Indirect Expense Policy for Sub-grants and Contracts

This policy applies to all sub-grants and contracts awarded to outside organizations by The Common Market.

The Common Market defines indirect expenses as overhead, facilities, and administrative expenses that are not directly allocable to a particular activity or project that is part of a sub-grant or contract. Indirect expenses also include ongoing operational costs incurred by the sub-grantee or contractor that cannot be easily identified with a specific project.

The Common Market recognizes the need for indirect expenses for the successful implementation of projects under sub-grants or contracts. At the same time, The Common Market has an obligation to its funders to minimize the costs of indirect expenses.

Indirect cost rates for sub-grants and contracts are limited to

- Up to 10% of total costs for projects involving the use of Federal funds, in accordance with 2 CFR 200.
- Up to 15% of total costs for projects not involving the use of Federal funds.