



2019 Southeast New England Program (SNEP) Watershed Grants Supplemental Budget Guidance

February 2019

The purpose of this document is to clarify the calculation of indirect costs and non-federal matching funds in developing proposals to 2019 SNEP Watershed Grants. This document supplements, but does not replace, the budget guidance in the Request for Pre-Proposals (RFP) available on line at www.snepgrants.org. **Please refer to the RFP for overall guidance in developing full proposal budgets.**

1. CALCULATING INDIRECT COSTS – FOR ORGANIZATIONS WITH NICRAs ONLY:

If your organization has a current Negotiated Indirect Cost Rate Agreement (NICRA) on file with a federal agency, **calculate the indirect rate as you would for any other federal grant, using the guidance provided by the NICRA.** No separate TMDC (total modified direct cost) calculation is needed, as it is inherent in the NICRA indirect cost calculation. The result of the calculation using your NICRA guidance is your **“NICRA indirect cost.”**

If the NICRA indirect cost is ***less than*** 25% of the **total SNEP grant request**, RAE will pay the full NICRA indirect cost as part of your request. In this case, include the NICRA indirect cost under the request on a budget line labeled “NICRA Indirect Costs.”

If the calculated NICRA indirect ***exceeds*** 25% of the **total SNEP request**, RAE will pay indirect costs up to 25% of the total request. You may apply the difference as part of your match. In this case, show the fundable portion of the NICRA indirect cost under the request, and the rest under match.

Examples of calculations for **organizations with an approved NICRA:**

Example 1A: Calculated NICRA indirect cost is LESS than 25%:

	SNEP Request	Non-Federal Match	Total
Total Direct Costs	\$300,000	\$120,000	\$420,000
NICRA Indirect Cost	\$60,000	0	\$60,000
Total All Costs	\$360,000	\$120,000	\$480,000
Funded indirect cost as percentage of total request: $\$60,000 \div \$360,000 \times 100 = 16.7\%$			
Non-Federal Match as percentage of total request: $\$120,000 \div \$360,000 \times 100 = 33\%$			

[Cont'd...]

Example 1B: Calculated NICRA indirect cost is GREATER than 25%:

	SNEP Request	Non-Federal Match	Total
Total Direct Costs	\$300,000	\$120,000	\$420,000
NICRA Indirect Cost	\$100,000	\$50,000	\$150,000
Total All Costs	\$400,000	\$170,000	\$570,000
Funded indirect cost as percentage of total request: $\$100,000 \div \$400,000 \times 100 = 25\%$			
Non-Federal Match as percentage of total request: $\$170,000 \div \$400,000 \times 100 = 42.5\%$			

Note that in Example 1B, the total NICRA indirect cost, calculated according to the organization’s NICRA guidance, is \$150,000 – more than 25% of the SNEP request. Therefore, \$100,000 of the NICRA indirect cost (i.e. 25% of the total request) is applied toward the request, and the remainder as non-federal match.

As noted in the RFP, state executive agencies may request a waiver of the 25% cap on funding for NICRA indirect costs.

2. CALCULATING INDIRECT COSTS – FOR ORGANIZATIONS WITHOUT NICRA ONLY:

If your organization does ***not*** have a current NICRA on file with a federal agency, RAE will fund a de minimis indirect cost rate of 10% of Modified Total Direct Costs (MTDC). Eligible costs for determining MTDC (defined under 2 C.F.R. §200.68) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward and subcontract in excess of \$25,000.

Example 2: Calculating indirect costs for organizations WITHOUT an approved NICRA:

	SNEP Request	MTDC	Non-Fed Match	Total
Total Direct Costs	\$300,000	n/a	\$120,000	\$420,000
MTDC	n/a	\$250,000	n/a	n/a
Indirect Cost (10% of MTDC)	\$25,000	n/a	0	\$25,000
Total All Costs	\$325,000	n/a	\$120,000	\$445,000
Non-Fed Match as Percentage of Total Request: $\$120,000 \div \$325,000 \times 100 = 37\%$				

Note that MTDC ***does not factor directly into the request, match or total budget***. MTDC is an interim calculation only, used only for purposes of determining the actual or funded indirect cost (10% of MTDC). Note also that in all cases, match percentage is calculated against the ***total requested SNEP funding*** and must meet or exceed 33% of the total SNEP request.