	Indirect costs	MTDC	prog 1 direct	prog 2 direct	prog 3 direct	unallow direct cost
4,450,000	10,000	40,000	600,000	3,800,000	1,000,000	1,900,000	700,000	200,000
De Minimis Rate 10%			-380,000	380,000	100,000	190,000	70,000	20,000
Indirect Costs above 10 %			-215,000					215,000
Excluded costs		-40000					40,000	
Unallow indirect costs	-10000							10,000
Total Costs	0	0	5,000		1,100,000	2,090,000	810,000	445,000



Impact of 5% Admin Cost Limitation



TOTAL Expenses	Unallow indirect costs	Excluded direct costs	Indirect costs	MTDC	Award 1	Award 2	Award 3	Unrestricted Sources
4,450,000	10,000	40,000	400,000	4,000,000	1,000,000	2,100,000	700,000	200,000
Indirect Rate . 10				400,000	100,000	210,000	70,000	20,000
5% Admin limitation					-50,000			50,000
Excluded costs							40,000	
Unallow indirect								10,000
Total Costs					1,050,000	2,310,000	810,000	280,000

