

## Example - Calculating 10% De Minimis Indirect Cost Amounts

**Total Grant award \$275,000**

Example Budget:

Budget Line Items	Direct Costs	Excluded Costs	Modified Total Direct Costs (MTDC)
Salaries	\$150,000	\$0	\$150,000
Fringe Benefits	\$20,000	\$0	\$20,000
Travel	\$8,000	\$0	\$8,000
Training	\$5,000	\$0	\$5,000
Rent	\$35,000	\$35,000 (1)	\$0
Contractual costs: Vendor: \$45,000 Subrecipient: \$90,000	\$135,000	\$70,000 (2)	\$65,000
Supplies	\$5,000	\$0	\$5,000
Equipment	\$10,000	\$10,000 (3)	\$0
<b>Total Costs</b>	<b>\$368,000</b>	<b>\$115,000</b>	<b>\$253,000 (A)</b>
Eligible Indirect Costs (10% De Minimis Rate)	\$0	\$0	\$22,000**
<b>Totals</b>	<b>\$368,000</b>	<b>\$115,000</b>	<b>\$275,000</b>

### Computing Indirect Cost:

Multiply the 10% De Minimis Rate by the MTDC above:

- (A) \$253,000 (MTDC) X 10% (De Minimis Rate) = \$25,300 (Indirect Costs)
- \*\* Total computed indirect cost is \$25,300; however, the total grant award is \$275,000. Only \$22,000 of eligible indirect costs are allowed. Only allowed to charge up to the grant award amount, if additional indirect costs were charged it would exceed the grant award amount.
- Exclusions per [2 CFR 200.1](#):
  - (1) Rent \$35,000 – unallowable cost for MTDC calculation.
  - (2) Contractual Costs \$70,000 – for subrecipient costs of \$90,000, only the first \$25,000 is allowed to be included in the MTDC. The remaining \$70,000 is excluded from the MTDC calculation. The \$45,000 of vendor costs are all included. They are considered a vendor/contractor and only provide goods or services. See [2 CFR 200.331](#).
  - (3) Equipment \$10,000 – unallowable cost for MTDC calculation.