



INDIRECT COST POLICY

Release Date: 02 September 2022

Purpose

Carbon Mapper is working to help accelerate action to mitigate impacts to Earth's climate and ecosystems. We do so by filling gaps in the emerging global ecosystem of methane and carbon dioxide monitoring systems by delivering data that is precise, timely, and accessible. Carbon Mapper aims to maximize our resources, including grant funding, while funding partners for the cost of delivering results efficiently, supported by open and honest dialogue about the resources required. We welcome partners to contact Carbon Mapper if they have questions about this policy. Our finance team can help clarify appropriate treatment of costs under this policy.

Definitions

Direct Costs	Direct costs are the expenses required to execute work that is directly attributable and can be reasonably allocated to the project. Program staff salaries/fringe, travel expenses, materials, and consultants required to execute the grant are examples. Costs that would not be incurred if the grant did not exist are often indicative of direct costs.
Indirect Costs	Indirect costs are general overhead and administration expenses that support the entire operations of a grantee and that may be shared across projects. Examples include facilities expenses, e.g. rent, utilities, equipment for the grantee's headquarters, and associated information systems and support and administrative staff such as HR, general finance, accounting, IT, and legal. Expenses that would be incurred regardless of whether the grant is funded are often indicative of indirect costs. While these costs may not be directly attributable to a project, they are real and necessary to operate as an organization.
Indirect Cost Rate	Rate applied to Direct Costs meant to recover an organization's Indirect Costs.

Maximum Indirect Cost Rates

The maximum rate that Carbon Mapper will accept in Grant Proposals is 15%.



Application

The rate provided above is the maximum rate allowed under this policy. A grantee or contractor with an actual indirect cost rate lower than the maximum rate provided above should not increase the funding request to the maximum allowed. The intent is to sufficiently fund actual indirect costs, not to generate financial surpluses for grantees.

The indirect cost rate awarded in a grant budget may vary up to the maximum percentage depending on factors including, but not limited to, cost structure of the grantee, the type of project, level of administrative effort required, and extent of subawards or commodity purchases.

We seek consistency across funding mechanisms and thus we reserve the right to apply this philosophy and policy to contracts.

We reserve the right to request substantiation of any grantee's indirect cost rate(s).